



Indonesia's Heavy Strategic Hedging amid a Polarised World

Iis Gindarsah



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.

Indonesia's Heavy Strategic Hedging amid a Polarised World

Iis Gindarsah



Jakarta is not abandoning its non-alignment position but is substantively shifting its strategic hedging from a light, balanced approach towards a heavier, multi-vector posture.

Image source: Unsplash

KEY TAKEAWAYS

- The world is moving away from unipolarity towards a fractured international order characterised by incomplete geopolitical transition, decoupling technological ecosystems and weaponised economic interdependence.

• President Prabowo Subianto has recalibrated the application of Indonesia’s long-standing “free and active” *foreign policy doctrine* by incorporating a “heavy” – more securitised and more geographically distributed – hedging strategy than his predecessors’ approaches.

COMMENTARY

International politics has never looked more tense and volatile since the end of the Cold War than it does today. Normatively, the Indonesian government keeps invoking the so-called *bebas aktif* or strategic autonomy doctrine at every major foreign policy juncture. However, unlike previous presidents – who primarily used the doctrine as a shield against entrapment – President Prabowo Subianto exploits it as a permission structure for simultaneous engagements with competing powers.

Critics assess that this Prabowo-style foreign policy risks Indonesia wearing down either its geopolitical [neutrality](#) or diplomatic [relevance](#) in global affairs. Conversely, this paper argues that Jakarta is not abandoning its non-alignment position but is substantively shifting its strategic hedging from a light, balanced approach towards a heavier, multi-vector posture.

Evolving Hedging Frameworks

Conceptually, hedging behaviour can be [clustered](#) into “heavy hedgers” and “light hedgers”, based on the different degrees of emphasis on either risk-contingency measures (indirect balancing, dominance denial) or returns-maximising options (economic pragmatism, binding engagement, limited bandwagoning). Given the high stakes and high uncertainty of great power relations, the heavier variants of hedging are more inclined to cultivate a balance of power politically through diplomatic instruments and by promoting defence and security partnerships.

The signature of Prabowo’s recalibrated Indonesian foreign policy is instantly visible in the rate and diversity of new bilateral instruments. Across 38 umbrella agreements tracked over the past 30 years, six were signed in 2025–2026 alone compared with an average of 1.6 per year under President Joko Widodo (“Jokowi”)’s term and 1.1 per year during the term of President Susilo Bambang Yudhoyono (“SBY”). These six newly signed agreements cover all policy domains – economic, political and security.

Table 1: Prabowo and His Predecessors’ Varied Hedge Postures

Period/ Hedge Posture	Risk Contingency		Returns Maximising		
	Indirect Balancing	Dominance denial	Economic Pragmatism	Binding Engage- ment	Limited Band- wagoning
SBY (2004– 2014) Lighter hedge	Medium (Lombok Security Treaty with Australia, Russian arms imports)	Medium (ASEAN- centric)	High (ACFTA, IJEPA)	High (CSP with China, SP with Japan)	Medium (BRI early engagement)
Jokowi (2015– 2024) Balanced hedge	Medium (ASEX-01 Natuna exercise, ¹ CSP with Australia)	High (ASEAN Indo-Pacific Outlook)	High (BRI deep participation, RCEP)	High (CSP with USA, Japan)	Medium (calibrated deference to China)
Prabowo (2024– present) Heavier hedge	High (MDCP, Jakarta Treaty with Australia, Turkish/ European arms surge)	High (BRICS, blanket overflights declined)	High (Reciprocal Tariffs Agreement with USA, Biak spaceport, CEPA surge)	High (four CSP upgrades in less than 24 months)	Medium (joint statement with Chinese President Xi Jinping, calibrated deference to US President Donald Trump)

¹ ASEX = ASEAN Solidarity Exercise, a [first-ever joint ASEAN-only exercise](#), focused on humanitarian and disaster relief, in the South Natuna Sea – shifted from the North when Cambodia objected that the location risked provoking China.

Legend. ACFTA = ASEAN-China Free Trade Agreement; IJEPA = Indonesia-Japan Economic Partnership Agreement; CSP = Comprehensive Strategic Partnership; SP = Strategic Partnership; BRI = Belt and Road Initiative; RCEP = Regional Comprehensive Economic Partnership; MDCP = Major Defence Cooperation Partnership.

Table 1 illustrates the patterns of strategic hedging under three Indonesian administrations. Yudhoyono hedged prudently, with a focus on economic pragmatism and binding engagement. Under Jokowi, hedging expanded but remained limited. Prabowo retains all operational hedging measures but places greater weight on the risk-contingency cluster – primarily through defence partnership upgrades and arms procurements.

Prabowo-style Heavy Hedging

Table 2 represents a unique trait of Prabowo’s strategic hedging: every Western-oriented instrument has been systematically paired with a non-Western counterweight. Rather than drifting towards alignment, his hedging posture shows a disciplined effort to preserve Indonesian autonomy through equidistance with all rival powers. Hence, these pairings are not contradictions to be resolved; they are the policy.

Table 2. Prabowo’s Heavy Hedging

Engagement Act	Offsetting Act	Timing
Major Defence Cooperation Partnership with USA	Prabowo meets Russian President Putin in Moscow	April 2026
Agreement on Reciprocal Trade with USA; joining US-led "Board of Peace"	BRICS full membership; continued Belt and Road projects	2025–2026
Biak spaceport cooperation with Russia's Roscosmos	Rejection of reported basing of Russian bombers at Manuhua airbase	April 2025
Jakarta Treaty on Common Security with Australia; Morotai training facility proposal with Australia	Foreign Ministry's "urgent-and-confidential warning" against US blanket overflights	March–April 2026

Secondly, Indonesia's latest weapons procurements and defence diplomacy further reinforce Prabowo's heavier hedging footprint. According to arms transfer records maintained by [SIPRI](#), from late 2024 to 2025, the country has signed major arms acquisition contracts with seven different supplying nations – namely Turkey, Italy, France, the United Kingdom, Germany, the United Arab Emirates and Japan.

