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## KEY TAKEAWAYS

### A Conversation with Robert Blake: Updates on U.S. Foreign Policy and Election

Monday, 20 May 2024 – The Foreign Policy Community of Indonesia (FPCI) commenced a public discussion with Ambassador Robert Blake, former U.S. Ambassador to Indonesia (2014-2016). This public discussion discussed updates on U.S. foreign policy dynamics amidst the ongoing election and was attended by up to 200 online and in-person participants. (Rewatch via <https://www.youtube.com/watch?v=d-JaMBOEg80>)

**Speaker:**

**Ambassador Robert Blake**, U.S. Ambassador to Indonesia (2014-2016)

**Moderator:**

**Calvin Khoe**, Director of FPCI Research and Analysis

#### Key Takeaways

1. It is still too early to predict the U.S. election result. Two key factors will ultimately determine the election result: (1) The six swing states where neither the Democrats nor Republicans have a clear majority; (2) The pressing issues that will influence voter decisions, including the state of the U.S. economy, particularly inflation levels, the abortion issue which could rally women votes, and public sentiment on the Israel-Palestine conflict and the U.S. response to the ongoing war. Additionally, recent polls indicate a strong possibility that Republicans could gain control of the Senate and House.
2. If re-elected, Trump's cabinet will be dominated by "loyalists" which could trigger miscalculation on strategic hotspots like the U.S.-China relations, intensified global collateral damage due to Trump's unilateral approach and "America First", and disruption on global effort on climate crises considering Trump's skepticism on this issue.
3. Southeast Asia has to be able to explain their motives and concerns to Trump if re-elected as soon as possible as Trump's focus if re-elected would be drawn to China, Ukraine, and Israel.
4. The two-state solution is currently invisible in Israel. The immediate priority for Israel-Palestine is to try to get a ceasefire and resume humanitarian assistance.
5. The U.S. believes it is completely a mistake if Israel thinks to permanently occupy Gaza.
6. Besides strengthening its alliance system, the U.S. is aiming to improve relationships with "Swing States" like India, Indonesia, UAE, Turkey, Brazil, and Nigeria, where they carry a strategic influence amidst current global strategic competition between U.S. and China.
7. The future direction of the Indo-Pacific Economic Framework for Prosperity (IPEF) hinges on the outcome of the upcoming U.S. election. Currently, IPEF is dormant, and

- a Biden second-term administration is expected to revive the framework. Conversely, if Trump is elected, it is likely that IPEF will be discontinued entirely.
8. On China, Biden's foreign policy has been trying to identify areas of cooperation where the strategic interest is important for both China and the U.S. This could be seen at (1) semiconductor area, (2) climate - where there were initial talks between U.S. and China to reduce GHGs emission by 20% that lead to Paris climate talks, (3) military dialogue where U.S.-China defense ministries communication is growing, (4) and talks about mitigating China's fentanyl exports to U.S. neighboring countries pour to the U.S. causing drug problems. This balanced approach is considered actions to reduce the risk of confrontation between the U.S. and China.
  9. The key to addressing the climate crises lies in countries' adherence in achieving nationally determined contributions (NDCs), and climate finance. Countries have to be able to lay out their implementation plans to achieve their NDCs, affordable technology and cutting subsidies to fossil fuel must be continued, and an integrated global carbon market is anticipated as soon as possible as it will help countries to finance efforts on climate crises. Division in the Senate and the possibility of Donald Trump's second term will likely threaten U.S. climate leadership.
  10. Manufacturing, digital economy, minerals, healthcare, and education are poised to be promising areas of cooperation between Indonesia and the U.S. in the future. Additionally, both countries need to appoint ambassadors to each other as soon as possible to fill the current vacancy. The upcoming U.S. Ambassador to Indonesia, H.E. Kamala Lakshmi, is expected to bring a highly energetic and positive force to promote U.S.-Indonesian relations, leveraging her extensive experience in Southeast Asia and strong support for the business sector.

