

# **India-Indonesia Comprehensive Strategic Partnership: Convergence and Challenges**

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## **Abstract**

*The signing of the CSP between India and Indonesia marks a renewed partnership which in the 21<sup>st</sup> century has been conditioned by various factors intrinsic to their strategic thinking. The emerging complexities in the evolving global environment would require the partnership to become more pragmatic in order to confront with the challenges. While their historical, cultural, and political relations played an important role, the factors that helped shape the CSP has been the convergence of interests in the evolving economic and strategic spheres. The paper studies the various aspects of the bilateral maritime cooperation which is becoming a major pillar of the partnership. While the relation continues to grow, the paper highlights some of the emerging convergences of interests and challenges which would be fundamental in shaping the ongoing partnership.*

## **A Brief History on Modern India-Indonesia Relations**

India's engagement with its eastern neighbours particularly in the realm of cultural influence in Southeast Asia dates to early 200 BC. Indian merchants, trading with its immediate neighbours, were one of the first to build contacts with the region and this paved the way for religious missionaries consisting of the Brahmins and Buddhist monks to spread their theological teachings. Further, extensive research has also revealed that the influence of Indian culture, social and political ideas, penetrated Southeast Asia through trade and religious exchanges. This cross-fertilisation of human experience and spiritual interaction has left an indelible mark on the region's art, architecture, language, and culture in many of the nations in Southeast Asia. India and Southeast Asia's civilisational, cultural, and people-to-people contacts has reinforced the perception of the region as a land of golden opportunities. While one talks of India's relations with the region of Southeast Asia, their shared social-cultural ties, dating back to many centuries, remains to be a key element, as it is the foundation of the relations. The year 2019 was declared as the year of ASEAN-India Year of Tourism with a view to further enhance cooperation to increase two-way tourist visits and promoting greater people-to-people exchanges between ASEAN and India. The 'Act East' policy seeks to build on the vision laid out by the 'Look East' by not only enlarging the economic and security dimension but also adds the significance of the socio-cultural ties. The cultural aspect has not only helped glue the relations together but with time it has enabled the relations to continue to move forward into other new areas of cooperation to reap the opportunities for mutual benefit while addressing areas of mutual concern.

In this, the India-Indonesia relation continues to emerge as an anchor for New Delhi's outreach into its East and beyond. India's relations with Indonesia dates back to more than 1000 years before they were disrupted by colonial powers. The diplomatic relations are comparatively recent; established only after both nations attained their independence. In March 1951, India and Indonesia signed a Treaty of Friendship that helped lay the foundation for sustained trade, cultural, military and diplomatic cooperation. In the arena of international affairs both countries also continued to cooperate with each other in terms of advocating the policy of non-alignment in the Cold War period. At the United Nations, particularly in the Afro-Asian group, the two countries worked closely on a number of issues with the West, and the communist bloc. Both countries' participation in the Non-aligned movement [NAM] which was a common platform of neutrality from the two Cold War power blocks helped the two nations towards strengthening their bilateral engagement.<sup>1</sup>

This in a way helped broaden the scope of the relations beyond the shared civilisational, cultural, and historical prism. The dynamics of the decolonisation intertwined with the onset of the Cold War period necessitated priorities towards nation-building thereby reduced the scope for the expansion of the bilateral engagement, with both nations emerging out of their colonial rule in the aftermath of the Second World War and being primarily confronted with their respective domestic challenges. There were internal challenges faced by the two new nations such as their low-level of economic development along with the political challenges faced by new Republics. Further, the imperatives of the Cold War geopolitics limited the growth in the relations between India and Indonesia, despite both countries finding themselves part of the Non-Aligned Movement.

The radical transformation in the Sino-Indian relations after New Delhi's moral support to the Tibetans during their uprising in 1959 impacted the relations with Indonesia. Indonesian leadership viewed China as an anti-imperialist progressive power with whom cooperation was worth having; India on the other hand did not share the same image about Beijing. The 1960's continued to witness a decline in India-Indonesia relations and a growing Sino-Indonesian relationship along with increasing ties between Jakarta and Rawalpindi with President Sukarno visiting Pakistan several times in 1963-65. When India and Pakistan were at war in September 1965, President Sukarno expressed his sympathy, concern, and the prayers of the Indonesian people to Pakistan. President Sukarno's pro-China stance did

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<sup>1</sup> L P Singh, "Dynamics of India-Indonesian Relations", *Asian Survey*, Vol 7, No 9, [September, 1967], pp. 655-657.

impact India-Indonesia relations. This however changed following General Suharto's coup *a la* Java in the spring of 1966. Indonesia also cut its diplomatic ties with China; this was as a consequence of Suharto who held a deep hostility to communism. The authoritarian Suharto justified his strong military rule as a response to the threat posed by communist China. Despite repeated requests from China to re-establish ties, the two countries did not have a formal relationship until 1990. Meanwhile, the leadership in Indonesia under Suharto began to reset Indonesia's ties with Foreign Minister Adam Malik being prompted to re-establish friendly ties with India. With Indonesia abandoning its pro-Pakistani policy under Suharto, India did not delay in reciprocating positively to Jakarta's diplomatic effort. Both Indonesia's Foreign Minister Malik and the Finance Minister, Sultan Hamengku Buwono, visited New Delhi in September 1966 and were offered Rs 100 million worth of credit.<sup>2</sup>

The visit by the Foreign and Finance Minister to India was reciprocated by the visit to Indonesia by Indian External Affairs Minister M C Chagla, after few months in January 1967. The significant improvement in the relations following these visits paved the way for Prime Minister Indira Gandhi to undertake a five-day official visit to Indonesia from 28 June to 2 July 1969. This was the first visit by an Indian Prime Minister to Indonesia in 14 years. During this visit, "...the Governments' of India and Indonesia agreed to further strengthen the bilateral relations between the two countries by promoting cooperation in the technological, cultural, commercial and scientific fields. The exchanges of views which took place were far-reaching and showed a considerable identity of views on most matters of international importance...."<sup>3</sup>

The decade of 1970 and 1980 was marked by a sustained growth in the bilateral relations, through continuous exchange at the highest level of the government. India's President Fakhruddin Ali Ahmed visited Indonesia from May 26 to 30 in 1975<sup>4</sup> followed by the visit to India by Indonesian Foreign Minister Adam Malik from 27 July to 1 August 1975 for the 6<sup>th</sup> round of annual bilateral talks at Ministerial level. The two Ministers reviewed the progress in relations between India and Indonesia and exchanged views on measures for the further

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<sup>2</sup>Ibid. pp. 663-666.

<sup>3</sup> "Report 1969-70", *Ministry of External Affairs*, <https://mea.lib.nic.in/?pdf2496?000>, (accessed on January 27, 2020).

<sup>4</sup> "State Visit of Shri Fakhruddin Ali Ahmed, President of India to Indonesia (Jakarta, Yogyakarta & Bali) from 26 to 31 May 1975", [https://rashtrapatisachivalaya.gov.in/sites/default/files/formerpresident\\_visit/faa\\_statevisit.pdf](https://rashtrapatisachivalaya.gov.in/sites/default/files/formerpresident_visit/faa_statevisit.pdf), (accessed on January 27, 2020).

development and consolidation of these relations.<sup>5</sup> The positive outcomes of these visits led to both sides ratifying and concluding the agreement that helped delimit the boundary of India and the Indonesian continental shelf in the area between Great Nicobar and Sumatra on January 14, 1977. It was formally signed later in August by the Indian Ambassador Mr B B Misra and the Indonesian Foreign Minister Adam Malik at a ceremony held in Jakarta.<sup>6</sup> While India had its differences with Indonesia – on issues such as the recognition of the Heng Samrin led Government in Kampuchea by India – both believed in maintaining the principle under the Zone of Peace, Freedom and Neutrality [ZOPFAN] in Southeast Asia, which was adopted by ASEAN in November 1971 through the Kuala Lumpur Declaration.<sup>7</sup> India and Indonesia continued to press for keeping the region free from big power intervention and interference. Both nations continued with their healthy exchanges of visit with President Suharto visiting New Delhi in December 1980 which was reciprocated by Prime Minister Indira Gandhi's visit to Jakarta on 23 September 1981.<sup>8</sup>

The resetting in the relations under Suharto along with positive reciprocity by New Delhi marked a renewed phase in the bilateral relations. Further, the changes following the end of the Cold war that witnessed, inter-alia the emergence of new centres of power, partnerships, and alliances, ensured that the old relations are re-evaluated and reshaped. The India-Indonesia relations were no exception to this especially as both nations' economic, strategic, and political profile continued to grow, given the huge potential for a win-win partnership through a more diverse and deeper engagement. Both nations being categorised as middle power countries – a consequence of their influence in international politics on account of being regional powers – provided scope for partnership beyond the traditional domain.

India-Indonesia relations were reinvigorated through the 'Look East' policy in the early 1990s. Through the 'Look East' policy, India was able to re-establish its relations with its South-Eastern neighbours in the economic and security spheres. The development of India's

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<sup>5</sup> "Report 1975-76", *Ministry of External Affairs*, <https://mealib.nic.in/?pdf2504?000>, (accessed on January 27, 2020).

<sup>6</sup> "Agreement Between The Government Of The Republic Of India And The Government Of The Republic Of Indonesia On The Extension Of The 1974 Continental Shelf Boundary Between The Two Countries In The Andaman Sea And The Indian Ocean [14 January 1977]", *Office of Ocean Affairs and Law of the Sea 'The Law of the Sea: Maritime Boundary Agreement [1970-1984]'*, 1987, pp.233-235, <https://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/publications/E.87.V.12.pdf>, (accessed on January 20, 2020).

<sup>7</sup> Rahul Mukherji, "Appraising the Legacy of Bandung: A View from India", *ISAS Working paper*, No 11, May 8, 2006, <https://www.files.ethz.ch/isn/23868/11.pdf>, (accessed on January 20, 2020).

<sup>8</sup> "Annual Report 1980-81", *Ministry of External Affairs*, <https://mealib.nic.in/?2509?000#2>, (accessed on January 27, 2020)

economic and security engagement throughout the decade of the 21<sup>st</sup> century created the platform to further build on the relationship. The announcement of the ‘Act East’ policy in 2014 by Prime Minister Modi during his visit to Naypyitaw, Myanmar, for the ASEAN Summit, provided the much-needed push to further propel India-Indonesia relations. The ‘Act East’ policy looks to further build on the vision laid out by the ‘Look East’ policy by not only taking forward the economic and security engagement but also strengthen ties through revisiting the cultural ties. The socio-cultural ties rooted deep in India-Indonesia history, which has been the bed rock and foundation of bilateral ties, would be a key element for the relations going forward. New developments in the relations such as the India-Indonesia Comprehensive Strategic Partnership signed in May 2018 further broadens the scope of the engagement. This would allow both nations to partner for addressing some of the most complex challenges in the evolving global order.

