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**H.E. Dr. Dino Patti Djalal**  
Ambassador of Indonesia to the United States

***A Conversation on Indonesia's Foreign and Economic Policies***

**Patricia Ellis:** Good evening, everyone. Thank you all so much for joining us—and Ambassador Dino Patti Djalal and his wonderful wife Rosa, who has been an active participant in Women's Foreign Policy Group activities—for this Embassy Series program on Indonesia's Foreign and Economic Policies. On behalf of WFPG and our board members who are here—Carolyn Brehm, Dawn Calabria, Brigitte Gwyn, Sarah Kahn, Gail Kitch, and Diana Negrofonte—we want to welcome everyone and once again thank the Ambassador and his wife for their very warm and wonderful hospitality in this beautiful embassy. I just wanted to mention that the proceeds from this evening all go to our mentoring program, which is encouraging the next generation of women leaders; I know youth is a very important issue for the Ambassador and so he would certainly be supportive of that. I'd also like to recognize members of the Corporate Advisory Council who are here: DLA Piper, Kellogg, Procter & Gamble, and CH2M Hill.

I'm Patricia Ellis. I'm President of the Women's Foreign Policy Group. We promote women's leadership and women's voices on pressing international issues of the day, and Indonesia is certainly a country that has many issues of great interest today. So, it's now my great pleasure to introduce the Ambassador.

In your program book you have his full bio, so I'm just going to give you some highlights of his very impressive career. He has been Ambassador to the US since September 2010; he's a career diplomat; he joined the Foreign Ministry in 1987; he's served in the UK, East Timor, and, of course, the US; he was Director for North and Central American Affairs; and for six years prior to coming to the US he was Presidential Spokesman and Advisor for Foreign Affairs for the President. As Ambassador, he is very active. He's known for being very active on Twitter and things like that, but his other activities have included—he founded and organized the First World Congress for Indonesian Diaspora, he has of course advanced the Comprehensive Partnership between the US and Indonesia, and he worked on Forestry-11, which is a very interesting group of tropical rainforest countries that have joined together to defend their interests on climate change. He's also an accomplished author, but his great passion, as I mentioned, is youth. He's formed some important organizations on youth and certainly this is an issue near and dear to the heart of the Women's Foreign Policy Group.

So, after the Ambassador makes some remarks, then I'm going to open up the discussion with some questions, and then we'll go to the audience, and we look forward to a lively discussion. So please join me in welcoming Ambassador Djalal. [*Applause.*]

**H.E. Dr. Dino Patti Djalal:** Thank you, Patricia, for those very kind words, and I want to welcome all of you today to the Indonesian Embassy, especially a couple names: Ambassador John Negrofonte, thank you for coming here with your wife. Ambassador Abdallah, an old friend from Indonesia, Ambassador from Algiers, I think twenty years ago—you still look exactly like that. [*Laughter.*] And I want to thank Patricia, who's working with my wife Rosa to organize this event, and also thank Adam from the Political Section, who also coordinated this event. I want to thank—there are so many names and so many faces that are so familiar, and I want to say thank you for coming here today.

Today I want to talk a little bit about Indonesia's democracy and foreign policy. I know there's reference to economic policy, but I've been talking about economics every day for the last two weeks, so I hope you don't mind if I stress more on the democracy and foreign policy part of this. I think it might be slightly more interesting. But first I want to commend Women's Foreign Policy Group for your activities. You are very well spoken [of] in this town, and I am so glad that we are finally able to do this. And I'm obliged to say a little bit about my background, and that is the fact that I come from a tribe in Indonesia which is very unique in that it is the only matriarchal tribe in Indonesia, and one of the very few in Asia. This means that the village where I come from is ruled by women. It is the women who propose to men—no kidding [*Laughter.*—and the man adopts the woman's last name when he marries her after being proposed [to] by her. He joins the household, and the society and the family is led by women, so it's quite interesting. But also, for some reason, even though we've had authoritarian governments, that village, that society, which is called the Minang, has always been known to be the most democratic society in Indonesia. No matter what government is at the national level, the women always stress consensus, and listening to everybody, and so on, so perhaps there is something in the nature of women that encourages democracy.

