The authors' views are their own and do not represent the official position of the Institute of Defence and Strategic Studies of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced with prior permission from RSIS and due recognition to the authors and RSIS. Please email to Editor IDSS Paper at RSISPublications@ntu.edu.sg.

No. 088/2024 dated 29 October 2024

Indonesia and BRICS: Will It Stack Together?

Yohanes Sulaiman

SYNOPSIS

Yohanes Sulaiman argues that Indonesia's recent announcement seeking membership in BRICS should not be seen as a radical departure in Indonesia's foreign policy under President Prabowo Subianto. Rather, it is an attempt to maintain strategic ambiguity to not be dragged into conflicts between the United States and China.

COMMENTARY

On 24 October 2024, while attending the BRICS summit in Kazan, Russia, Indonesian Foreign Minister Sugiono declared that Indonesia is planning to seek BRICS membership. In seeking the membership, Sugiono <u>argues</u> that BRICS "can become a vehicle to promote the interests of the 'Global South'." He, however, stressed that Jakarta is not taking sides, as Jakarta "will continue to engage with other forums and advanced economies." Sugiono's statement came shortly after it was reported that <u>Indonesia is among the group's new partner countries</u>, alongside three other Southeast Asian nations — Malaysia, Thailand, and Vietnam.

There are many reasons why Indonesia wants to join BRICS, but that will not change Indonesia's foreign policy orientation at all. In fact, there are many downsides to Indonesia joining BRICS and may disadvantage newly inaugurated President Prabowo Subianto's foreign policy goals.

Why BRICS?

BRICS is a loose bloc of states that seeks to build <u>an alternative to the dominance of Western nations in major multilateral institutions</u>. It has no specific entry requirements. Any country is allowed to join <u>as long as it is approved by all of its members</u>. Over the past few years, it has grown in popularity among emerging nations in the Global South,

since many of them see BRICS as a credible alternative to the current Western dominated global order.

Not surprisingly, Prabowo may be tempted to join BRICS. Previously, he has expressed his desire for Indonesia to be the leader of the Global South multiple times. During the third-presidential debate on 7 January 2024, he declared that Indonesia could become the leader of Global South, considering Indonesia's achievements: low inflation, good economic growth, and responsible state budget. BRICS is a good fit for Prabowo's ambition given its attractiveness to other Global South nations in Asia, Africa, and Latin America. As John Naisbitt once remarked, "leadership involves finding a parade and getting in front of it."

In addition, considering BRICS' very low barrier of entry, Indonesia has to only formally express its interest to join the group. Unlike <u>OECD</u>, there are no trade, finance, governance, or environmental standards that new members are required to implement and no binding agreements that states have to follow. By joining BRICS, Prabowo could signal Indonesia's *independent and active* foreign policy, and its willingness to work with everyone without incurring significant cost.



The 16th BRICS summit was held in Kazan, Russia, from 22 to 24 October 2024. By sending his foreign minister to the BRICS summit, Indonesian President Prabowo Subianto is signalling that there is a new leader in town, and he is open for business.

Image by MEAphotogallery on Flickr.

But Why BRICS?

While joining BRICS may be easy, there is no clear advantage for Indonesia other than self-posturing. There is <u>no clear common interest</u> that unites BRICS other than *potential* economic gain in the future and the vague notion of being an alternative to the Western-dominated international order.

In fact, even though BRICS is positioning itself as an alternative to the West-dominated global order, in reality, China dominates the bloc economically. Most intra-trade between members of BRICS came from <u>trade between BRICS members and China</u>, while trade between other members remains extremely low.

Moreover, at this point, BRICS is a collection of states with <u>economic problems</u>. Russia's economy is in shambles thanks to West-led embargoes and its war in Ukraine. Both Brazil's and South Africa's economies are not in a good shape due to corruption and collapsing state capacity. Even China is <u>experiencing collapsing domestic demand and economic problems</u> that led it to dump its excess products at cut-rate price all over the world, including Indonesia. And for all the talk about the Renminbi replacing the US Dollar as a reserve currency, it will not happen unless either China is willing to make the Renminbi fully convertible or China will <u>keep the dollar reserve</u> to ensure that other countries will be willing to hold the Renminbi, and thus defeat the idea of replacing the dollar in the first place.