## 1. U.S. 2024 Election

*"It is still very early to start making predictions about the U.S. elections." In our system, all of the presidential elections come down to the results in six swing states, which means six states with neither a majority of Republicans nor Democrats. If you look at the polls now, **former President Trump is ahead in five swing states, whereas President Biden is only ahead in one of six, in Michigan.** But again, the margins are very tight so far.*

*"What will determine this going forward are a couple of things. **First of all, is the health of the economy.** If you ask any economists who work on national accounts, they would say that the U.S. economy is in very good health. We have some of the lowest unemployment rates and higher growth rates. **The second factor is going to be abortion.** The famous Roe v. Wade decision was overturned by the Supreme Court in the Dobbs decision. Since then, a number of states have taken steps to further restrict abortion because the Supreme Court will overturn it. A wide range of Republican states and some swing states have an effort to limit a woman's right to abortion to six weeks of pregnancy or less. The Democrats hope that they will mobilize women voters to come out and vote, as has been the case in the last several elections. **The Israeli bombings that have taken place and the lack of humanitarian***

*assistance that has gone to all of the people and starvation in some cases occurred. I think another quite important indicator will be whether there is going to be some sort of resolution and process underway to not only stop the fighting but also to get more humanitarian assistance in.”*

*“Even before the election starts, the predicted balance for the Senate is 50-50. That means the Democrats are going to have to hold on to 8 seats that they are contesting very tight. The betting right now is that the Republicans will take back the Senate. House, likewise, is very close. A swing of four seats out of 435 would change the outcome in the House of Representatives. Again, it is way too early to call now because of all the factors.”*

## 2. **Donald Trump’s Trials and U.S. Election**

*“Whatever happens, it will probably be appealed ... If Trump is found guilty of any charges, it will affect some of the swing votes because Trump is saying that these are all politically motivated. ...Trump has been saying all of these are engineered by the Biden administration. The Biden administration had nothing to do with it, it is a state-level case.”*

## 3. **War in Gaza and Ukraine**

*The recent \$95 billion aid package aid to Ukraine and Israel is coming at a crucial time as Russians are advancing in some parts of eastern Ukraine. More money for Israel ... You may have seen reports that President Biden has put a hold on those heavy bombs, the 2,000-pound bombs that we normally provide to Israel because he's worried that Israel will use those in an indiscriminate way that ends up killing a lot of Palestinian civilians. So that has been criticized by President Trump and others on the Republican side, who say that we should be supporting Israel no matter what. But other forms of military assistance, certainly on the defensive side, will continue to take place. That is because it is not just a one-front war. **People are also worried about what steps Hezbollah might take that other Iranian proxies elsewhere might take against Israel and against U.S. troops that are based in the region.** I am a huge supporter of the \$95 billion bill and I am glad it went through.*

*“The two-state solution certainly has oxygen in the United States. The question is, does it have oxygen in Israel? So far, Prime Minister Netanyahu has been unwilling to detail what his vision of a post-war Gaza would look like.*

*“The United States government's view is that a couple of things need to happen. First of all, we hope that there is going to be a ceasefire, hopefully, **a permanent ceasefire.** Secondly, there will be a **massive resumption of humanitarian assistance in Gaza.***

*“I think there are people inside Israel, particularly the hard right in Israel, who believe that **Israel should permanently occupy Gaza. The U.S. believes that it would be a big mistake, that Israelis should withdraw from Gaza and there should be a***

process to establish local Palestinian representation so that Palestinians have authority over what happens in Gaza. **“The administration's view is that the Palestinian Authority should have some sort of role, and they are really probably the only option at this point.** But again, that is something that will be up to the Palestinians themselves. But again, these are far from decided. These are all controversial within Israel, and then they will have to be negotiated internationally as well.