Indonesia has been a democracy since 1999, and in many ways we have to catch up with the United States. But there is one aspect where we have surpassed the United States in terms of democratic development, and this one aspect where America needs to catch up with Indonesia is the fact that, after only two years of being a democracy, we already had one president who was female, and also one female vice president, so we beat you on this. [*Applause.*] And we also have a law now that says 30% of all elected politicians have to—sorry, 30% of nominees for legislators submitted by the political parties—have to be women, so that is also something very new. In fact, I was talking to a politician today, and he says that it's quite amazing how some political parties are exceeding the number of women that they are nominating, that some are going to 35-40% and so on. So that is a very good development in terms of Indonesia's democracy.

Our democracy has not been very easy, as you know. We are the last country to democratize in the 20th century. People said we are the last country in the "third wave" of democratic transitions that swept the world in the second half of the 20th century, and at this time now we can confidently say that Indonesia's democracy has achieved a point of no return. The prospect of a military coup in Indonesia is close to zero—knock on wood—and when we see what is happening in the Middle East, we say, "Look, it is very similar to what happened in Indonesia," and this is what I want to talk about. What are some of the lessons from Indonesia on the democratic developments in the Middle East? Let me share with you five or six lessons from Indonesia that might be useful for democratic developments in the Middle East, and these lessons are strictly based on what we experienced, starting from 1998.

First, from our experience, it was very important to get the first elections right. We didn't get the first elections right in 1999, in the sense that the party that won the most votes, which is PDIP, it turned out that the leader of that party did not become president. In fact, somebody else became president, which was President Wahid. This was due to some anomalies or discrepancies in the selection procedures for national leaderships. So in our system, you elect the parliamentarians and the parliamentarians would elect the president. So even though a party with the largest votes—if there was a party with the largest votes—but then it became completely different when it comes to selecting the president. So, we spent a lot of time trying to fix that. For about two or three years in Indonesia, we were punching through a constitutional and political crisis because we didn't get the first elections right, and we wasted a lot of energy: political energy, social, and economic. There was a time when our economy contracted by 13%. Minus 13%. It was not an easy time, and finally we got the elections right after that. The elections in 2004, we got it right, the elections in 2009, we got it right again. But the first lesson is: always get the first elections right to get democracy on the right footing.

The second lesson that we had was to embrace and co-opt the power-holders from the past. This was a very difficult decision. This wasn't very easy because there were a lot of people who said, "Look,

these guys messed it up for the country. Why do they have a right in our future?" There were calls to disband the ruling party, which was Golkar. There were various emotional and political debates, and so on and so on. But our instinct was not to go along with that. Our instinct was to embrace Golkar, the ruling party, and ask them to compete in open elections, and also ask the military to get out of politics. But we embraced them; we asked them to support political reforms. We also asked the Islamic groups to support the new democratic setup, which they did. But in the end, it was the right strategy. It was quite difficult to do in the beginning, getting everybody to get along, but our ability to embrace and co-opt the previous power-holders gave the system stability during the transition that followed. But perhaps I should—the most critical part is getting the military on board. This is something that we saw in Myanmar as well. Maybe the political reforms that we see now in Myanmar would not happen unless the military—not just gave the green light, but are able to take some risks and push the reforms forward. We're quite pleased with the momentum of [the] political reforms that are now taking place in Myanmar, and I think there is some parallel with what happened in Indonesia.

The third lesson that I think is relevant from Indonesia's case is that you must focus on building the system when you change into a democratic setup. Now this is relevant to us because, as happened in [the] Arab Spring countries as well, for so many years the political system relied on strong personalities—President Sukarno, in our case, the founder of modern Indonesia. He ruled for about 25, 26 years. President Suharto, after that, ruled for about 30 years or so. When they crumbled, the whole system crumbled with them, because the whole system gravitated around the strength of their personality. So we realized that you can't have democracy based on strong personalities. You have to have strong institutions and strong systems. This is what we did starting from 1999, after the elections: we built strong systems and strong institutions, [and] rule of law. There were times that my president, the current president, had to resist the temptation of getting more power. I remember when I was his spokesman. We had a conversation and I asked him, "What do you think is the secret of the success of our democracy? No coup, regular elections every five years, stable growth, a solid system?" And he said that the reason was, "Whenever I had the chance to expand my powers, I said no. I said I had to step back or restrain [myself] and observe my boundaries, and give more space to democracy." It's that kind of statesmanship that was quite important, according to him, in solidifying our democratic transition. I can say now that my president will leave office in 2014 because he only has two terms, but when he leaves office the country will go on, the system will go on, because it's not dependent on him. We already have a clear set of rules for guiding Indonesia.