As a result, it is not clear what benefits Indonesia will receive by joining BRICS. China has already been Indonesia's <u>biggest trade partner</u>. It is doubtful that China will actually give any more economic benefits to Indonesia for joining BRICS. By joining BRICS, Indonesia may actually get dragged into messy great power conflicts with no economic advantages — at least in the short-term.

In addition, it is very doubtful that Prabowo did not realise that Indonesia may risk incurring the ire from Washington and other Western capitals while getting no benefits in return, especially with the possibility of Donald Trump becoming president in January 2025. Regardless of Sugiono's statement that joining BRICS is simply another manifestation of Indonesia's independent and active foreign policy, to the United States and other Western nations, joining BRICS could be seen as a signal that Prabowo is picking sides, considering Prabowo himself as a minister of defense already advocated a plan to end the war in Ukraine that is seen as favourable to Russia.

Prabowo's Lack of Attendance

Nonetheless, the fact that Prabowo sent the new Foreign Minister Sugiono instead of attending the BRICS summit himself speaks volumes. It seems Prabowo finds it far more important to join his newly appointed cabinet in a <u>bootcamp in Magelang</u> than attending the BRICS summit in person.

In contrast, other countries were <u>sending their head of state or heads of governments</u> to attend the summit. As its host, Russian President Vladimir Putin attended the conference in person. Other leaders present included Chinese Premier Xi Jinping, Egyptian President Abdel Fattah El-Sisi, Ethiopian Prime Minister Abiy Ahmed, Indian Prime Minister Narendra Modi, Iranian President Masoud Pezeshkian, South African President Cyril Ramaphosa, Turkish President Recep Tayyip Erdogan, United Arab Emirates President Sheikh Mohamed bin Zayed Al Nahyan, and Venezuelan President Nicolas Maduro. Other than Indonesia, only Brazil sent their foreign minister to attend the summit, and it was due to a <u>head injury</u> that necessitated President Luiz Inacio Lula da Silva to join the meeting via videoconference.

While Joko Widodo, the former president of Indonesia, is notorious for his <u>frequent absences</u> in various international meetings and his preference for domestic instead of foreign policy, he still spent some time <u>attending the G20 Summits</u> back in 2014 and later in 2022. Prabowo, in contrast, never shows hesitance in attending international summits — as seen with his attendance at the <u>Shangri-La Dialogue</u> within the past two years and the <u>Qatar Economic Forum</u> this year.

To put it bluntly, in a society where face and showing up are important, Prabowo's absence from this year's BRICS summit is not insignificant. Rather, this is more of a signal to Washington and other Western capitals that despite Indonesia joining BRICS, there will not be any changes in Indonesia's overall foreign policy. In fact, Indonesia is still willing to work with the West to accommodate their interest.

Conclusion

The most likely explanation for Indonesia expressing an interest to join BRICS, is that Prabowo simply wants to have more cards to negotiate with the West, and that this is just a <u>transactional bargain with the West</u>.

It is highly possible that Prabowo wants to send a signal to the West that it should not take his <u>"good neighbour" foreign policy</u> for granted. By sending his foreign minister to the BRICS summit, Prabowo is signalling to the West that there is a new leader in town, and he is open for business.

In summary, Indonesia's foreign policy under Prabowo will be far more active than under his predecessor, but at the same time, Prabowo will still try to maintain a good relationship with Washington, Beijing, Moscow, and other Western capitals. As a result, Indonesia's foreign policy will remain taking the path of strategic ambiguity, that it is willing to work with everyone, but at the same time unwilling to commit to any side fully.

Yohanes Sulaiman is an Associate Professor of International Relations at Universitas Jenderal Achmad Yani, Indonesia and Non-Resident Fellow at the National Bureau of Asian Research, USA.