### **India-Indonesia Comprehensive Strategic Partnership**

India and Indonesia, after the establishment of the Strategic Partnership in 2005, elevated the bilateral relation to the level of a Comprehensive Strategic Partnership. The establishment of this new partnership as stated by Prime Minister Modi would allow for new collaboration between the two nations in the economic as well as in the defence and security spheres. Both sides also emphasised on enhancing trade and investment, promoting sustainable development of marine resources, expanding cooperation in disaster risk management, fostering tourism and cultural exchanges, and strengthening academic, science and technology cooperation.<sup>9</sup>

### **The Economic Dimension of the Partnership**

Since the process of liberalisation of the Indian economy which began in 1991, economic issues have been gaining significance in its foreign policy agenda and outreach. This diplomatic outreach by New Delhi was also part of the first step the country was undertaking towards economic liberalisation and attempting to forge greater linkages with neighbours. The need to push economic relations with Southeast Asia was one of the major agendas in India’s ‘Look East’ policy in the post-Cold War period. This was imperative for the Government, given India’s domestic economic weakness during that period. India began to

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<sup>9</sup>“Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific”, *Prime Minister India*, May 30, 2018, [http://www.pmindia.gov.in/en/news\\_updates/shared-vision-of-india-indonesia-maritime-cooperation-in-the-indo-pacific/?comment=disable](http://www.pmindia.gov.in/en/news_updates/shared-vision-of-india-indonesia-maritime-cooperation-in-the-indo-pacific/?comment=disable), Accessed on May 31, 2018.

re-engage with its East and South Eastern neighbours, with whom it shared long historical linkages. This initiative on the part of the Indian policy makers to re-build its engagement with its neighbours at the end of the Cold War was critical for its national interest and the larger human security for its citizens.<sup>10</sup>

### ***Indonesia's Economic Dynamism***

Since the 1980's some of the nations in Southeast Asia by adopting a mixed form of capitalism along with an active role by their respective governments, were able enabled to achieve economic growth figures between 6 to 15 percent annually. The economic dynamism of Southeast Asia represented a promising growth area of the world, which India saw with great potential for its economic outreach. Thus, the need to push economic relations with Southeast Asia was one of the major objectives of the Indian government in the post-Cold War period. Indonesia was part of this unprecedented growth being witnessed in the region. Under Suharto there was a push towards creating a modern economy with strong hand of the government. This was a departure from Sukarno's 'Guided Democracy', and the emphasis was on modernity under the 'New Order' of Suharto. The result of this new approach led to the inflow of multinational corporations into Indonesia making it an exporter of manufactured goods.<sup>11</sup>

**Figure One: Indonesia's GDP, 1961-1997 [in percentage]**



Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=ID>

<sup>10</sup>Shantanu Chakrabarti, "India Evolving Foreign Policy in a Regional Perspective", in Jakub Zajaczkowski, JivantaSchottli, and Manish Thapa (eds), *India in the Contemporary World: Polity, Economy, and International Relations*, (Routledge: New Delhi, 2014), p. 205-208 and 213.

<sup>11</sup>Norman G. Owen (Edi), *The Emergence of Modern Southeast Asia: A New History*, (University of Hawai'i Press: Honolulu, 2005), p. 435-438.

As indicated in the bar diagram, the Indonesian economy after a dismal growth began to grow between 6 to 10 percent after 1968. However, in the aftermath of the Asian financial crisis, like the rest of the nations in Southeast Asia, Indonesia's growth declined to settle in the negative as indicated in the bar diagram. The financial crisis of 1997 witnessed in Southeast Asia pushed down the entire growth momentum in Southeast Asia and Indonesia was no exception with its growth plunging to -13.1 percent in 1998.

For Indonesia, this was not merely a currency crisis as in other Asian countries, but a more fundamental one, exacerbated by regime change and the democratisation of its institutions. Bacharuddin Jusuf Habibie, who replaced Suharto as Indonesia's next president, turned to the economic technocrats to deal with the ongoing financial crisis. The new government initiated a series of measures to overcome the economic slowdown that included restoring the macroeconomic stability, restructuring the banking system, structural reforms, and stimulating demand and reducing the impact of the crisis on the poor through the social safety net.<sup>12</sup>

The election of Abdurrahman Wahid as Indonesia's fourth President on October 20, 1999, was greeted favourably by investors, and the exchange rate began to improve. The positive market reaction to Wahid's election as President and Megawati Sukarnoputri as the Vice President stemmed out from the idea of a new Indonesian government who for the first time would have a free hand.<sup>13</sup> The World Bank in a brief prepared for the Consultative Group for Indonesia [CGI] meeting in November 2001, noted that in the early 2000, the monetary and exchange rate situation was poised to become more supportive of the economic recovery. Indonesia's Rupiah had strengthened from 16000 per dollar at the peak of the crisis to around 7000. Inflation had been brought firmly under control, and interest rates had fallen to around 12 percent from the peak of nearly 70 percent.<sup>14</sup>

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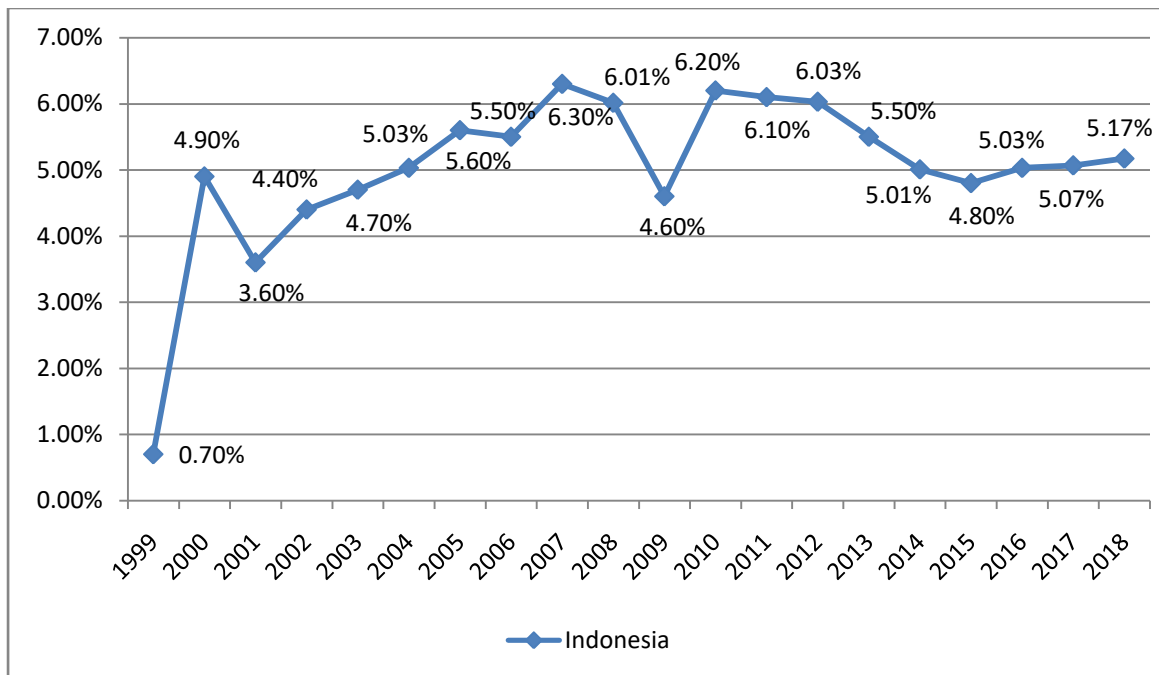
<sup>12</sup> Ginandjar Kartasmita and Joseph J Stern, *Reinventing Indonesia*, (World Scientific Publishing Co.Pte.Ltd, 2016), p. 152-153.

<sup>13</sup> Djiman S. Simanjuntak, "The Indonesian Economy in 1999: Another Year of Delayed Reform", in in Chris Manning and Peter Van Diermen (edi), *Indonesia in Transition: Social Aspects of Reformasi and Crisis*, (Zed Books: London, 2000), p. 74-75.

<sup>14</sup> Ginandjar Kartasmita and Joseph J Stern, *Reinventing Indonesia*, (World Scientific Publishing Co.Pte.Ltd, 2016), p. 208.



**Figure Two: Indonesia's GDP, 1999-2017 [in percentage]**



Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=ID>

The impact of the economic reforms helped Indonesia's economy to recover marginally and, as indicated in the figure, the GDP continued to increase from 0.70 percent in 1999 to a sustained growth of 5-6 percent. In the post-2010 years, there has been an active intervention by the government towards accelerating economic development under the newly established democratic and decentralised institutions. The Masterplan for the Acceleration and Expansion of Indonesian Economic Development 2011-25 [MP3EI], announced by the Yudhoyono government in May 2011, laid out plans to transform Indonesia into a developed nation in the 21<sup>st</sup> century, and place itself in the top ten advanced economies in the world by 2025 and the top six by 2050. It saw Indonesia becoming a basis for global food security, a centre for processing products of agriculture, plantation, fishery, mineral, and energy resources, as well as a centre of global logistics. President Yudhoyono, in launching MP3EI, stated that for an efficient economy, the invisible hand is important, but the visible hand is also necessary for a fairer and more balanced economy.<sup>15</sup>

The Global Maritime Fulcrum [GMF] doctrine announced in 2014 at the East Asia Summit by President Jokowi is set to further revive Indonesia's economy through the strengthening of

<sup>15</sup>Yuri Sato, "State, Industry, and Business in Indonesia's Transformation", in Khoo Boo Teik, Keiichi Tsunekawa, and Motoko Kawano (eds), *Southeast Asia Beyond Crisis and Traps: Economic Growth and Upgrading*, (Springer Nature: Cham, 2017), p. 72-73 and 79.

its maritime capabilities and potential. On July 1, 2020, the World Bank raised Indonesia's status from middle-income to upper-middle-income nations. This was given after the country's gross national income [GNI] per capita rose to US\$4,050 in 2019 from the previous \$3,840. The Indonesian government welcomed this as an affirmation of its economic resilience and sustainable growth and that this new status provides a strategic stage towards making Indonesia an advanced economy by 2045. According to the Indonesian Finance Minister Sri Mulyani Indrawati, "the government will push for a series of structural reform policies focused on economic competitiveness, such as human capital and productivity, the industrial capability to increase exports and reduce the current account deficit, and digital economy to encourage broad economic empowerment".<sup>16</sup>

### ***India-Indonesia Economic Engagement under the CSP***

Since the 1990s India and Indonesia have been engaging through various bilateral and ASEAN-led frameworks. When one looks at the bilateral trade between India and Indonesia in the 1980s, it was to the tune of US \$ 50 million, increasing to US \$ 92 million in 1990. After the signing of the Strategic partnership in 2005, trade has grown from US \$ 4 billion to over US \$ 10 billion between 2005 to 2010<sup>17</sup> and continued to increase until 2012, when it began to decline in the wake of declining imports from India and the growing global uncertainties. During the visit of President Yudhoyono in January 2011, as the special guest on India's Republic Day, the business sectors of both nations signed eighteen MoUs on FDI worth US \$ 15 billion.<sup>18</sup> Today, Indonesia is India's largest trading partner in the ASEAN region. The bar diagram in figure six, indicates India's exports to and imports from Indonesia from 2013 to 2017.

