

Wake-up call for a stale relationship

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Australia's relationship with Indonesia must rank as one of our greatest foreign policy failures. Our politicians treat a country with a population 10 times the size of Australia's as though it is a miscreant Pacific atoll. Our business people ignore it to the point we do 50 per cent more trade with minuscule New Zealand.

And even though Australians can't get enough of Bali, poll after poll shows general attitudes towards Indonesians are stuck in a time warp. However, a new Lowy Institute survey conducted across Indonesia raises serious questions about whether these long-held stereotypes need to be reassessed.

It is incredible that Australian politicians are able to get away with treating a country as critical to Australia's future prosperity as Indonesia with such reckless abandon. Illustrative examples include the government's panicked response to the documentary about cruelty in abattoirs, ending all shipments of live cattle to Indonesia (never mind similar cruelty was later unearthed in an Australian slaughterhouse). Or the opposition announcement it would turn back all asylum-seeker boats to Indonesia. In neither case were Indonesia or Australian diplomats in Jakarta consulted.

This is patronising, short-term thinking. For a start, Indonesia is no joke. After years of rapid economic growth, its economy is already larger than Australia's in purchasing power terms. With a population of more than 230 million people and gross domestic product growth averaging about 6 per cent in the past few years, that gap is destined only to widen.

Despite a remarkably smooth democratic transition and a pro-Australian President in Indonesia, Australian political leaders have failed spectacularly to capitalise and set the relationship on a more propitious course. As Indonesia increasingly dwarfs Australia in economic size and global heft, and perhaps elects a leader less favourably disposed towards us, we may regret this.

Unfortunately, business and people-to-people ties are possibly worse. Indonesia can be a tough place to do business, but this doesn't stop trade with other equally challenging places such as China, which subject Australian executives to secret trials. This is not to suggest Australian businesses should be forced to trade with Indonesia, just that it is odd we are so underdone in a country right on our doorstep set to become one of the world's largest economies.

At a personal level, we all adore its beaches but cannot seem to look beyond the mental caricature of Indonesians as Islamic extremists or cruel cow slaughterers.

For their part, Indonesians seem to be moving on from the past and challenging many assumptions about them in the process. For a start, they like Australia and Australians.

Of 21 countries included in the Lowy Institute poll conducted across Indonesia, Australia was the fourth most warmly regarded, moving from a lukewarm 51 recorded in the 2006 poll to a warm 62. Of nine foreign countries, overall Australia was the second most trusted to act responsibly in the world. A large majority (91 per cent) of Indonesians also view Australia as an advanced economy, a good place to study (89 per cent) and as having attractive values (69 per cent). Indonesians are also economically progressive and outward-looking. A large majority (79 per cent) is optimistic about Indonesia's global economic performance in the next five years, an increasing proportion (67 per cent) say globalisation is good and a remarkable proportion favour sovereign foreign investment in Indonesian companies.

Like Australians, many Indonesians are wary about China's rise, with 56 per cent saying it is likely China will be a military threat to Indonesia in the next 20 years. When this same question was asked of Australians last year, 44 per cent said this was likely.

Relations with the US also appear on the mend. Seventy-two per cent of Indonesians trust the US somewhat or a great deal to act responsibly in the world, up 40 points since 2006. And the US is even more warmly regarded than Australia. A big majority (88 per cent) of Indonesians also reject, always, the suicide bombing attacks that have occurred in Indonesia.

It is not all good news. Presented with a range of hypothetical policy options, 15 per cent expressed support for a boycott of Australian products and 12 per cent are in favour of the Indonesian government encouraging militant groups to attack Australia. This minority of extreme anti-Australian sentiment will continue to be of great concern to Indonesian and Australian policymakers alike, but it is not a good reason to jettison the relationship and with it fundamental Australian interests in a stable, democratic, economically thriving Indonesia favourably disposed towards its southern neighbour.

The opportunity presented by Susilo Bambang Yudhoyono's pro-Australian Presidency, which will come to an end in 2014, has almost been lost, but the need to turn the relationship around is no less critical to Australia. These poll findings are a wake-up call, a reminder Indonesia is ready for a rich, contemporary relationship. The question is, are we?

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The institute's Indonesia Poll 2012 : *Shattering Stereotypes, Public Opinion and Foreign Policy*, is being released today