The fourth lesson from Indonesia is we never, despite temptations, compromised democracy and human rights to address security issues. In our system, especially after 2001, after 9/11, we had the Bali bomb, we found out we have a serious terrorist movement in Indonesia, and they kept doing attacks, and we realized that they were much bigger than we thought. But what happened was, we said, "We're going to go strong against the terrorists, but never at the expense of—never in a way that makes us go back to the past: strong governments, trampling of rights." So it was a conscious decision for us to try to achieve both: promote democracy and human rights, and fight terrorism. And we've had some losses. But we resisted, because we did not want to compromise, and as a result, today Indonesia has both a strong democracy but also a very good anti-terrorism record. I think we have hundreds of terrorists that are in jail now, and one of the best law-enforcement records in Asia, if not the world.

The next lesson that we had was in how to advance reforms. In our case, we had to reform because we had the crisis. The crisis produced such economic suffering and social instability that people said, "We have to change. Change is a must." Now after about three or four years, the economy returned to normalcy, so the drive for reform became less: "Hey, crisis is gone, why the reform? Let's take it easy." Now it was very important that we have another fuel to drive reform, and that fuel was leadership. There was a time, I think around 2004, where we felt reform was slacking, and this is when we had the elections, and the president—and Yudhoyono—took over, and he provided the new impetus to advance reform and keep it in the right momentum. So it's very important to remember that reform can lose steam, especially after the crisis is gone, and you need other ways to keep it moving forward.

But in our case, also, one thing that we wish we could have done differently: the reformers were scattered for a long time. You had a lot of people who were reformers, but they competed with one another, and they did not act in a coherent way, and that had the effect of slowing down our reforms. A lot of times, a lot of the strategic posts in government were not manned by or occupied by people who are reformers, and that had the effect of slowing down reforms as well. I think one of the lessons is that, if you want to promote reforms, you can't count on everybody being a reformer in the government. But it is important that in key strategic posts, you have people who are reform-oriented. It is also important to remember that when we reform, a lot of people call themselves reformers, but there are different types of reformers. There were real reformers, but there were also closet reformers. There were temporary reformers, people who actually do not believe in democracy and democratizing reforms but they behave as if they do, and this created some complications. It is very difficult to differentiate, to spot who's who, but it was quite interesting to see how the dynamics between these different types of reformers affected the pace of reforms in Indonesia.

It was important also, from our experience, that once you set yourself on a democratic transition, [you] take it as far as you can, as fast as you can. I think what we did was, after about four or five years, we achieved a condition whereby democracy has become irreversible; we achieved a condition whereby people do not talk about going back to the past anymore. During the elections, there were a lot of nostalgics, people who were saying, "Look, the Suharto days were better, people were fed, politics was stable," and so on and so on. But because we took reforms so fast, and so far, we achieved a point of no return in about, I would say, four to five years. As I see what is going on in the Arab Spring countries, their challenge is also to take reforms as far as possible, as fast as possible, so that it is quite difficult to reverse the process. Now, we were lucky, because we had a very strong transition figure in President Habibie. This is very interesting, because President Habibie, before the elections in 1999, did not have the mandate; he was just there accidentally, by way of historical accident. He was the vice president when President Suharto stepped down, so he took over and became president, and people thought he would not win, because he didn't have the electoral mandate. He's a scientist, not a politician, and what could he do? But, in fact, in one and a half years, he proved himself to be one of the boldest reformers among the Indonesian presidents, if not the boldest. He gave way to a referendum in East Timor. No other Indonesian leader would dare do that. He scrapped all repressive laws. He liberalized the rules for political parties, he allowed total freedom for political parties to mushroom, and so on and so on. In the end, after he achieved all that, he decided not to run for president a second time. So it was quite remarkable, what he did, and it only proves that a strong transition figure can make all the difference in terms of democratic development.

But one issue that kept coming back was corruption. Corruption was an issue that brought Suharto down, and it was a big issue in every election. We've made some important progress, but we also faltered and had a number of setbacks. Now we can say that corruption is still a big problem in Indonesia and it's bound to be a big issue in 2014. The one lesson about corruption is you always have to keep the top clean. This is what my president believes. If the top is tainted, then the whole system believes that they can get away with it as well, and the whole fight against corruption crumbles. But we believe that it will take about 10-15 years for Indonesia to make corruption an exception, rather than a rule. There has to be a sustained anti-corruption campaign.