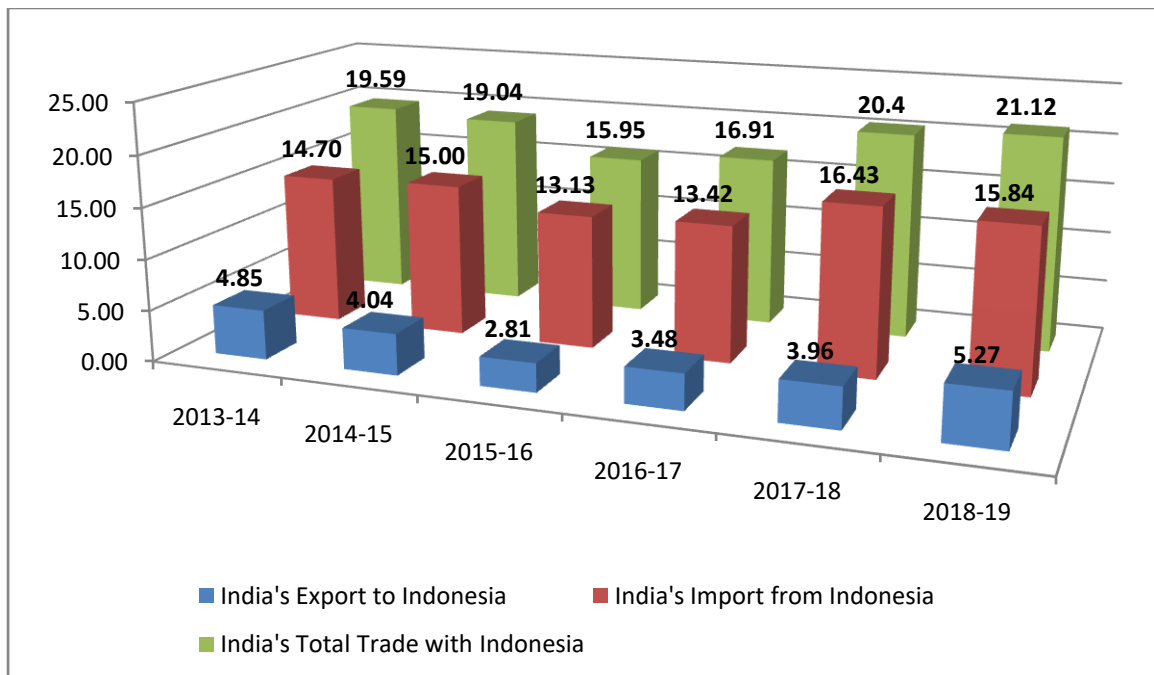
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<sup>16</sup>"World Bank Put Indonesia as an Upper Middle Income Country", *The Insider Stories*, July 2, 2020, <https://theinsiderstories.com/world-bank-raises-indonesia-to-upper-middle-income-country/>, (accessed on July 6, 2020).

<sup>17</sup>ShankariSundaraman, "India-Indonesia Bilateral Trade: Challenges and Opportunities", in Rajiv K Bhatia and Rahul Mishra (edi), *The Peacock and the Garuda: An Overview of India-Indonesia Relations*, (Knowledge World: 2015, New Delhi), p. 103.

<sup>18</sup>VibhanshuShekhar, *Indonesia's Foreign Policy and Grand Strategy in the 21<sup>st</sup> Century: Rise of an Indo-Pacific Power*, (Routledge: Oxon, 2018), p. 207.

**Figure Three: India's Bilateral Trade with Indonesia, 2013-2017 (in US \$ billion)**



Source: India's Bilateral Trade with Indonesia, 2013-2017, *Department of Commerce, Ministry of Commerce and Industry, Government of India*, <https://commerce-app.gov.in/eidb/iecnt.asp>

The trade data projected in the bar diagram indicates that total trade between India and Indonesia has increased from US \$ 4.3 billion in 2005, and stands at US \$ 21.12 billion in 2018-19. From the figure, it is evident that there has been a significant increase in the level of bilateral trade. In terms of products, India is Indonesia's second largest buyer of coal and crude palm oil. It also imports minerals such as rubber, pulp and paper and hydrocarbons reserves. Some of India's exports to Indonesia include refined petroleum products, commercial vehicles, telecommunication equipment, agriculture commodities, bovine meat, steel products and plastics to Indonesia.<sup>19</sup> During President Jokowi's visit to India in December 2016, he was accompanied by a 25-member high-powered business delegation. Emphasis was on increasing bilateral economic engagement with special focus on pharmaceuticals and IT. The meeting of the India-Indonesia CEOs Forum held on the

<sup>19</sup>"India-Indonesia Bilateral Relations", *Embassy of India, Jakarta, Indonesia*, <https://www.indianembassyjakarta.com/pages?id=eyJpdjI6IldOSklXYV15b3dvN3kwUmZ4RWRNa0E9PSIsInZhbHVlIjoia13WXYyMkdL0lRV0ZcLzUrVjNxbjVRPT0lLCJtYWMiOiJkY2NiNmJmZDA2MWI3YmE5ZGI0NGM2ZmZkYTQ2Yjk2YTk5YmUwZjJhMDY1OGFjYzgzMDcxN2JkNTRmMTRiZGM4In0=&subid=eyJpdjI6IiFGU0JrbWg3VU1vaTZycDN3VTIEclE9PSIsInZhbHVlIjojWDgzSDFNWWtPUIA2OWpcL2RSUG1sRV E9PSIsIm1hYyI6IjZjZTVkZmMzNTJmZmE4ODUxN2ZmZTViNDZiZjQ4YzcxM2Q0M2RhYjE3NmM1MmEwZTgxMjY1M2M4YzRmOTU0ODQifQ==>, (accessed on June 4, 2018).

sidelines of the visit also discussed ways and means to find solutions for the further enhancement of bilateral trade and investment cooperation.<sup>20</sup>

The elevation of the bilateral partnership provides opportunities in the area of trade and investment. India and Indonesia are keen towards ensuring that the cooperation keeps sustainability at the centre, in terms of developing marine resources through the incorporation of the Blue Economy concept. Both nations during the visit of PM Modi to Indonesia in May 2018 have agreed to double their efforts to push bilateral trade to the level of \$ 50 billion by 2025. PM Modi during his visit held discussions about the mutual benefit of enhancing infrastructure development and connectivity cooperation with the Indonesian President. President Jokowi aims for Indonesia to become a maritime power through his GMF introduced in 2014. One of the key components under the GMF is to develop and modernise Indonesia's ports and connectivity. India being a maritime nation with vast maritime interest is expected to witness an increase in its sea traffic and thus, by launching the 'Sagar Mala' project, it intends to develop and modernise its ports; to ensure seamless connectivity for the transport of goods and services.<sup>21</sup> Through these new initiatives undertaken by both countries, it opens the avenue for cooperation in the field of maritime infrastructure development and connectivity which would be crucial for building their economic strength as well as security capacities.

### **The Security Dimension of the Partnership**

The ongoing security cooperation between India and Indonesia is indicative of the emerging geo-strategic environment being confronted by both countries. The geo-political shift towards the Indo-Pacific region has resulted in the region becoming one of the major contested space in the globe amongst the major powers. In this region, we also have some of the major emerging countries in the globe whose future growth would be conditioned by a stable environment. These emerging countries are also involved in competing for dominance in this space while also safeguarding their respective interests from various security challenges.

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<sup>20</sup>“India-Indonesia Bilateral Relations”, *Embassy of India, Jakarta, Indonesia*, [<sup>21</sup>“All that happened when PM Modi visited Indonesia”, \*The Economic Times\*, May 30, 2018, <https://economictimes.indiatimes.com/news/politics-and-nation/all-that-happened-when-pm-modi-visited-indonesia/modi-in-indonesia/slideshow/64385099.cms>, \(accessed on June 4, 2018\).](https://www.indianembassyjakarta.com/pages?id=eyJpdil6lldOSklXYV15b3dvN3kwUmZ4RWRNa0E9PSIsInZhbHVlIjoia13WXYyMkdcL01RV0ZcLzUrVjNxbjVRPT0iLCJtYWMiOiJkY2NiNmJmZDA2MWI3YmE5ZGI0NGM2ZmZkYTQ2Yjk2YTk5YmUwZjJhMDY1OGFjYzgz4MDcxN2JkNTRmMTRiZGM4In0=&subid=eyJpdil6lIFGU0JrbWg3VU1vaTZycDN3VTIEclE9PSIsInZhbHVlIjoia1hYyl6lIjZjZTVkZmMzNTJmZmE4ODUxN2ZmZTViNDZiZjQ4YzcxM2Q0M2RhYjE3NjM1MmEwZTgxMjY1M2M4YzRmOTU0ODQifQ==”, (accessed on June 4, 2018).</p></div><div data-bbox=)

Indonesia being one of the largest states in terms of geography as well as influence in the region becomes a critical partner for India's growth as it expands its engagement in this region. Through the establishment of the Comprehensive Strategic Partnership, India and Indonesia have been able to upgrade their security partnership with a common goal of achieving political and economic stability in the region. The security dimension in the CSP has been shaped by the emerging security narratives in India and Indonesia which has convergence and provides the basis for a strong and enduring partnership.

### ***India's Evolving Security Narrative***

At the end of the Cold War, national security concerns began to play a major role in determining India's foreign policy. The 'Look East' policy was announced with the intent towards strengthening economic engagement with Southeast Asia had a strong undertone towards also strengthening India's strategic presence in the Asia-Pacific.<sup>22</sup> Internally, the India-Pakistan conflict over Kashmir continues to also strain the domestic stability, creating tendencies for separatist and extremist movements. Further, there is also the unresolved border dispute with a now more powerful China, which given our past history creates unease amongst policy planners in New Delhi. India's foreign policy in the 21<sup>st</sup> century factored in the need to ensure national security and territorial integrity while also providing the necessary conditions for economic development, to ensure growth and stability for the entire region.<sup>23</sup>

India's 'Look East' policy declared Southeast Asia as part of its extended neighbourhood given its economic and security significance. With physical distance of 195 km between the Andaman Islands and Indonesia, India also shares close marine borders with Myanmar and Thailand along with a 1643-kilometer-long physical border with Myanmar. India's border with the three states of Southeast Asia, both in terms of marine and physical, makes it geo-strategically linked to the region. India's push towards strengthening its security ties with Southeast Asia was made possible as a consequence of the prevalence of mutual trust as well as the commonality of interest shared between India and the nations in the region.<sup>24</sup>

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<sup>22</sup>VibhanshuShekhar, *Indonesia's Foreign Policy and Grand Strategy in the 21<sup>st</sup> Century: Rise of an Indo-Pacific Power*, (Routledge: Oxon, 2018), p. 207.

<sup>23</sup>Jakub Zajaczkowski, "India's Foreign Policy Following the End of the Cold War", in Jakub Zajaczkowski, JivantaSchottli, and Manish Thapa (eds), *India in the Contemporary World: Polity, Economy, and International Relations*, (Routledge: New Delhi, 2014), p. 266-267, 273-274, and 277.

<sup>24</sup>Pradeep Kaushiva and Om PrakeshDahiya, "India-Indonesia Defence cooperation in the Indo-Pacific Region", in in Rajiv K Bhatia and Rahul Mishra (edi), *The Peacock and the Garuda: An Overview of India-Indonesia Relations*, (Knowledge World: 2015, New Delhi), p. 113-115.