#### 4. U.S. - China Relations

**“Our alliance system remains critically important,** that is Japan, Korea, Philippines, and Thailand. If you look at it from the Washington perspective, there is clearly a strategic competition for influence between the United States and China. **What really matters in this competition is the attitude that important swing states,** like Indonesia, take. That swing states are going to become ever more important in the years to come. See countries like India, Indonesia, UAE, Turkey, Brazil, and Nigeria. People are going to put more and more focus on developing those relations because the decisions they make on some of these issues will really matter and will help to influence what other countries do around the world.

**“About Biden’s China policy, the administration has tried to identify the areas where we feel have such important strategic interests.** At the same time, figuring out things that China cares and fears most about. If we were to take action on those things, it would increase the risk of confrontation which we do not want.” **“The first category is semiconductors** where we believe that it is in our interest not to be dependent on Chinese production and Chinese control of the supply chain. **Another one would be climate change.** If you go back to the Paris climate talks, the cornerstone of those talks and the whole nationally determined contribution was started and predicated on the original agreement between the United States and China in which we would reduce our greenhouse gas emissions by 20%. **Another very important one is military cooperation** which was frozen for a long time. Just recently we have started up a military dialogue between our defense ministry and the Chinese.” **“The third one is fentanyl.** We have a huge drug problem in the United States and a large number of Americans die every year from drug overdoses. A lot of that is from synthetic drugs like fentanyl. A lot of the precursors for those drugs are made in China and exported to places like Mexico and then they come in. For a long time, we have been talking to the Chinese about stopping those exports. For the first time, that is actually taking place, so there is progress being made.”

#### 5. Donald Trump’s Foreign Policy if Re-elected

**“In contrast to the last time President Trump ran, this time he has organized a much more disciplined preparation effort.** Several think tanks, like the Heritage Foundation and several others, were involved in putting together quite detailed policy blueprints of the second Trump administration. **Secondly, there is a parallel effort to identify who might serve in a potential Trump second term and the emphasis is on**

*loyalty. If Trump appoints a lot of loyalists in his second term, the risk of **some sort of miscalculation would rise**. People are worried that any incident in the South China Sea could blow out of proportion and have a much higher risk of confrontation in the wrong hands. Obviously, we do not want to have a confrontation with China.”*

*“I think another concern that Indonesians and people in Asia should be worried about is trade. President Biden has taken a number of steps against China, but President Trump has already said that if there is a second term, he would probably enact across-the-board 10% tariffs against everybody to protect American industries. The risk of that would ignite a trade war. **Countries like Indonesia that depend a lot on trade would become collateral damage.**”*

*“The third one is climate. **President Trump does not believe in climate change, we are almost certain he would withdraw from the Paris Climate and COP process.** People are worried that he might withdraw the U.S. from the underlying treaty that gave rise to the COP process. The other risk is climate finance. In Indonesia, we have the famous Just Energy Transition Partnership, If you think about countries in sub-Saharan Africa, for example, they are just beginning their green transition. **If Trump decides to pull all of that back, it would be a very serious problem for global climate efforts.**”*

*“Trump has had a much more ambiguous policy about whether he would support Taiwan in the case of Chinese aggression against Taiwan. That matters because Biden has been very clear that the United States would support Taiwan in some sort of hostilities by the Chinese. I think **Trump will have a much more confrontational approach towards China and will be looking less for areas of cooperation as with the Biden administration**, so we can expect a higher level of tension.*

*“Meet the Trump administration as soon as possible and explain their motives and concerns. **Donald Trump is not gonna pay attention to Southeast Asia**, attention will be drawn to China, Ukraine, and Israel. Indonesia would be collateral damage to Trump’s foreign policy.”*

## **6. The future direction of the Indo-Pacific Economic Framework for Prosperity (IPEF)**

*The Indo-Pacific Economic Framework for Prosperity (IPEF) has been a little bit quiet in recent times, mostly because we are in an election period now. **The Biden administration is not prepared to make any bold commitments on trade and things like that, particularly not on market access, because they would then be accused of capitulation by the Trump administration. If Trump is elected, it is possible that IPEF itself will just go away entirely. Whereas in the second Biden term, we would see, again, a revival of IPEF.** I hope that in the second Biden term, we will begin to see consideration of sectoral agreements of one sort or another, a critical minerals*

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agreement between the United States and Indonesia. There is a good chance that we could see digital economy agreements either bilaterally or even regionally because a language on that has already been negotiated in other agreements that we have had.