Two other lessons that we've been able to achieve: one is we've been able to combine democracy and development in Indonesia. In the '70s or '80s, it was widely thought that you cannot have both in political systems in Asia and in other regions, that you have to choose: either you have a lot of democracy and little growth, a lot of freedom but at the expense of low economic growth, or the other way around—you can have a lot of economic growth, but you have to suppress political freedom. So you have to choose which path you want, and in our case, in Indonesia, we thought we got on the second column, the other path, which is economic growth but less political freedom, and the thinking was you could not have both. But we have proof in our experience that that is wrong, that in Indonesia's democratic transition, Indonesia could become the strongest democracy in Southeast Asia, the third-

largest democracy in the world, and at the same time reach the second-highest economic growth in Asia, after China. Last year we grew by 6.5%; it's in fact higher than India. So we're proving that you can have democracy and high growth at the same time.

The other lesson is that Indonesia has proved that you can achieve democracy, Islam, and modernity working together, forward, in harmony. I must admit to you that in 1999 I was a bit nervous. I'm a Muslim, but I don't want Indonesia to become an Islamic state, because that's not what Indonesia is all about. Indonesia is a country where Muslims, Christians, Hindus, and Buddhists live together and co-exist. Becoming an Islamic state was something that a lot of people feared. But once we opened up the political system, we did see the proliferation of Islamic parties, quite a lot of them; we had about--dozens of Islamic parties [that] rose. But in every election, between 1999 and 2004 and 2009, Islamic parties all together could not get more than 15%, which means that all of them sobered up and said that the best way for us to compete is to expand our electoral appeal, embrace the Christians, embrace multiculturalism, pluralism, and diversity. So, in Indonesia, in fact, the Islamic political parties have been the strongest proponents of democracy. So rather than wanting to change it, they have become very strong in trying to preserve our democracy. This is why I say that democracy has achieved a point of no return, in the country with the largest Muslim population.

We also broke the myth that once we have a democracy, Indonesia would break apart. I'll tell you when I joined the government in 1986, this is something that they'd keep telling us: that we're not ready for democracy because Indonesia is the most diverse country in the world, ethnically, and if we have democracy--full democracy--then what happened in the Soviet Union, and what happened in Yugoslavia, would happen to Indonesia. Indonesia would break apart into pieces, and we were genuinely scared of that. Well, look at what happened. The Soviet Union, with all the powers it had, did break apart, and so did Yugoslavia, but here, what happened? Completely the other way around. Yes, East Timor seceded from Indonesia, but after that, Indonesia became much more united. We resolved ethnic conflicts--the separatist conflict in Aceh, we still have a problem in Papua but it's manageable--and we launched the most important decentralization ever in our history. We made sure that every governor, every region, every mayor is directly elected by the people, so that in 2004 and 2009 the whole political pyramid turned upside down. Everybody had gotten used to being appointed from the top instead of being directly elected from below. We call this the Quiet Revolution, because hundreds, if not thousands, of elections were held locally, and not a single [act of] violence, not a single payoff. We had some legal disputes, which was normal, but the whole political structure of the country was changed.

So these are some of the lessons that we've been able to learn from Indonesia's democratic experience. It's unique to Indonesia, but I think it also has relevance to other countries. I should say that in terms of how we project our democracy, we have an interesting attitude. We are somewhere between India and the United States. The United States is very active in projecting democracy. This is one of your key foreign policy goals, and you're not very shy in reflecting this in your foreign policy. [Laughter.] You talk to an Indian, the Indian ambassador, they'd say, "Well, we're very proud of our democracy, but projecting it worldwide, exporting it, is not our business." Indonesia is somewhere in the middle. We don't have the strong ideological drive of the United States in exporting or promoting democracies worldwide, but we're not as passive as India. For example, at least two events. One is with Myanmar. Myanmar, obviously, is an issue internationally, and Indonesia paid a lot of attention to political reforms in Myanmar, but we are very careful in not pursuing an in-your-face approach to Myanmar. It was very soft. In fact, my president found the right format, because he found that the Myanmar leadership was quite sensitive about being told about what to do with their democracy by fellow Southeast Asian leaders, and my president sensed that. So what he did was he met with General Than Shwe, and then after that he developed a personal correspondence with the senior general. He sent a letter advising him, as a friend, what he thinks should be done to advance Myanmar's democracy, and surprisingly he got a response, and he said, "Wow, this is probably going somewhere." So he kept writing back, and then he got another response, and he began writing again, and he got another response, and then the conversation became more candid and he was able to say things that

my president would never say in a public forum about Myanmar's democracy. It was more direct, more open, more honest, and maybe more effective because it was direct correspondence and a personal approach, and maybe someday it will be part of history. I'm surprised it hasn't been out in WikiLeaks yet. [*Laughter.*] That is one way, for us, of doing it.