In 1996, India became a member of ASEAN Regional Forum [ARF] and has been an active member working with ASEAN in several areas including search and rescue, sea piracy and disaster relief. Further, the events of rising extremist violence in Southeast Asia especially after 9/11 heightened the issue of security and stability in the region. This has set in motion the need for further expansion in the India-ASEAN security arrangements. India in October 2003 signed the ASEAN's Treaty of Amity and Cooperation [TAC]) and also became part of other ASEAN-led security dialogue initiatives such as the East Asia Summit [EAS] in 2005 and the ASEAN Defence Ministerial Meeting Plus established in 2010. Further, with the establishment of the India-ASEAN strategic partnership in 2012 it has enabled stronger cooperation in the area of security with ASEAN as well as with individual ASEAN states. The period 2006-12 was one of continued strengthening of economic relations with ASEAN countries, as well as political and strategic cooperation to protect the Sea line of Communication [SLOCs]. As a result of India's rapid economic growth, its demand for energy has been steadily increasing and this has also shaped its foreign policy. Since its energy resources are not sufficient to meet its increasing demand, it has largely depended on imports. Thus, one of the most important factors determining India's future growth is the need to ensure secure access to energy resources. Therefore, any impediments in this regard constitute a threat to India's national security. It is important to note that sea transport remains crucial for India as it is the main channel for its trade which accounts for 97 percent of goods exported from and imported to India. Such an overwhelming dependence on one means of transport gives it a strategic dimension, crucial for national security. The framework of Indian foreign policy is towards building cooperation to secure the SLOCs, which is crucial to maintain balance for peace and growth.<sup>25</sup>

India's enhanced cooperation with ASEAN since the 1990s helped build the strategic and defence relations with Indonesia. Indonesia saw India as a viable partner for acquiring spare parts, training pilots, and servicing its MiG-29 fighters. India-Indonesia defence relations were consequently revived in the early 1990s after more than three decades of an undeclared freeze dating from the early 1960s.<sup>26</sup> Further, Indonesia played a key role in getting India's

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<sup>25</sup>Jakub Zajaczkowski, "India's Foreign Policy Following the End of the Cold War", in Jakub Zajaczkowski, JivantaSchottli, and Manish Thapa (eds), *India in the Contemporary World: Polity, Economy, and International Relations*, (Routledge: New Delhi, 2014), p. 278-279.

<sup>26</sup> Pankaj K Jha, "India-Indonesia: Towards Strategic Convergence", *Institute for Defence Studies and Analyses*, January 24, 2011, [https://idsa.in/idsacomments/IndiaIndonesiaTowardsStrategicConvergence\\_pkjha\\_240111](https://idsa.in/idsacomments/IndiaIndonesiaTowardsStrategicConvergence_pkjha_240111), Accessed on February 17, 2020.

membership into the ARF and the EAS.<sup>27</sup> In the post-Cold War and 9/11 years as the economic and security challenges continues to become more complex, the partnership has also been evolving.<sup>28</sup>

### ***Indonesia's Evolving Security Narrative***

Jakarta's foreign policy behaviour and its strategic thinking have been conditioned by its requirement to ensure the Republic's internal stability and security. While this is true for most other countries two basic principles that are unique to Indonesia helped govern its foreign policy, these are *anti-kolonialisme* [anti-colonialism] and *bebas-aktif* [independent and active foreign policy]. Through the principle of anti-colonialism, the aim was at securing the territorial integrity of the vast archipelago such as the attainment of sovereignty over Irian Jaya in 1962. The effort put towards securing the homeland was considered an essential step in strengthening the Republic and a pre-requisite towards ensuring that the principle of *bebas-aktif* was effective. After the end of the Cold War given the emerging complexities in the international arena, building of new partnerships along with the deepening of its traditional ties towards countering emerging security threat was being adopted.<sup>29</sup>

Given Indonesia's vast geographical stretch, Jakarta has been battling with a deep sense of insecurity stemming out from its need to continuously secure its land and water bodies from internal divide as well as from external foreign entities. Diplomacy has been one of the major tools used to establish cooperative regional interrelationships for creating a favourable regional environment and ensuring its security and well-being. Indonesia has always favoured the use of preventive diplomacy in the management of the regional order and avoided the use of force.<sup>30</sup> Indonesia's desire to establish ASEAN was dictated by a desire for normalcy in its relations with non-communist nations in Southeast Asia. This became a necessary condition to ensure domestic stability and to lessen its reliance on external powers for regional security. Indonesia saw the establishment of ASEAN as a means towards insulating against the growth of communism while keeping potential conflicts at bay. Over the decades, through the

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<sup>27</sup>Pradeep Kaushiva and Om PrakeshDahiya, "India-Indonesia Defence cooperation in the Indo-Pacific Region", in in Rajiv K Bhatia and Rahul Mishra (edi), *The Peacock and the Garuda: An Overview of India-Indonesia Relations*, (Knowledge World: 2015, New Delhi), p. 113-115.

<sup>28</sup>VibhanshuShekhar, *Indonesia's Rise: Seeking Regional and Global Roles*, (Pentagon Press: New Delhi, 2014), p. 79.

<sup>29</sup>Rizal Sukma, "The Evolution of Indonesia's Foreign Policy: An Indonesian View", *Asian Survey*, Vol 35, No 3 [March 1995], pp. 304-315.

<sup>30</sup>Leonard C Sabastian, "Domestic Security priorities, 'balance of interests' and Indonesia's management of regional order", in Joseph ChinyongLiow and Ralf Emmers (edi), *Order and Security in Southeast Asia: Essays in memory of Michael Leifer*, (Routledge: Oxon, 2006), p.176-180.

various ASEAN led mechanisms it has been successful in not only diffusing intra-regional conflicts but also in preventing new ones from arising.<sup>31</sup>

In the post-Cold War period Indonesia felt the double impact of the Asian financial crisis and the domestic political transition which caused major economic and security challenge. Post-Suharto the changes that occurred in the political and economic structure at the national level created uncertainties amongst the various provinces of Indonesia. As a consequence, local leaders in different parts of the country responded by using violence to cement or extend their control of the local political and economic arena and religious leaders used violence to assert and maintain their authority in time of change. The weakening of the capacity and will of state security forces to intervene in local disputes—a result in part of the separation of the police from the military—led to a security vacuum allowing for violence escalation in some places. The result was that Indonesia witnessed roughly half a decade of large-scale violence in many areas of the country. During this period, separatist civil war and communal violence were predominant in the provinces of Aceh, North Maluku, Maluku, East Timor, West Kalimantan, Central Kalimantan and Sulawesi.<sup>32</sup> The security challenges from terrorism in the post-9/11 years during which Indonesia experienced a string of major terrorist attacks such as the Bali bombing in October 2002, the 2009 Marriott and Ritz-Carlton bombings and more recently the suicide bombers linked to Jamaah Ansharut Daulah (JAD) which attacked three churches across Surabaya, on May 13, 2018.<sup>33</sup> According to data from Indonesia's National Violence Monitoring System, the violence that took place from 1998 to 2003 on account of inter-religious and inter-ethnic violence has caused deaths of close to 10,000 people. There was a decline by 79 percent in terms of deaths related to violence from 2004 to 2012; however in the same period there were a total of 100,000 incidents, deaths, and injuries on account of high and low conflicts.<sup>34</sup>

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<sup>31</sup>MunmunMajumdar, *Indonesia: Primus Inter Pares in ASEAN*, (Rajat Publications: New Delhi, 2003), p. 8-15.

<sup>32</sup>Patrick Barron, Sana Jaffrey, and Ashutosh Varshney, "How Large Conflict Subside: Evidence from Indonesia", Indonesia Social Development Paper No. 8, *The World Bank*, July 2014, <http://documents.worldbank.org/curated/en/127841478495882008/pdf/107871-NWP-add-series-PUBLIC.pdf>, Accessed on February 17, 2020.

<sup>33</sup> Karina M. Tehusjarana and Moses Ompusunggu, "What is JAD? Terror group behind Mako Brimob riot, Surabaya bombings", *The Jakarta Post*, May 14, 2018, <http://www.thejakartapost.com/news/2018/05/14/what-is-jad-terror-group-behind-mako-brimob-riot-surabaya-bombings.html>, accessed on May 15, 2018.

<sup>34</sup>Patrick Barron, Sana Jaffrey, and Ashutosh Varshney, "How Large Conflict Subside: Evidence from Indonesia", Indonesia Social Development Paper No. 8, *The World Bank*, July 2014, <http://documents.worldbank.org/curated/en/127841478495882008/pdf/107871-NWP-add-series-PUBLIC.pdf>, Accessed on February 17, 2020.



The rise of the Islamic State of Iraq and Syria [ISIS] which has spread across the region by adopting new tactics along with cross-border alliances has raised more fears of increasing incidence of violence in Indonesia and the region at large. Indonesia which has been facing the impact of radical Islamic violence, today also faces the challenge from the growing scourge of ISIS-inspired terrorism.<sup>35</sup> Indonesia being a vast archipelago has been facing the issue of illegal immigration some of which takes place with the intent to carry out illicit activities. As there are commonalities in terms of ideology between the various domestic and the international terrorist groups, it becomes easy to infiltrate and influence them in becoming part of the larger radical movement.<sup>36</sup>

The 21<sup>st</sup> century has also fuelled Indonesia's threat perception from increasing tensions in the contested South China Sea. Indonesia does not have any territorial or marine claims over the Spratly and the Paracel Islands in the South China Sea. However, China's nine-dash line runs very close to Indonesia's Natuna Islands and this has become a matter of concern for Indonesia. The maritime claim of China overlaps with Indonesia's Exclusive Economic Zone [EEZ] in the northeast of the Natuna Island as seen in figure below. In July 2017, Indonesian officials announced that they have renamed the waters northeast of the Natuna Islands as indicated as the 'North Natuna Sea', which is located at the far southern end of the South China Sea.<sup>37</sup>

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<sup>35</sup>Superintendent Craig Riviere, "The Evolution of Jihadist-Salafism in Indonesia, Malaysia and The Philippines, and its impact on security in Southeast Asia", *Indo-Pacific Strategic papers, The Centre for Defence and Strategic Studies, Australian Defence College*, November 2016, [http://www.defence.gov.au/ADC/Publications/IndoPac/Riviere\\_IPSP.pdf](http://www.defence.gov.au/ADC/Publications/IndoPac/Riviere_IPSP.pdf), Accessed on October 9, 2017.

<sup>36</sup>Angel Rabasa and John Haseman, "The Military and Democracy in Indonesia: Challenges, Politics, and Power", *RAND*, 2002, [https://www.rand.org/pubs/monograph\\_reports/MR1599.html](https://www.rand.org/pubs/monograph_reports/MR1599.html), Accessed on September 28, 2017.

<sup>37</sup>Aaron L Connelly, 'Indonesia's New North Natuna Sea: What's in a name?', July 19, 2017, <https://www.lowyinstitute.org/the-interpreter/indonesia-s-new-north-natuna-sea-what-s-name>, Accessed on August 16, 2017.

**Figure Four: Indonesia's EEZ North East of Natuna Island**



Source: <http://www.freeworldmaps.net/asia/indonesia/indonesia-physical-map.jpg>.