Jakarta's arms import portfolio interestingly excludes Beijing and Moscow, despite Prabowo's elevation of political ties with both powers. This is also hedging in practice: in the security domain Jakarta pursues indirect balancing measures – buying weapons from Turkish and Western suppliers – while in the diplomatic domain it pursues limited bandwagoning and binding engagements such as acceding to the BRICS bloc and proposing a [joint development](#) initiative with China to develop "areas of overlapping claims".

Moreover, based on the [Military Balance+](#) database of the International Institute for Strategic Studies (IISS), Indonesia has significantly increased its participation in joint military exercises: from an average of 4.8 exercises per year between 2018 and 2023, it participated in 13.5 exercises per year in 2024 and 2025. Prabowo-era defence diplomacy architecture is increasingly omnidirectional, with a total of 27 joint military exercises involving partners spanning from Washington and Canberra to Singapore, Seoul, Paris and New Delhi. This multi-vector exercise strategy is aimed at cultivating operational interoperability with strategic partners without any formal alliance.

Structural Driver, Geostrategic Enabler of Heavier Hedge

A fractured and volatile international order has been the key driving factor behind Prabowo's heavy hedging posture. Peace between Russia and Ukraine remains elusive; the Israel-Hamas and US-Iran conflicts have practically reordered the Middle East; the second Trump administration has escalated its trade war to a new level, impacting over a hundred economies; and Beijing and Washington have entered a ["parity zone"](#) – a term drawn from the seminal work of A.F.K. Organski – where the likelihood of hegemonic war is peaking.

Combine these global trends with Indonesia's strategic dilemma: a United States that simultaneously signs a [Major Defence Cooperation Partnership](#) and imposes [19% reciprocal tariffs](#); a China that is the country's largest trading partner but asserts itself in the North Natuna Sea; and a Russia that is economically marginal but

diplomatically persistent. From a *realpolitik* perspective, the Prabowo administration must hedge more heavily to navigate an environment in which no power bloc can be either a reliable ally or a pure threat.

Another factor enabling Jakarta's heavier hedge is its "archipelagic sea lanes" (ASL). Every major power – Washington, transiting between Guam, Diego Garcia and northern Australia; Beijing, seeking an alternative to the Malacca Strait; Moscow, seeking long-range aviation reach – requires good relations with Indonesia to operate in the Indo-Pacific.

Under UNCLOS (the United Nations Convention on the Law of the Sea), Indonesia exercises sovereignty over archipelagic waters but balances this legal right by designating specific maritime corridors for continuous and expeditious passage of foreign vessels and aircraft through these routes. The Indonesian Government Regulation [No. 37/2002](#) further vests Jakarta with fine-grained regulatory powers – including the right to prohibit military exercises, nuclear dumping and unauthorised hydrographic surveys during transit – over the country's three ASLs. These provisions are seen as leverage instruments that enable Indonesia to extract diplomatic gains but also prevent it from aligning directly with any one geopolitical bloc.

Interestingly, Jakarta may be utilising areas adjacent to Indonesia's north-south maritime corridors as an instrument of distributed geostrategic access. Jakarta's recent strategic initiatives with Beijing (joint development in [North Natuna Sea/ASL 1](#)), Canberra (military training facility in North Maluku's [Morotai/ASL 3](#)), Moscow ([Biak](#) spaceport/ASL 3) and Washington (coastguard training centre in [Batam/ASL 1A](#) and maintenance, repair and overhaul facility for C-130 aircrafts in [Majalengka/ASL 1](#)) showcase that the incumbent administration tacitly seeks to tier the country's maritime access – from transit passage and bilateral arrangements to operational cooperation – and offer such access differentially across partners without crossing the *bebas-aktif* red lines or the doctrine's prohibition on foreign bases.

The International Maritime Organization recognises Indonesia's three ASLs; the choice of cooperation with partners is perhaps the manifestation of Indonesia's architectural bias towards hedging. The vulnerabilities of critical chokepoints and geopolitical interests in maritime access will constantly force Jakarta to calibrate its approach to the major powers.

Food for Thought

Make no mistake: a heavier hedge entails higher risks. Two hazards deserve closer attention. First, heavy hedging raises coordination costs for the Indonesian bureaucracy. The reported [divergence](#) between Indonesia's Foreign Ministry and its Defence Ministry over the United States' blanket overflights proposal suggests that the multi-vector foreign policy architecture may strain the institutional capacity to manage it.

Second, and possibly most consequential, the same uncertainty that justifies a heavier hedge could instead escalate into terminal conditions that will end the

hedging strategy – either a clear US retreat, prompting Indonesia towards bandwagoning with Beijing, or a comprehensive threat from China, triggering an open balancing policy by aligning with Washington. This also calls for Jakarta to have the diplomatic bandwidth to sustain the layered contradictions that heavy hedging demands.

Hedging is not a panacea. Without adequate institutional capacity, Indonesia's heavier hedging portfolio will be more of a transitional posture than a coherent strategic choice before a polarised world forces the country to make clearer decisions.

As they say, uncertainty is cheap only before the bill is due.

***lis Gindarsah** is a Research Fellow with the Indonesia Programme at the Institute of Defence and Strategic Studies (IDSS), S. Rajaratnam School of International Studies (RSIS). He used to serve as a Senior Advisor at Laboratorium Indonesia 2045 (LAB 45), a Jakarta-based think tank focusing on strategic foresight.*

Please share this publication with your friends. They can subscribe to RSIS publications by scanning the QR Code below.