The second one was, when there was a concept of—the question of, how do you promote democracy in the Asia-Pacific region? Prime Minister Nakasone once said of Japan that there was a time when Japan felt alone in the Asia-Pacific, being the only democracy. And there were some ideas. America at the time—I think it was under President Bush—came up with the idea of an Asia-Pacific partnership for democracy. A great idea, right? But then we thought, in our conversations with the United States government, we thought: probably what Asia needs is a different format. One, if it's coming from the United States, and the United States is leading it, you might find resistance from Asians and local Asian governments. Secondly, let's not make it a forum of democracies, where only democracies can join—if you're not a democracy, then you're out. Let's make it a forum *about* democracies. So let's get China in. Let's get Myanmar in. Let's get other countries that, in our traditions, in our definition, theoretically do not qualify as democracies, but get them in and let us share experience without pressuring. It should be a best-practice and lessons-learned and sharing-of-experience format. And this is what we did. We launched this in 2006, while at the same time still supporting the US idea of [an] Asia-Pacific partnership for democracy. But, beyond our expectation, this group, the Bali Democracy Forum, has grown phenomenally, and countries have joined because they feel that if they join they're not going to be attacked, they're not going to be criticized, they're comfortable with that environment, and they can learn from others, which is what we want the forum to be. And this is not going to become a forum where every year at least four or five heads of state come and join, and charitable movements, and, if I'm not mistaken—how many countries take part in it now, Adam? How many countries take part in Bali Democracy Forum?

**Adam Mulawarman:** 80 countries.

**Ambassador Djalal:** About 80 countries from Asia-Pacific take part in this forum, so it's actually gaining a lot of diplomatic and political capital. So, again, it's a soft approach. We use our diplomatic capital and our political capital, we're not imposing on them, and they come to us. It's working quite well. That is, again, an example of how we're trying to be useful in promoting democracy throughout the region.

But before I end, I'd like to say that we have a lot of problems with our democracy. I have no illusions about that. Public trust in institutions is quite low, but the one good statistic says 85% of Indonesians believe that democracy is the right system for them, and that is a very high number. I think any country would take that number any time. But public trust in institutions, the police, in the judiciary, the Parliament—I know you don't have that problem here [*Laughter.*]—and so on is still quite low. The second problem is in the past we had state authoritarianism. So the state was very tough and somewhat repressive towards the society. Now we don't have that anymore. The state doesn't intimidate the people, but now it's been replaced by intimidation of some mass authoritarianism. You have social groups who are rising, and they are trying to impose their wills on others, and so on and so on. You see more and more of that in Indonesia. And the third thing is, money politics is still a problem. Again, we don't know how to eradicate this completely, but almost weekly you have cases of money politics being exposed. And lastly, there is a danger of Indonesian democracy becoming elitist, which means that you have free elections, periodic elections, but the people who are elected to power are becoming more and more marginalized from the people that they represent. Sometimes decisions made by the lawmakers do not reflect the popular will, and politics becomes confined to only a very small, exclusive group, and democracy becomes elitist. But the good news is that our democracy still allows for political compromise and consensus, and it has not led to political paralysis. I'm not sure if this is something that will continue permanently, but so far, our democracy has allowed leaders to make decisions despite a very noisy and loud political environment, and kept us moving forward. The proof is

in the pudding because now we have the second highest-growth economy in Asia. So I'm sorry to be talking a lot, but I'll be happy to take your questions. [Applause.]

**Ellis:** You gave us so much to think about. I had so many questions planned, but I want to go with your lessons. I wanted to ask you—you said you were between the United States and India in terms of democracy...

**Djalal:** Promoting democracy.

**Ellis:** Promoting democracy. I'd like to ask you about promoting the concept of the moderate Muslim state. How much of a responsibility do you feel about doing that? How do you feel that your country might be useful in conflict zones such as the Middle East and other parts of the world?