In 2015, the Foreign Ministry Spokesman of China, Hong Lei, while giving Beijing's position on the Natuna stated that the Chinese had no objection to Indonesia's sovereignty over the Natuna Islands. Like most of the other states in the region, Indonesia does not recognise China's nine-dash line. Despite China recognising the Natuna as part of Indonesia's territory, there has been an increase in the military build up by the Tentara Nasional Indonesia [TNI] or Indonesian National Military in the region around the Natuna Islands with future plans for the deployment of naval warships. President Jokowi has taken action to shore up its military and law enforcement capacity in the area, with the President making two high-profile trips to the military base at Ranai on Natuna Besar to demonstrate his interest in defending Indonesian sovereignty over the islands and Indonesian rights to the resources in the adjacent Exclusive Economic Zone (EEZ).<sup>38</sup> There has been instance of

<sup>38</sup>Aaron L Connelly, 'Indonesia's New North Natuna Sea: What's in a name?', July 19, 2017, <https://www.lowyinstitute.org/the-interpreter/indonesia-s-new-north-natuna-sea-what-s-name>, Accessed on August 16, 2017.

confrontation with three maritime encounters between Indonesia and China in 2016. During this encounter there were warning shots, including one in which Indonesian warships seized a Chinese fishing boat and its crew that entered the overlapping area.<sup>39</sup> The ongoing dispute amongst countries and with China becoming even more assertive over its claims is also becoming a major security consideration for Indonesia. These factors have not only impacted the internal and the external security of Indonesia but are seen as an impediment to the free flow of trade and commerce with potential to retard the overall growth agenda.<sup>40</sup>

### ***India-Indonesia Defence Cooperation in the 21<sup>st</sup> Century***

The Defence Cooperation Agreement signed in 2001 between India and Indonesia not only established the defence partnership but also signalled Jakarta's positive outlook towards New Delhi. This agreement stipulated the establishment of a Joint Defence Cooperation Committee (JDCC) to study and identify various possible fields of defence cooperation.<sup>41</sup> The events of rising extremist violence in Southeast Asia that followed the 9/11 terrorist attacks in the US brought into the limelight the issue of security and stability in the region. While both countries have been a victim of terrorism, India's 26/11 terrorist attack showcased its vulnerabilities from the open seas. This encouraged both countries to expand their defence cooperation in their maritime space. These events along with an emerging instable security environment have set in motion the need for the expansion of the India-Indonesia security partnership to ensure stability and peace in the region which is a necessity in order to facilitate development and growth of the two countries and the region at large. The realisation of the need to expand the scope of the relationship beyond the socio-cultural ties and economics thus, gained attention.

When President Susilo Bambang Yudhoyono visited India from 21-23 November in 2005, Asia was emerging as a leading growth centre of an increasingly interdependent globalised economy. This emerging scenario offered both countries with new opportunities towards further deepening as well as expanding the scope of the bilateral economic cooperation.

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<sup>39</sup>“Indonesia starts to confront China's Territorial claims in South China Sea”, *The Straits Times*, September 11, 2017, <http://www.straitstimes.com/asia/se-asia/indonesia-starts-to-confront-chinas-territorial-claims-in-south-china-sea>, Accessed on September 11, 2017.

<sup>40</sup>Yuen FoongKhong, “Michal Leifer and the pre-requisites of regional order in Southeast Asia”, in Joseph ChinyongLiow and Ralf Emmers (edi), *Order and Security in Southeast Asia: Essays in memory of Michael Leifer*, (Routledge: Oxon, 2006), p. 32-33.

<sup>41</sup>Pradeep Kaushiva and Om PrakeshDahiya, “India-Indonesia Defence cooperation in the Indo-Pacific Region”, in in Rajiv K Bhatia and Rahul Mishra (edi), *The Peacock and the Garuda: An Overview of India-Indonesia Relations*, (Knowledge World: 2015, New Delhi), p. 114-115.

Given their strong historical linkages along with the new opportunities through their continued partnership, both nations agreed to establish a New Strategic Partnership. According to the Joint Declaration, “...This New Strategic Partnership ...calls for closer diplomatic coordination, stronger defence relations, enhanced economic relations especially in trade and investment, greater technological cooperation, as well as intensified cultural ties, educational linkages and people-to-people contacts. This Partnership also compels both countries to harness the unbounded opportunities that lie ahead and to draw from each other's strength....”<sup>42</sup>

Security partnership occupies a place of prominence in Indonesia's strategic thinking as it is undertaken with nations with whom they share commonalities of interest and worldview. Through the bilateral strategic partnership, both nations have expanded the scope of their cooperation in the realm of trade and investment, defence industry, energy, investment, science and technology, sourcing raw materials, and space research collaboration. In 2006, a defence cooperation<sup>43</sup> agreement was signed and during the Indonesia-India Joint Commission Meeting [JCM] in June 2007 it was agreed upon to accelerate the implementation of cooperation under the new strategic partnership and monitor progress through the mechanism of a Plan of Action. During the visit of the then Prime Minister Manmohan Singh to Indonesia in October 2013, the two countries identified five focus areas to strengthen their bilateral ties: strategic engagement, defence and security cooperation, comprehensive economic partnership, cultural and people-to-people linkages, and cooperation in responding to common challenges. India and Indonesia signed six Memorandums of Understanding during this visit that covered greater collaboration between institutions of the two countries in the areas of health, natural disaster, drug-trafficking, intelligence training, and research.<sup>44</sup>

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<sup>42</sup>“Joint Declaration between the Republic of India and the Republic of Indonesia”, *Ministry of External Affairs, Government of India*, November 23, 2005, <https://mea.gov.in/bilateral-documents.htm?dtl/7067/Joint+Declaration+between+the+Republic+of+India+and+the+Republic+of+Indonesia>, accessed on February 12, 2019.

<sup>43</sup>As per the 2006 defence agreement, the two countries are going to jointly produce military hardware and India will also help in the maintenance of the hardware, which Indonesia purchases from Russia. The agreement indicates primarily a three-pronged cooperation in the field of a0 joint production of military hardware, b0 maintenance of military hardware bought from a similar source, such as Russia, and co- purchase of Indian military hardware. [See:// VibhanshuShekhar, *Indonesia's Rise: Seeking Regional and Global Roles*, (Pentagon Press: New Delhi, 2014), p. 139.]

<sup>44</sup>VibhanshuShekhar, *Indonesia's Rise: Seeking Regional and Global Roles*, (Pentagon Press: New Delhi, 2014), p.133and 139.

Maritime security cooperation between India and Indonesia is perhaps the most significant aspect of the bilateral defence cooperation, considering the fact that together both countries control an area extending from the Bay of Bengal in the India Ocean to the Straits of Malacca. Further, Indonesia's location, combined with its naval forces, makes it a very important partner for India in order to ensure the security of the sea lanes of communication between Europe, West Asia, and Southeast Asia. Apart from engaging in the multi-nation MILAN naval exercise which started in 1995, both nations have been expanding their maritime cooperation in the area of coordinated patrols, joint bilateral or multilateral exercises, as well as humanitarian assistance and disaster relief. Joint naval exercises and patrols and regular port calls by respective navies have become a regular feature of the broader India-Indonesia defence cooperation.<sup>45</sup>

Both countries have successfully completed the 32<sup>nd</sup> edition of the India-Indonesia Coordinated Patrol (CORPAT) which was held in Belawan, Indonesia, from October 11-27, 2018. The delegation was led by Commodore Ashutosh Ridhorkar, Naval Component Commander, Andaman and Nicobar Command. Indian Naval Ship *Kulish*, a Kora class missile corvette, commanded by Commander Deepak Bali and an Indian Dornier (naval maritime time patrol aircraft) from Andaman and Nicobar Command entered the Belawan harbour. According to a press statement by the Indian Ministry of Defence, this joint exercise seeks "...to emphasise India's peaceful presence and solidarity with friendly countries towards ensuring good order in the maritime domain, consolidate interoperability and strengthen existing bonds of friendship between the two countries".<sup>46</sup> Further, there is also bilateral cooperation between the two countries in terms of capacity building in hydrography, joint surveys, and maritime domain awareness which adds to the overall maritime security cooperation.

In December 2016, President Jokowi undertook a state visit to India during which both sides discussed the importance of maritime cooperation which would be critical for the stability of the surrounding region as well. The strategic partnership between India and Indonesia along with being maritime neighbours enabled both nations to further look into the areas for further cooperation in the maritime space. The "Statement on Maritime Cooperation" issued by both

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<sup>45</sup>Pradeep Kaushiva and Om Prakesh Dahiya, "India-Indonesia Defence cooperation in the Indo-Pacific Region", in Rajiv K Bhatia and Rahul Mishra (edi), *The Peacock and the Garuda: An Overview of India-Indonesia Relations*, (Knowledge World: 2015, New Delhi), p. 115-119.

<sup>46</sup>"Indian Naval Ship & Aircraft reach Belawan Indonesia for 32nd India - Indonesia coordinated patrol (CORPAT)", *Press Information Bureau, Government of India*, October 11, 2018, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=184112>, Accessed on February 12, 2019.

parties was a major outcome of the visit. A broad range of cooperation that included maritime security, maritime industry, maritime safety and navigation, was provided for in the Statement. Further, both nations through the Defence Ministers' Dialogue and the Joint Defence Cooperation Committee (JDCC) Meetings are reviewing the existing "Agreement on Cooperative Activities in the Fields of Defence" in order to upgrade it into a substantive bilateral Defence Cooperation Agreement. The ongoing defence dialogue between India and Indonesia provides new areas to explore and also possible collaboration for not only co-production but co-development between their defence industries.<sup>47</sup>

The elevation of bilateral relationship between the two countries to the level of Comprehensive Strategic Partnership would further enhance cooperation in the security dimension. The CSP is an enabling platform for "the creation of new mechanisms like bilateral security dialogue, trilateral dialogue, signing of an enhanced Defence Cooperation Agreement and Framework Agreement on Cooperation in the Exploration and Uses of Outer Space for Peaceful Purposes".<sup>48</sup> This marks a significant shift in the relations providing for deeper engagement while strengthening the traditional and the non-traditional aspects of security cooperation. Further, the enhanced defence ties will help facilitate maritime cooperation in the Indo-Pacific region.

### **The Emerging Cooperation in the Maritime Space**

In the 21<sup>st</sup> century, both India and Indonesia, being maritime nations are looking towards strengthening their maritime cooperation. India and Indonesia sharing a common maritime border with common maritime interests as well as challenges have been cooperating through various initiatives as well as mechanisms. Indonesia's relations with India based on shared ideals of pluralism, tolerance, rule of law, and values of peaceful co-existence, has also enabled in expanding the scope of the partnership in the maritime space.

### ***The Indo-Pacific Region***

The shared interests between India and Indonesia with a common vision for maritime cooperation in the Indo-Pacific represent a vast array of global opportunities and challenges.

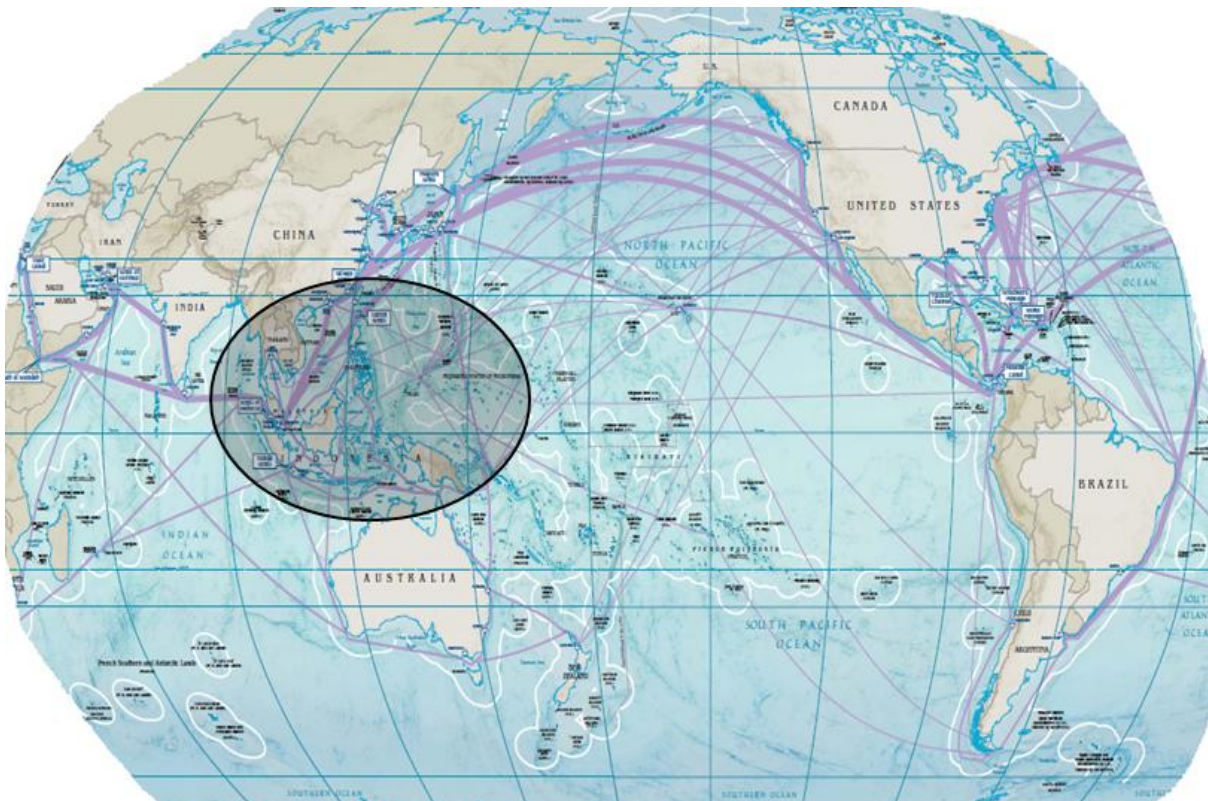
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<sup>47</sup>"India-Indonesia Joint Statement during the State visit of President of Indonesia to India", *Ministry of External Affairs, Government of India*, December 12, 2016, <http://mea.gov.in/bilateral-documents.htm?dtl/27805/IndiaIndonesia+Joint+Statement+during+the+State+visit+of+President+of+Indonesia+to+India>, Accessed on August 22, 2017.

