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**TITLE: Populism before policy**

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It's an election year in Indonesia and, like some Australian politicians, there are Indonesian politicians who are willing to put a surge in the polls ahead of sound policy. And like some of their counterparts in Australia, there are Indonesian politicians who think the easiest way to get a surge in the polls is to push a simple form of populist nationalism.

In Australia we are used to the populism running one way, but history suggests that when you push a country, they often push back.

During his four years as opposition leader, Tony Abbott painted Indonesia as one of his "bad guys". During the last federal election his party proposed to buy fishing vessels off Indonesian villages. Days after the election Foreign Minister Julie Bishop said "we're not asking for Indonesia's permission, we're asking for their understanding" and last week Australia's navy invaded Indonesia's territorial waters. For 30 years Australian prime ministers and their governments have worked hard to strengthen Australia's relationship with Indonesia. Its size, its rapid economic growth and its location on our northern doorstep makes Indonesia a key strategic ally on economic, military and diplomatic fronts. But at this rate Abbott may in three years undo the good that his predecessors worked for over three decades.

Like Australia, Indonesia is a collection of islands and, like Australia, should they decide that beef, fruit or vegetables coming from Australia posed a risk to their environment they would be free to impose substantial costs on Australian producers.

When Paul Keating lost the prime ministership in 1996, he wrongly predicted that John Howard would be unable to continue Australia's engagement with Asia. While Mr Howard was off to a slow start, Australia's second longest serving prime minister soon made the switch from populist opposition leader to pragmatic international diplomat. With his ongoing talk of "goodies and baddies", Abbott appears determined to make no such shift.

Of course it is not just Australian agricultural producers whose profits may bear the brunt of the Coalition's rather domestic approach to foreign policy. Australia's banks, educational institutions

and IT industry all have their eyes on the projected growth of Indonesia's middle class from 35 million today to over 100 million by 2030.

Julie Bishop may regret asking for Indonesia's understanding. Those aspiring to lead one of the world's largest democracies clearly understand the need to be popular. They also understand that after four years of being used as a political football by Australian politicians, they can easily justify returning the favour in the coming Indonesian elections.

There aren't many issues that unite Australia's big banks and our big agricultural producers but avoiding a diplomatic row with Indonesia is certainly one of them. It's one thing to use attacks against asylum seekers and the Indonesian government to win office, but what's the point of winning office if you can't deliver for your business supporter base?

As the Indonesians clearly know, good foreign policy is best done in private, not by press release. For the past four years they have said very little about Australia, but they have obviously been listening very closely to what has been said about them. Australian businesses with interests in Asia will no doubt be hoping that Indonesian politicians show more restraint in their election year than we did in ours.

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