**Djalal:** One thing that we're worried about now is that we're seeing a fault line being developed in the Islamic world between the Sunnis and the Shiites. We see that this fault line is becoming stronger, particularly in the Middle East. You don't see much of this in Southeast Asia. So we're becoming increasingly concerned about this fault line, and the growing division--and sometimes animosity--between the Sunnis and Shiites. We think this is going to be an important geopolitical development that we all need to address to ensure international security, but I think our asset in our international affairs is the fact that Indonesia is a moderate Muslim-majority country. We have been very active, with the Malaysians as well, in promoting the global movement of moderates, and in fact it's part of the goals of ASEAN, the Association of Southeast Asian Nations.

Of late, my president has been active in promoting peace--what we call Abrahamic unity. What does that mean? We've been very concerned that in the past 1300 years or so, or even more, there has hardly been a century whereby the Jews, the Christians, and the Muslims lived in total peace with one another. Only a few exceptions, but by and large the Jews, Christians, and Muslims have been at odds, and a lot of them in conflict. This is a paradox, because they all come from the same book, right? My president now has been very active in awakening this sense of Abrahamic unity among the Jews, Christians, and the Muslims.

In fact, last year we did something quite interesting, Patricia. We organized a trip where we got 12 American religious leaders of the three Abrahamic religions to Indonesia, and they connected with Indonesia's religious leaders, 12 of them, and then these 24 joined, and the religious leaders from both countries traveled together to Palestine and Israel to meet with the President of Israel and the President of Palestine. That journey had a lot of eye-opening events, but one of the most interesting events was this. There was one guy in the Indonesian delegation who was anti-Semitic. A religious leader, Islamic, had thousands of followers, but he just was anti-Semitic. In his sermons he was always talking anti-Semitic themes. And the reason why he did that? You know, he was a nice guy, but he did that because this is how he was taught by his parents and grandparents; it was something that was inherited in his brain and in his spirituality. So he went on this trip, and then at first he didn't want to talk to the rabbi, he just stayed away from him. He didn't want to shake hands with him, or he didn't want to be anywhere near him. But after a while he started sharing seats with him, sharing meals with him, listening to the rabbi, sitting next to him on airplanes, and so and so on, and then afterwards he started engaging the rabbi, arguing with him and then listening to him, and so on. After about a few weeks, by the time he got to Washington with the whole group, and then they were about to part their own ways, I asked this Indonesian imam, "What do you think about the rabbi?" And he said, "Actually, the rabbi's okay." And then he said he's sent him emails, and he's returned to the United States. So this is when we thought that this kind of journey, getting the Jews, Christians, and Islamic leaders together, does have impact on the ground, so this is [one of the] experiments that we keep working on.

**Ellis:** Two other quick things. Number one: you're going to be chairing the APEC [Asia-Pacific Economic Cooperation] meeting, and you also have emerged as more and more of a leader in the

region. And you happen to have close relations with the Chinese, both militarily and economically, and I'm wondering what kind of a role you might be playing in terms of the South China Sea issue.

My other question relates to the economy. All the multi-nationals are rushing in, but they're still—as you mentioned, you have the challenge of corruption, and, I guess, some regulatory issues. What about youth unemployment? Is that going to help, and also help the growing gap, which is going on all over the world, between the rich and the poor?

**Djalal:** Thank you. On the South China Sea, we're not a claimant country, so we've been able to reduce our role. But it's going to be a tough issue to beat. In 1990, Indonesia did our best role in the South China Sea. This was a time when none of the claimants were speaking to one another, they did not want to speak, they did not want to meet in one forum, they did not want to address the issue other than just saying, "It's ours." So in 1990 what we did was we organized an informal meeting among the six claimant countries. At first we thought it wouldn't work out, but surprisingly the response from China and from the other ASEAN claimants was yes, that they were interested. We pursued these talks for about ten years, getting government officials meeting in an informal capacity, all in Indonesia. But it was interesting because for the first time, we got China and ASEAN claimants and the whole of ASEAN to talk about the South China Sea. So that is the most helpful role that we played in the '90s. But we also found out that, through these talks, apparently none of the parties were ready for joint development. We thought that once they sit down, they would agree to jointly develop whatever oil or resources they have in the South China Sea, but apparently they weren't, and I think that's still the challenge today, despite all the evaporation of conflict in the South China Sea between ASEAN and China. The challenge is whether they're all going to do some degree of joint cooperation or joint development. We're still working on that question.