<sup>48</sup>"Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific", *Press Information Bureau*, May 30, 2018, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=179630>, (accessed on June 2, 2020).

The geo-political shift towards the Indo-Pacific region has become a hot bed for power and influence amongst the major powers in order to have control over the sea-lanes and maritime choke-points. As indicated in the figure ASEAN is at the centre of the Indo-Pacific region. It is also the convergence point for some of the major trade routes, responsible for movement of global trade and commerce.

**Figure Five: Major Trade Routes in the Indo-Pacific Converging in ASEAN**



Source: <https://www.loc.gov/item/2015588704/>

Geographically, Indonesia acts as a ‘strategic funnel’ between the Indo and Pacific components of the Indo-Pacific.<sup>49</sup> As indicated in the map, Indonesia geographically stretches across Southeast Asia and comprises of some 17, 508 islands covering an area of 740, 946 square (sq) miles or 1,919,443 sq. km. Being a vast archipelago Indonesia includes the Arafura Sea, the Indian Ocean, the Andaman Sea, the Strait of Malacca, South China Sea, Celebes Sea, and the Western Pacific Ocean. This places Indonesia between the Indian and the Pacific Oceans connecting Asia with Australia, and Europe. Indonesia being one of the

<sup>49</sup>David Scott, “Indonesia Grapples with the Indo-pacific: Outreach, Strategic Discourse, and Diplomacy”, *SAGE Journals*, August 1, 2019, <https://journals.sagepub.com/doi/full/10.1177/1868103419860669>, (accessed on June 5, 2020).

largest states in terms of geography as well as influence in the region is a critical partner for India towards ensuring stability, peace and prosperity in the region.<sup>50</sup>

**Figure Six: Map of Indonesia**



Source:<https://libraries.indiana.edu/file/southeast-asia-map>

As India and Indonesia's profile began to rise at the turn of the 21<sup>st</sup> century, given their geographical centrality in the emerging Indo-Pacific construct, their partnership is essential for a stable regional order. On August 2, 2018, Indonesian Foreign Minister Retno Marsudi presented Indonesia's Indo-Pacific concept at the ASEAN Foreign Ministerial Meeting. Indonesia stressed on an ASEAN-centric regional architecture that is open, transparent, inclusive and rules-based. Ms Marsudi while talking to reporters stated that ASEAN being at the centre of the Indo-Pacific should not be silent and that in the 50 years of the existence of ASEAN it has never threatened others because the group always prioritized inclusiveness, cooperation and dialogue.<sup>51</sup>

<sup>50</sup>VibhanshuShekhar, *Indonesia's Rise: Seeking Regional and Global Roles*, (Pentagon Press: New Delhi, 2014), p.142-143.

<sup>51</sup>"ASEAN crafts position on US 'Free and Open Indo-Pacific' Strategy", *Nikkei Asian Review*, August 2, 2018, <https://asia.nikkei.com/Politics/International-relations/ASEAN-crafts-position-on-US-Free-and-Open-Indo-Pacific-strategy>, (accessed on May 28, 2020).



Indonesia took the lead in drafting the ASEAN vision on the Indo-Pacific which was adopted by all the ten ASEAN countries in June 2019. The ‘ASEAN Outlook on the Indo-Pacific’ emphasises on the centrality of the ASEAN amidst the geopolitical shifts being witnessed in the region. Further, the ASEAN outlook on the Indo-Pacific is based on the principles of “...openness, transparency, inclusivity, a rules-based framework, good governance, respect for sovereignty, non-intervention, complementarities with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit and respect for international law, such as UN Charter, the 1982 UN Convention on the Law of the Sea, and three other relevant UN treaties and conventions, the ASEAN Charter and various ASEAN treaties and agreements and the EAS Principles for Mutually Beneficial Relations...”.<sup>52</sup>

The ASEAN Outlook on the Indo-Pacific focuses on three areas, namely maritime cooperation that also includes addressing crimes at sea, cooperation in connectivity to boost economic growth, and cooperation to realise sustainable development to achieve the SDGs target in an inclusive manner. Through the new ASEAN outlook on the Indo-Pacific, Indonesia is looking towards enhancing maritime cooperation with countries in the region including India. Indonesia shares commonality of views with India on the development of the Indo-Pacific cooperation which is based on the principles of non-rivalry, inclusiveness, transparency, and openness.<sup>53</sup>

President Jokowi when delivering his speech at the plenary session of the 13<sup>th</sup> East Asia Summit [EAS], on November 15, 2018, conveyed Indonesia's vision of the “World Maritime Axis”. The President explained that the Pacific and the Indian Oceans constitute a ‘single geo-strategic theatre’. President Jokowi stressed on the need of ensuring that this region does not become a stage for disputes and unrest. Indonesia emphasised that efforts should be laid towards creating a peaceful region along the two oceans as the challenges are becoming more complex; such as the increasing instances of disputes over natural resources between nations and attempts to attain maritime supremacy for control over world trade routes, amongst regional players.<sup>54</sup> During President Jokowi and PM Modi’s meeting in 2018, the emerging

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<sup>52</sup>“ASEAN Outlook on the Indo-Pacific”, [https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific\\_FINAL\\_22062019.pdf](https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf), accessed on February 12, 2020.

<sup>53</sup>Yuen FoongKhong, “Michal Leifer and the pre-requisites of regional order in Southeast Asia”, in Joseph ChinyongLiow and Ralf Emmers (edi), *Order and Security in Southeast Asia: Essays in memory of Michael Leifer*, (Routledge: Oxon, 2006), p. 32-33.

<sup>54</sup>“President Jokowi Presented the Indo-Pacific Concept at the EAS Summit”, *Ministry of Foreign Affairs, Republic of Indonesia*, November 16, 2018, <https://www.kemlu.go.id/en/berita/Pages/President-Jokowi-Presented-the-Indo-Pacific-Concept-at-the-EAS-Summit.aspx>, , (accessed on November 26, 2018).

convergence on the Indo-Pacific was at the forefront of the Shared Vision of India-Indonesia maritime cooperation. “The Shared Vision focussed on ‘inclusiveness’ and reiterated the importance of achieving a free, open, transparent, rules-based, peaceful, and prosperous Indo-Pacific region where sovereignty and territorial integrity, international law, in particular UNCLOS, freedom of navigation and overflight are respected”.<sup>55</sup>

### ***Convergence between the Global Maritime Fulcrum and the SAGAR Doctrine***

The Global Maritime Fulcrum doctrine “...aims to revive ‘Indonesia’s archipelagic state identity’ and ‘maritime spirit’. The Global Maritime Fulcrum focussed on the economy is supposedly the blueprint of President Jokowi’s foreign policy, and his Indo-Pacific strategy, which would demonstrate the free and active foreign policy”.<sup>56</sup> The GMF is based on five pillars namely; rebuilding Indonesia’s maritime culture, manage marine resources, develop maritime infrastructure and connectivity, advance maritime diplomacy, and build its maritime defence forces. These five principles under the GMF are viewed as necessary in order to safeguard Indonesia’s interest in the emerging maritime space which is becoming highly contested. The GMF seeks to maintain Indonesia’s maritime sovereignty as well as control over the sea resources, while also ensuring safety of shipping lanes and maritime security.<sup>57</sup>

In pursuit of building its maritime power, Indonesia has been building its engagements with like-minded countries such as India and also giving much emphasis on militarism. Towards this end, in 2017 Indonesia hosted the Indian Ocean Rim Association [IORA] Summit, which yielded the “Jakarta Declaration and Plan of Action”. Further in October 2018 Indonesia hosted the 5<sup>th</sup> “Our Ocean Conference” that produced multi-stakeholders’ commitments regarding the Ocean. Indonesia also hosted the Indonesia-Africa Maritime Dialogue, on October 29, 2018, which emphasised on cooperation in sustainable fisheries and maritime security.<sup>58</sup> Given that the Indian Ocean region is a major ocean for the flow of trade

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<sup>55</sup> “Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific”, *Ministry of External Affairs*, May 30, 2018, [https://mea.gov.in/bilateral-documents.htm?dtl/29933/Shared\\_Vision\\_of\\_IndiaIndonesia\\_Maritime\\_Cooperation\\_in\\_the\\_IndoPacific](https://mea.gov.in/bilateral-documents.htm?dtl/29933/Shared_Vision_of_IndiaIndonesia_Maritime_Cooperation_in_the_IndoPacific), (accessed on June 2, 2020).

<sup>56</sup> Yohanes Sulaiman, “Whither Indonesia’s Indo-Pacific Strategy?”, *The Institut Francais des Relations Internationales [Ifri]*, January 2019, [https://www.ifri.org/sites/default/files/atoms/files/sulaiman\\_indonesia\\_indo\\_pacific\\_strategy\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/sulaiman_indonesia_indo_pacific_strategy_2019.pdf), (accessed on May 28, 2020).

<sup>57</sup> Evan Laksmana, “Indonesian Sea Policy: Accelerating Jokowi’s Global Maritime Fulcrum,” <http://amti.csis.org/indonesian-sea-policy-accelerating/>, (accessed on July 21, 2017).

<sup>58</sup> “President Jokowi Presented the Indo-Pacific Concept at the EAS Summit”, *Ministry of Foreign Affairs, Republic of Indonesia*, November 16, 2018, <https://www.kemlu.go.id/en/berita/Pages/President-Jokowi-Presented-the-Indo-Pacific-Concept-at-the-EAS-Summit.aspx>, (accessed on November 26, 2018).

and commerce, it faces increasing challenges from issues such as illegal, unreported, and unregulated [IUU] fishing, piracy, drug trafficking, illegal arms trade, unsustainable and exploitation of ocean resources, and also increasing terrorist threat from the seas, require broad security cooperation. India and Indonesia being maritime neighbours are prominent members of the IORA. Therefore, their expanding maritime cooperation would help secure the safety and security of the region which would be crucial for improving trade and commerce. The signing of the CSP provides the platform for India and Indonesia to further expand the scope of their economic and security cooperation in the maritime space.