## 7. Climate Crisis

**Former President Trump does not believe in climate change.** And so he, we almost certainly would withdraw from the Paris climate process, the COP process, and these days the Senate is so divided that getting a two thirds vote on anything is hard. **That would mean effectively that the United States would be out of the COP climate process for potentially quite a while,** which would be a great shame.

*(To Address Climate Crisis) Job number one, first of all, is to get countries (NDCs) to actually implement what they have already promised to do. Secondly, people need to understand that there has been very interesting progress in technology and the costs of renewable energy have come down substantially. But we also now need to take steps to reduce subsidies for fossil fuels and perhaps provide those same subsidies for climate change and renewable energy.*

**The carbon market is going to be a very important source of financing,** carbon credits, and so forth. The next COP in Baku, they are hoping to establish a system where it is under what is called Article Six of the underlying treaty, that will provide confidence and integrity in the carbon markets. Right now, people worry that sometimes these carbon credits are a little bit flimsy and that you cannot really trust them. So integrity is very important.

**“President Biden has made climate change and the green transition one of the real pillars of his administration’s policy.** For example, the Inflation and Reduction Act was not about inflation reduction, but it was about how to promote a greener economy in the United States. Hundreds of billions of dollars have been allocated to help speed the transition so the United States can meet its own net zero commitments that we have made in the COP process.”

**“President Biden believes we need to make a much faster transition to electric vehicles.** There have been a number of incentives put in place to encourage automakers to accelerate the transition to electric vehicles and to encourage companies to develop the charging infrastructure. They worry that China has subsidized the manufacture of electric vehicles unfairly. Therefore it is impossible for any car company anywhere in the world, including the United States, to compete. If we were to allow those Chinese vehicles in, it would destroy what we are trying to do under the Inflation Reduction Act.”

## 8. U.S. - Indonesia Relations

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*Last year, the Biden administration took quite important steps to strengthen partnerships both with Vietnam and with Indonesia. We establish what are called comprehensive strategic partnerships.*

*Indonesia is a huge market already, but it is going to become an even more important market for years to come because of the relatively young population that you have and the success that President Joko Widodo has had in diversifying sources of growth. You now have a very vibrant digital economy, a green economy that is developing, and a much stronger infrastructure. We already see many American companies sourcing textiles, furniture, footwear, and things like that from Indonesia. It will probably go up, so the economic piece of this will be important. The critical minerals piece of this will be important because Indonesia has such an important supply of things like nickel, bauxite, and copper. The digital economy, health care, and education, all of these are quite promising areas for future cooperation between the two countries.”*

***“We have a really outstanding new ambassador who has been approved by the U.S. Senate, Ambassador Kamala Lakhdir. She has been an experienced career diplomat, such as in Washington for the last couple of years, serving as what they call the executive secretary of the State Department, which is a very important job because it manages the entire seventh floor of the secretary and all the undersecretaries. But before that, she was an ambassador in Malaysia. So, she knows the region quite well, certainly Indonesia, and has followed it closely from her time in Malaysia. She is a very strong supporter of the business sector, and is going to be a very energetic-positive force to promote U.S.-Indonesian relations.***

*Ambassadors matter. Ambassadors get to go in and see ministers, and on the other side, they get to go in and see the very senior people in Washington. Ambassadors also particularly matter in the United States, because Dr. Dino Patti Jalal, in many ways, was a model ambassador. He was considered one of the most active and successful ambassadors while in Washington, and a very visible presence. So, you saw him making speeches at various think tanks and NGOs and things like that. Of course, he was very active in engaging the administration. So, a successful ambassador has to do all of those things well, and every ambassador is competing for attention with all of their peers. I hope that Indonesia will appoint somebody quickly.*