On the economy, we don't have the problem of unemployment that Europe has, because when you're growing at 6.5%, things are okay. Our inflation, also, is in check.

**Ellis:** But the youth?

**Djalal:** We have a good family system, in the sense that the youth that don't have jobs, they can live with their family, and a lot of them do. So we have social support that makes this easier, aside from the fact that we have relatively low unemployment. But the problem with Indonesia now is the inequity, because we're growing so fast that inequity between the urban and rural population and within the urban areas is growing. The Gini coefficient is getting higher and higher in Indonesia, and this is why a key development strategy now in Indonesia is making sure—how do you spread the economic power, through microcredit, systems of health and education, giving free rice to the villages and so on and so on.

**Ellis:** Who has a question in the audience? Do you want to stand up and just say your name and affiliation?

**Question:** My name is Judith Edstrom. I'm with the Partnership for Transparency Fund. Mr. Ambassador, you can also boast that you had a woman Minister of Finance before the United States, so you're to be commended. An article just recently came up from the Pew Research Center of Muslim-majority countries, taking a poll where I think about 60% [of people] in Indonesia felt that Sharia law should be applied, at least in family law, lesser so in other areas. Less in some other countries, more in others. I think in just yesterday's *Jakarta Globe* there was an article about discrimination that indigenous religious minorities in West Java, for example, feel. Do you think these kinds of things are a growing issue vis-à-vis the separation of church and state and the constitutionalism that Indonesia has promoted, or how do you think that's going to play out?

**Djalal:** That's a good question. I think religiosity is on the rise in Indonesia—definitely, I think anecdotal evidence everywhere shows that. I mean, in my family my mom has become a lot more religious, and other moms in Indonesia. A lot more women wear the *hijab* and so on, which is all a good thing. We all



are better if religiosity is on the rise, if Muslims become better Muslims. But in terms of how that translates into Sharia law, there are certain cases in certain regions which are becoming more conservative, and this is reflected in the law. But so far as I see, this has not been a nationwide phenomenon. Obviously, in Aceh, that's where you have Sharia law being implemented, and you have Sharia beliefs, for example, and so on and so on. But throughout much of Indonesia this has not been the case. Certainly there has not been a call for an Islamic state in Indonesia, despite the fact that some people are rising in terms of religiosity.

**Question:** Thank you, Mr. Ambassador. I'm Ronna Freiberg with LSI Associates. I'd like to loop back to what you just said about the economy in regards to the growing disparity between the rich and poor. My question focuses on education, and I know that's something near and dear to your heart. What do you see now as the continuing challenges that Indonesia faces with regard to education and English-language learning, both of which are so central to continued economic growth as well as strengthening democracy, and what more can the US do to help advance your education goals in the context of the US-Indonesia Comprehensive Partnership?

**Djalal:** I think the challenge is making sure—I don't have the numbers with me, but there was one that I saw that out of five million people who go into elementary, at the end of the process, about one million go to college. The numbers keep declining. I think this is something that is a problem in the United States as well. For us this is an issue. There was one statistic that said that something like 80% of jobs in Indonesia are for people who have elementary or junior-high education, and the number of jobs that are held by people who have university degrees are very, very small: if I'm not mistaken, less than 10%, or around 5%. So it's a big challenge for us. First, how do you make sure that more and more people get the benefit of higher education? And also, now, there's a challenge of making sure that there's good-quality education. But this is one challenge in terms of the US-Indonesia relationship. We want to make education the centerpiece of our relations, but the problem is now there is half—20 years ago, there were about 14,000 Indonesian students studying here, and now it's half that. It's about 7,500, and we need to redouble that. We're making headway. I think in the period after 9/11 a lot of Indonesians said that probably America is too tense for us to study there, so they decided to go to Australia, China, and Malaysia. But now that perception is gone, and people need to know that, if you apply for a visa to study in America, then you are likely to be approved. Right now the approval rate is over 95%, according to the US Embassy. But the public doesn't know that. They think that it's still a difficult place to get to, to study.