During the May 2018 meeting between President Jokowi and PM Modi both leaders acknowledged “the need to maintain maritime safety and security for peace, stability and sustainable economic growth and development in the maritime waters of the Indo-Pacific region as enshrined by UNCLOS and relevant international laws”.<sup>59</sup> India’s maritime doctrine Security and Growth for All in the Region [SAGAR] announced by PM Modi on March 12, 2015, emphasises on defending India’s maritime interests through a secure and stable Indian Ocean Region. Through the deepening of economic and security cooperation with friendly countries in the region, it would help advance peace, stability, and sustainable development for all. This would require greater collaboration in trade, tourism and investment, infrastructure development, marine science and technology, sustainable fisheries, protection of marine environment, and, overall development of Ocean or Blue Economy.<sup>60</sup>

India’s approach to its relations with Indonesia is governed by the its “Act East” and “Neighbourhood First” policy that seeks to respond to the requirements of neighbouring countries without any conditions for reciprocation. “The need to address the emerging maritime security issues in the Indo-Pacific region could be explored through the convergences and complementarities between India’s Act East Policy and SAGAR, and Indonesian Ocean Policy and Indonesia’s Global Maritime Fulcrum Vision, while reaffirming the importance of the ASEAN centrality and unity”.<sup>61</sup>

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<sup>59</sup>Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific”, *Press Information Bureau*, May 30, 2018, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=179630>, (accessed on June 15, 2020).

<sup>60</sup>Commander Subhasish Sarangi, “Unpacking SAGAR (Security and Growth for All in the Region)”, *Centre for Strategic Studies and Simulation, USI Occasional Paper*, No 2, 2019, [https://usiofindia.org/wp-content/uploads/2020/02/USI-Occasional-Paper\\_2\\_19-Unpacking-SAGAR-Final-print-File-1.pdf](https://usiofindia.org/wp-content/uploads/2020/02/USI-Occasional-Paper_2_19-Unpacking-SAGAR-Final-print-File-1.pdf), (accessed on June 5, 2020).

<sup>61</sup>Shared Vision of India-Indonesia Maritime Cooperation in the Indo-Pacific”, *Press Information Bureau*, May 30, 2018, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=179630>, (accessed on June 15, 2020).

There also exists convergence between Indonesia's GMF and India's 'Sagarmala' programme which was conceived in 2015. The components of 'Sagarmala' programme include port modernisation and development, connectivity enhancement, development of coastal communities, and coastal shipping and inland waterway transport.<sup>62</sup> The objective of the 'Sagarmala' like the GMF is to push towards the development and modernisation of maritime infrastructure and connectivity. Therefore, this provides scope for cooperation between India and Indonesia in areas such as infrastructure development as well as shipbuilding. India already has expertise in ship building capabilities and Indonesia is also acquiring the necessary know-how in this very technologically sophisticated sector; thus, providing scope for collaboration.

### ***Increasing Defence Cooperation in the Maritime Space***

Both countries since the signing of the CSP conducted their first ever bilateral naval exercise named 'Samudra Shakti' from November 12 to 18, in 2018. This joint maritime exercise was conducted in the Java Sea and marked a significant step forward in the operational engagement between the two navies following the Ind-Indo Corpat which have been ongoing since 2002.<sup>63</sup> The second edition of 'Samudra Shakti' was held in November 2019. The two-day bilateral maritime exercise between the navies of India and Indonesia was conducted in the Bay of Bengal off the Visakhapatnam coast. INS Kamorta, an Anti-Submarine Warfare Corvette, conducted joint exercises with Indonesian Warship KRI Usman Harun, which is a multi-role Corvette.<sup>64</sup>

During PM Modi's visit to Indonesia in May 2018, an agreement was reached with President Jokowi to strengthen existing naval cooperation which includes bilateral Coordinated Patrols between the Navies which was initiated in 2002. Both sides also agreed to commence regular bilateral naval exercises and enhance information sharing related to maritime security in the Indo-Pacific region. Another significant aspect of this meeting was the agreement to give

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<sup>62</sup>“Sagarmala”, *Ministry of Shipping, Government of India*, <http://sagarmala.gov.in/about-sagarmala/vision-objectives>, (accessed on June 2, 2020)

<sup>63</sup>Dipenjan Roy Chaudhury, “India, Indonesia launch their maiden naval exercise”, *The Economic Times*, November 13, 2018, <https://economictimes.indiatimes.com/news/defence/india-indonesia-launch-their-maiden-naval-exercise/articleshow/66607406.cms?from=mdr>, (accessed on June 1, 2020).

<sup>64</sup>“Indian, Indonesian navies conclude maritime exercise”, *The Hindu*, November 8, 2019, <https://www.thehindu.com/news/cities/Visakhapatnam/indian-indonesian-navies-conclude-maritime-exercise/article29913214.ece>, (accessed on June 1, 2020).

India economic and military access to the strategic island of Sabang which is located in the Indian Ocean.<sup>65</sup>

**Figure Seven: Sabang Port in Aceh Province, Sumatra**



Source:// <https://sniwire.com/2018/10/03/indias-tsunami-relief-for-indonesia-supplements-a-strategic-pacific-twist/>

As indicated on the map the Sabang port is located on the tip of the Sumatra island and at the mouth of the Malacca Strait. Indonesia permitted India to invest in the Sabang port, which as can be seen in the map is located near the Straits of Malacca which is a strategic and vital shipping channel. The Straits of Malacca is considered as one of the most important shipping lanes in the world and, with close to 100,000 vessels passing through it every year, it is the busiest strait in the world. It is the primary shipping lane between the Indian and the Pacific Ocean which links major powers like China, Japan, India, South Korea, Malaysia etc.<sup>66</sup> The strategic location of Sabang would allow India to intercept Chinese vessels travelling between the South China Sea and the Indian Ocean.<sup>67</sup> The Sabang port is approximately 90

<sup>65</sup>“India and Indonesia Agree Naval Cooperation at Sabang”, *The Maritime Executive*, May 30, 2018, <https://www.maritime-executive.com/article/india-and-indonesia-agree-naval-cooperation-at-sabang>, (accessed on June 1, 2020).

<sup>66</sup>“India, Indonesia tighten relations after Sabang Port Deal with Bilateral Naval Exercise”, *The EurAsia Times*, November 14, 2018, <https://eurasiatimes.com/india-indonesia-tighten-relations-sabang-port-deal-bilateral-naval-exercise/>, (accessed on June 1, 2020).

<sup>67</sup>Yohanes Sulaiman, “Whither Indonesia’s Indo-Pacific Strategy?”, *The Institut Francais des Relations Internationales* [Ifri], January 2019,

nautical miles or 175 kilometers from Indira Point, the southernmost tip of India's Andaman and Nicobar Islands. It is 40 meters [131 feet] deep and could be developed to accommodate both commercial vessels and submarines. The Sabang port as well as the Andamans straddle important sea lanes of trade and energy flow. The Andaman and Nicobar Islands lie in the Six Degree and Ten Degree channels which are important sea lanes through which thousands of commercial shipping vessels sail through each year. Given the economic and strategic significance of this sea route, India and Indonesia have been expanding the deployment of their naval assets to safeguard their interests and ensure stability in the Indian Ocean. Being maritime neighbours that share a common vision the collaboration between India and Indonesia in the Sabang has a strategic tilt. Through the enhanced maritime cooperation under the CSP, Indonesia has allowed berthing of IN ships in Sabang with INS Sumitra becoming the first war ship to dock at the Sabang deep-sea port on July 11, 2018.<sup>68</sup>

### **Challenges to the Partnership**

The India-Indonesia relations have latched on to a much larger discourse towards a multi-dimensional strategic cooperation based on a shared understanding of the prevailing security environment in the region. It also needs to be mentioned that the democratisation of Indonesian politics after the downfall of Suharto has not only offered an important strategic space for joint projections as democracies, but also strengthened linkages between the civil societies and institutions, which have not only deepened but also broadened the scope of the bilateral cooperation. While the bilateral security engagement based on shared principles and the commonality of challenges has increased, both countries do not believe and have no interest in building any military alliances. Therefore, the established CSP has been given more of an economic and non-military shade even though there has been an elevation of the bilateral defence ties. For instance, with regard to the agreement on Sabang both sides ensured that the partnership was under an economic partnership where India would undertake projects for port-related infrastructure development. In Indonesia too the news media, despite the strong strategic undertone of the Sabang agreement, refrained from mentioning the

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[https://www.ifri.org/sites/default/files/atoms/files/sulaiman\\_indonesia\\_indo\\_pacific\\_strategy\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/sulaiman_indonesia_indo_pacific_strategy_2019.pdf), (accessed on May 28, 2020).

<sup>68</sup>“India's Tsunami Relief for Indonesia Supplements a Strategic Pacific Twist”, *Strategic News International*, October 3, 2018, <https://sniwire.com/2018/10/03/indias-tsunami-relief-for-indonesia-supplements-a-strategic-pacific-twist/>, (accessed on June 1, 2020).

military aspect and confined their comments to cooperation under the Comprehensive Economic Partnership for port building and development.<sup>69</sup>

One of the divergences in the partnership stems from India's participation in the Quadrilateral Security Dialogue or Quad which is an informal grouping with the US, Japan, and Australia. Indonesia remains ambivalent on the Quad and views this informal security framework as antagonistic to China and also a challenge to ASEAN. The appeal in Indonesia for Quad also remains lukewarm as it goes against Indonesia's foreign policy doctrine *bebas-aktif* [free and active] which continues to resonate amongst Indonesian policy makers and this principle ensures that it stays out of any military alliance.<sup>70</sup> Indonesia like other countries in the region faces the growing power of China which has been increasing its assertion in the disputed waters in the South China Sea. In this context, the best policy for Indonesia is to maintain the stability of the region by trying to foster more cooperation, hoping that the growing ties of multilateral economic and cultural cooperation will reduce regional tensions, while downplaying any attempt to craft a regional counterbalance against China.<sup>71</sup>

India as part of the Quad continues to emphasise on establishing a rule-based order and an inclusive region which is not aimed against any particular country. These are also well stated in India's vision of the Indo-Pacific that does not seek to balance or restrict China and lays importance to the centrality of ASEAN. Further, the emerging security dimensions in the maritime space of the Indo-Pacific that includes smuggling of people, arms, drugs and money; illegal, unreported and unregulated fishing; movement of terrorists; and increasing assertion by some countries over the disputed waters; is causing increasing tensions, which could create disruption in trade and commerce. Taking note of these developments India has been focussed on managing its oceans to contain any form of asymmetry that may harm peace and stability in the region while also promoting sustainable growth which has been well defined in India's SAGAR doctrine. The SAGAR doctrine as stated by PM Modi at the Shangri La Dialogue on June 1, 2018, is to further deepen engagement in the Indian Ocean

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<sup>69</sup>Yohanes Sulaiman, "Whither Indonesia's Indo-Pacific Strategy?", *The Institut Francais des Relations Internationales* [Ifri], January 2019, [https://www.ifri.org/sites/default/files/atoms/files/sulaiman\\_indonesia\\_indo\\_pacific\\_strategy\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/sulaiman_indonesia_indo_pacific_strategy_2019.pdf), (accessed on May 28, 2020).

<sup>70</sup>Shafiah F. Muhibat and M. Habib Abiyan Dzakwan, "Indonesia and the Quad: can't or won't decide?", *The Strategist*, December 8, 2018, <https://www.aspistrategist.org.au/indonesia-and-the-quad-cant-or-wont-decide/>, (accessed on June 2, 2020).

<sup>71</sup>Yohanes Sulaiman, "Whither Indonesia's Indo-Pacific Strategy?", *The Institut Francais des Relations Internationales* [Ifri], January 2019, [https://www.ifri.org/sites/default/files/atoms/files/sulaiman\\_indonesia\\_indo\\_pacific\\_strategy\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/sulaiman_indonesia_indo_pacific_strategy_2019.pdf), (accessed on May 28, 2020).

Region by helping build economic capabilities and improve maritime security.<sup>72</sup> India's participation in the Quad is based on the shared principles and values which this grouping is also committed to.

While the security dimension of the partnership through the CSP has gained much momentum, India and Indonesia need to review their economic partnership which has huge potential for growth. Given that India has decided on not joining the Regional Comprehensive Economic Partnership [RCEP], as it was not comprehensive enough to accommodate some of its major concerns that are necessary to safeguard its manufacturers, and agri-based sectors. Therefore, India's goods would continue to face high cost, tariffs, and other market access denial mechanism limiting its exports into RCEP nations such as China, Australia, and New Zealand with whom no bilateral Free Trade Area [FTA] exist. However, as India has an FTA with ASEAN it will continue to provide opportunities that cannot be overlooked.<sup>73</sup> The Indonesian Trade Minister Agus Suparmanto expressed optimism "that India will continue to participate in the RCEP cooperation. According to the Trade Minister, there are a number of chapters in the pact that have not yet been finalised and India has significant outstanding issues, which remain unresolved. Therefore, the 15 participating countries will work together to resolve these outstanding issues in a mutually satisfactory way."<sup>74</sup> However, India was absent from the RCEP special negotiation talks which was held in Bali, Indonesia, on 3-4 February, 2020, indicating that it may withdraw from the negotiations.<sup>75</sup> On November 17, 2020, at the ASEAN Summit, the 15 countries signed the RCEP but have made it clear that the door will remain open for India to return to the negotiating table.<sup>76</sup>

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<sup>72</sup>"Prime Minister's keynote Address at Shangri La Dialogue [June 01, 2018]", *Ministry of External Affairs*, June 1, 2018, <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018>, (accessed on June 2, 2020).

<sup>73</sup>Temjenmeren Ao, "India-ASEAN Economic Engagement: Looking beyond RCEP and Following up the Presidential visit to the Philippines", *ICWA Viewpoint*, December 3, 2019, [https://www.icwa.in/show\\_content.php?lang=1&level=3&ls\\_id=4059&lid=3018](https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=4059&lid=3018), (accessed on July 3, 2020).

<sup>74</sup>Erric Permana, "Indonesia assures India will join RCEP cooperation", *Anadolu Agency*, November 7, 2019, <https://www.aa.com.tr/en/asia-pacific/indonesia-assures-india-will-join-rcep-cooperation/1638785>, (accessed on July 7, 2020).

<sup>75</sup>"India absent from RCEP special negotiating talks in Indonesia", *KYODO News*, February 4, 2020, <https://english.kyodonews.net/news/2020/02/86cb90803ba0-india-absent-from-rcep-special-negotiating-talks-in-indonesia.html>, (accessed on July 7, 2020).

<sup>76</sup>Prabha Raghavan, "Explained: What are the economic implications of India opting out of the RCEP?", *The Indian Express*, November 18, 2020, <https://indianexpress.com/article/explained/india-out-of-rcep-china-economy-trade-angle-7053877/>, (accessed on November 18, 2020).



Meanwhile, India and ASEAN are undertaking a review of their FTA which was decided during the 16<sup>th</sup> ASEAN Economic Ministers- India Consultations held on September 10, 2019, in Bangkok. An early conclusion that addresses issues such as increasing trade deficit would help further build the economic partnership between India and ASEAN and Indonesia. India's Prime Minister Modi while addressing the ASEAN Summit in Bangkok in November 2019, welcomed ASEAN countries' decision to have a relook at the FTA in goods with India to make it 'user-friendly, simple, and trade facilitative'. According to PM Modi, the decision to re-examine the ASEAN-India FTA will make the economic links stronger and will make trade more balanced.<sup>77</sup> In a written reply to the Rajya Sabha on November 29, 2019, the Commerce and Industry Minister, Piyush Goyal stated that the proposed scope of the review of the ASEAN-India FTA could "...include implementation issues, rules of origin; verification process and release of consignments; customs procedures; to take into account other negotiations on further liberalisation of trade in goods; and sharing and exchange of trade data".<sup>78</sup> India and Indonesia also need to work towards concluding the bilateral Comprehensive Economic Cooperation Agreement [CECA] which was launched by both countries in 2016. The early conclusion of the India-Indonesia CECA would be mutually beneficial as it would help further realise the true potential of the economic engagement and thus, help reach the set target of US\$ 50 billion of bilateral trade by 2025. And trade issues such as market access for services where there are restraints needs to be negotiated through continuous dialogues.

### **Convergence in the Partnership at the time of the COVID-19 Pandemic**

Today the world is witnessing the weakening of the existing multilateral trading regimes and a stronger narrative for protectionism in the midst of the COVID-19 pandemic. While the current threat to the existing multilateral trading order along with the unprecedented crisis from the COVID-19 would harm both nations, it also provides the scope to further broaden the bilateral partnership. The health crisis brought by the COVID-19 is also a major challenge to globalisation that may distort the global supply chains. India and Indonesia should strengthen their cooperation to protect and push reforms in the existing multilateral trading order to ensure a more inclusive, responsive, and participatory international trading

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<sup>77</sup>Dipanjan Roy Chaudhury, "ASEAN may soon conclude review of FTA with India", *The Economic Times*, November 6, 2019, <https://economictimes.indiatimes.com/news/politics-and-nation/asean-may-soon-conclude-review-of-fta-with-india/articleshow/71932278.cms>, (accessed on June 10, 2020).

<sup>78</sup>"India-ASEAN FTA review: Further liberalisation of trade on agenda", *Business Standard*, November 29, 2019, [https://www.business-standard.com/article/pti-stories/india-asean-fta-review-could-include-further-liberalisation-of-trade-in-goods-119112901018\\_1.html](https://www.business-standard.com/article/pti-stories/india-asean-fta-review-could-include-further-liberalisation-of-trade-in-goods-119112901018_1.html), (accessed on June 15, 2020).

architecture that is mutually beneficial to all. The COVID-19 which is causing great harm to lives and livelihood has set back the economies across the globe. India and Indonesia are no exception to this unprecedented crisis and would have to rebuild their respective economies wherein there is the likelihood of resource crunch and countries becoming more inward. A pre-requisite towards overcoming the economic fallout from the COVID -19 would be the ability on the part of both the countries to address the challenges which continues to become more complex. The CSP provides the platform for both countries to further strengthen their partnership. Enhanced cooperation in the area of health emergency and medicine would be crucial. On April 28, 2020, PM Modi had a telephonic conversation with President Jokowi and discussed the COVID-19 situation in their respective countries. “PM Modi assured him that India would do its best to prevent disruption in supplies of medical products or the other commodities traded between the two countries”.<sup>79</sup>

The ongoing pandemic has shown the significance of digital connectivity in the area of education, medical, and other consultancy-based services. With the nature of trade flows in the post-COVID-19 period being technology driven, it creates a new opportunity for both India and Indonesia to work together to strengthen digital connectivity, and promote cooperation in sectors like healthcare, education, green energy, and traditional medicine. The pandemic has also highlighted the adverse impact of depending on a single source that has caused disruptions in production lines and brought economic activities to a halt. India and Indonesia are looking to develop their manufacturing sector and also get integrated into the global supply chain. Multinational companies that are looking to diversify their sourcing is an opportunity for both countries and they should support each other in building new and stronger value chains. Further, as some of the ASEAN countries are already well integrated with the global value chains, India and Indonesia should partner with them in building regional value chains as a first step.<sup>80</sup> This would be essential in the post-COVID-19 period where countries would look closer to home for sourcing. Further, this would also attract multinational companies looking for cost efficiency and sustainable supply chains across countries, instead of relying on one single country. Indian PM Modi on April 28, 2020, posted on twitter that “...as close maritime neighbours and Comprehensive Strategic

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<sup>79</sup>“PM Modi interacts with Indonesian Prez, assures support during COVID-19 crisis”, *The Statesman*, April 28, 2020, <https://www.thestatesman.com/india/pm-modi-interacts-with-indonesian-prez-assures-support-during-covid-19-crisis-1502881702.html>, (accessed on July 3, 2020).

<sup>80</sup>Prabir De, Durairaj Kumarasamy, and Sreya Pan, “ASEAN-India Response to COVID-19: A Silver Lining Amidst the Health Crisis”, *AIC Commentary*, No 6, June 2020, [https://www.researchgate.net/publication/342436668\\_ASEAN-India\\_Response\\_to\\_COVID-19\\_A\\_Silver\\_Lining\\_Amidst\\_the\\_Health\\_Crisis](https://www.researchgate.net/publication/342436668_ASEAN-India_Response_to_COVID-19_A_Silver_Lining_Amidst_the_Health_Crisis), accessed on July 8, 2020.

Partners, close cooperation between India and Indonesia will be important to deal with the health and economic challenges posed by this crisis.”<sup>81</sup> The deepening of the economic partnership between India and Indonesia which is one of the pillars of the CSP would be fundamental in promoting regional stability and growth in the post COVID-19 period.

## **Conclusion**

The post-Cold War period and the realities of the 21<sup>st</sup> century brought with it new challenges for both India and Indonesia. While Indonesia began to embark on the process of building strategic partnership, the ‘Look East’ policy infused new dynamism in India’s multi-layered outreach with its eastern neighbours. Indonesia’s policy of forging strategic partnerships with great powers has gained prominence in its strategic thinking, while also ensuring that it adhered to its foreign policy doctrine of *bebas-aktif* [independent and active]. Indonesia’s first three strategic partners were Russia in 2003, China in 2005, and India in 2005 which in May 2018 was elevated to the level of a CSP. The India-Indonesia CSP with emphasis on expanding economic and security cooperation between the two largest democracies in Asia would further expand their multifaceted cooperation. Further, the increasing need for economic integration and multilateral cooperation in the midst of an anti-globalisation sentiment is prompting both the countries to take a re-look at their economic cooperation. As both countries are looking towards building a robust manufacturing sector with the aim of getting further integrated into the global supply chains, the convergence of interests becomes a key element in further deepening the partnership.

Going forward, the nature of this partnership would be crucial towards ensuring the safety and security of the Sea Lanes of Communications, and effectively countering the threat from traditional as well as non-traditional security challenges. What is significant to the partnership is that even though both India and Indonesia are concerned with growing tensions in the region, both continue to resort to the strategy of building positive and collective cooperation as a means to deliver the best outcome. This is evident in the strong affirmation by both countries of the ideal of multilateralism which remains central to maintaining peace and ensuring growth for all. The CSP is aimed at building a stable, developed, peaceful, and powerful Asia, in which both India and Indonesia would be major contributors. This Partnership would remain a key towards realising the vision of a stable and prosperous region

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<sup>81</sup>Narendra Modi, *Twitter*, April 28, 2020, <https://twitter.com/narendramodi/status/1255063898899636225>, accessed on July 3, 2020.

as enshrined under the Bandung Spirit and also shared by the founding fathers of the two countries- Nehru and Sukarno.

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