**Question:** Thank you, Patricia. Thank you, Mr. Ambassador. My name is Farah Atassi. I am a representative of the Islamic Educational, Scientific and Cultural Organization, ISESCO, which works under the OIC, Organization of Islamic Cooperation, in the United States, and I'm also political advisor to the Syrian coalition opposition, and I'm also Secretary General of the National Syrian Women Association. My question to you is something that we as women in an Islamic system—I will put it this way—and this is what we are fighting for right now in the Arab Spring, the women's participation in political life. I would like to hear your experience, the experience of the Indonesian women, when you went through that transitional period to democracy, and the challenges that Indonesian women faced, even though we know as a Muslim—I am a Muslim—that Islam never discriminates against women's participation in politics or economics or any aspects of life. But yet this is a challenge that we are facing right now in Syria and elsewhere in the Arab world. Probably the rise of political Islam is somehow putting obstacles to women being the policymakers, being decision-makers, writing the constitution, amending the constitution. What was the experience of Indonesian women, as they went through that transition, that we in the Arab world and the Middle East can benefit from? Thank you.

**Djalal:** Thank you. Interestingly enough, when our future female president, Megawati, was running, the argument used against her by a very small group of people was, "Look, she can't lead an Islamic nation," or, "No, she can't lead Indonesia, which is Muslim-majority." You know what? It made it into the headlines that some Islamic groups said this in Indonesia, but it didn't stop her, right? She became president, which meant that the mainstream of Indonesia believed that a woman can be a leader, and

that the view that a woman cannot lead a country with the largest Muslim population is a very small group of voices. Now, in any country, I would say that there are always those conservative forces, and you can't get rid of them. But in Indonesia, I'm glad to say we've never had that cultural barrier. I looked at the education statistics in Indonesia and I found something very surprising. In Indonesia, consistently from elementary, junior high, and then secondary—high school—the number of men and women are almost equally the same. 51 and 49, and so on and so on, but more or less the same, consistently, in Indonesia, across all educational levels. When we became independent, I think our founding fathers were very smart because a lot of our heroes were women heroes—these are the commanders, the soldiers, and so on and so on. There was a very strong spirit of emancipation and egalitarianism in our revolution, and that helped to reinforce the role of women in our society. At the moment now, we have quite a few women, not just in Parliament, but in the cabinet. But there is one caveat. I'm a bit concerned about this. A lot of cases of corruption now involve women. That surprised me because you would think that it's all the men, right? [Laughter.] But a number of the big corruption cases now involve women, which means women still need to redouble their efforts.

**Ellis:** Just to close, I just wanted to go back to something you mentioned, which is terrorism. You talked about the success. You had the situation in Bali in 2002. How has Indonesia been able to become successful in combating terrorism? You just headed off some bombings at the Embassy of Myanmar the other day, and we're all confronting the issue of terrorism, so are there any lessons you have to share?

**Djalal:** I think there are three particular ways that made us reasonably successful. One is we established an excellent anti-terrorist group. You know the movie *The Untouchables*, right? There's this group, the anti-terrorist group in Indonesia, that is, I think, one of the most exceptional units of any government units in the country. They're very dedicated, and they spend all of their time just chasing terrorists. Some of them—I mean, I know some of them, and they say that there are times when they go back to their homes, and their family doesn't recognize them anymore, because that's all they do, you know? Extremely dedicated, and they have a very good record.

The second reason is that, conscientiously, we kept anti-terrorism away from politics. Yes, sometimes you run the risk of anti-terrorism becoming a political football by the parliamentarians. We prevented that. We made sure that this is away from politics, and it's all law enforcement who act in a very low-profile way, but a very effective way.

But the third thing that we did is we made sure that the moderates are always in governance. But the problem that we had—maybe it's still a problem—is that when the Bali bomb exploded in 2002, the moderates all rose up and became very loud. But you know what happens? After the second bomb, the third bomb, and the fourth bomb, the moderates sort of receded, in contrast to how loud they were being after the Bali bomb. So this is a challenge for us: not just to make sure the moderates are vocal and they maintain the mainstream, but how do you make sure that the moderates are militant about their moderation? Not militant in terms of violence, but constantly push back, constantly get angry and get vocal whenever the extremists try to push into their space. I think this is a challenge not just for Indonesia, but for other countries as well. How do you keep the moderates constantly on their feet? Because the radicals and the extremists are always on their feet. Being militant about their moderation is quite important.

**Ellis:** Well, Ambassador, thank you so much for sharing all this about Indonesia. I know we all learned a lot. We really appreciate your candor and also explaining the importance of all that you have achieved in Indonesia, both for your country and for other parts of the world. Thank you so much. Thank you, Rosa and the Ambassador, for your wonderful hospitality, and thank you all so much for coming. We really appreciate it. [Applause.]