



Rising Indonesia and Indo-Pacific World

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The rise of a country implies growth in the material capability and growing expression of its ambition to play greater role in the global and regional politics. Indonesia has registered sustained economic growth of approximately 6 per cent during the last five years, displayed a stable polity, and undertaken steps towards modernising its military. By one account, Indonesia is going to be the seventh largest economy by 2030.¹ Highlighting Indonesia's rise, President Susilo Bambang Yudhoyono declared, "Indonesia is the world's third largest democracy, the largest economy in Southeast Asia, a key growth area in the world economy, and soon we will have one of the largest productive workforce in Asia."² In addition to its national consolidation, the country has demonstrated its growing desire for regional leadership, and to contribute to the strategic debates and decisions taking place at the high tables of regional and global politics.³

Positioning Indonesia in the Indo-Pacific World

The last five years have seen gradual inclusion of the term 'Indo-Pacific' in the lexicon of the geopolitics of the eastern Asian hemisphere, especially from the strategic community of Australia, India, Japan and the US.⁴ The term is generally understood to represent the triangular space between India, Japan and Australia, connecting two maritime systems of the Indian Ocean and Pacific Ocean. The new geo-political construct constitutes a much more integrated unit of analysis, when compared to rather huge and unwieldy classification of Asia-Pacific. Besides being a convenient analytical category, the term points at the trend towards growing integration

of people, government and businesses involving the two maritime worlds. Augmenting the need for an integrated perspective, the US has placed the fast-evolving and rapidly-growing Indo-Pacific world at the heart of its 'Pivot to Asia' or 'rebalancing' strategy.⁵ The term may also figure as an important geo-political category in the Australian White Paper, scheduled for release in 2013.⁶

The region is home to powerful global and continental players (China, India, Indonesia, Japan and the US). It has witnessed the rise of power-based and security-driven alignments, trend towards integration and community-building, and efforts on creating an all-inclusive cooperative architecture under the leadership of ASEAN. It is becoming more and more clear that the long-term strategic interests of five important players (Australia, China, India, Indonesia and the US) extend beyond their traditional zones of influence and cover both the western Pacific Ocean as well as the Indian Ocean. The region is home to various strategic flash-points, most culturally and ethnically diverse societies, and faces a whole gamut of both traditional and Non-Traditional Security (NTS) challenges. In other words, the region reflects trends towards both the ascent of the state as well as the state vulnerability.

No discourse on the Indo-Pacific can remain valid without the participation and discussion of Indonesia, perhaps the only country that could form the nucleus of the region straddling the Indian Ocean in the West and Pacific in the East. Anindya Novyan Bakrie, from the Belfer Center for Science and International Affairs, Harvard University and the Vice-Chairman of Indonesian Chamber of Commerce and Industry, argues that Indonesia, though ambivalent for now, will have to wake up to these game changing developments taking place in the Indo-Pacific.⁷ Indonesia's geopolitical location makes it a bridge between the two maritime systems of the Indian and Pacific oceans and positions it to play critical role in shaping the strategic discourses in the coming years.⁸

Indonesia's status as a founding member of the IOR-ARC (Indian Ocean Rim Association for Regional Cooperation) further justifies its roles in this extremely relevant geopolitical landscape of the Indo-Pacific. Indonesia will replace Australia in 2015 as the IOR-ARC Chair for 2015-16. Also, Southeast Asia no longer remains perhaps the appropriate analytical geopolitical category to capture appropriately the evolving dynamics of Indonesia's relations with major powers of the region. In the light of these developments, this paper examines (a)

important trends characterising the fast-changing Indo-Pacific world and (b) the policy responses of the rising Indonesia, a principal player in the region.

Challenges in the Indo-Pacific World

The Indo-Pacific world poses three challenges for the rising Indonesia. Indonesia's rise has coincided with the emergence of two parallel processes of a new-emerging pentangle of power in the ever-expanding region and a regional cooperative and integrative process under the leadership of ASEAN. The two processes are exhibiting their own complexities, demanding a nuanced approach from Jakarta. The region also throws a plethora of NTS issues.

Evolving Pentangle of Power

Indonesia faces a pentangle of power – India, China, Japan, Australia and the US – while positioning itself in this fast-evolving region. Though Russia is an important player in the Asia-Pacific, it does not seem to exert enough pressure on the Indonesian strategic priorities in the Indo-Pacific. The contours of Russian strategy, launched at the Vladivostok summit of the Asia-Pacific Economic Cooperation (APEC) in September 2012 is yet to unfold, and therefore, Russia is not included in this pentangle that concerns Indonesia today.

Indonesia, while engaging these powers has to deal not only with its own dynamic of relations with each power in the past but also the way each of these powers engage others and the way their interaction impact upon Indonesia's strategic interests in the region. Though Indonesia, in general, has welcomed America's 'return' to the region, it reacted strongly against the latter's 'Pivot to Asia' policy that entailed stationing of the American troops at the Australian port of Darwin and the Coco Islands in the western Pacific ocean. Similarly, Indonesia's engagement with China has had a chequered history that continues to impact upon the dynamic of Indonesia-China relations.

An evolving multi-layered big power rivalry characterises the region. China as an ascendant power faces rivalries at three levels – with the US (both at the global and regional levels), with India and Japan (at regional level) and finally with smaller countries of the region, such as Vietnam and the Philippines (at sub-regional level). While Indonesia has looked towards China as an important economic partner, Indonesia remains concerned about China's strategic intentions. Moreover, Jakarta has to attend not only to China's assertive postures in the South

China Sea but also to the evolving dynamic of strategic equations in the Indian Ocean where, Robert Kaplan argues, the Sino-Indian rivalry is getting interlocked with the Sino-US rivalry.⁹ However, the evolving dynamic of power alignment is complex given multiple strategic objectives of these players. Indonesia not only has to fine-tune its engagement with each of these powers but also navigate through their power-alignments.

The Indo-Pacific world has witnessed enormous increase in the scale and scope of military power that is at play. Decades of economic growth have allowed countries in the region to engage in the military modernisation and its effective deployment. While China is preparing to launch its own aircraft carrier, the US has announced that it would relocate 10 per cent of its total forces towards the Indo-Pacific region. Southeast Asian countries seem to have gone on, what Richard Bitzinger calls ‘a shopping spree’ in terms of arms-procurement.¹⁰ Both India and Japan have pursued their own military modernisation. The main objectives of these military acquisitions are essentially to enhance the lethality of the military arsenal and create a credible deterrence against possible threats.

ASEAN's New Troubles

The rise of power politics in the Indo-Pacific region has exerted enormous pressure on the ASEAN cooperative architecture as it embarks on managing the big-power relations in the region through structural and functional expansion, and pan-ASEAN integration by 2015. ASEAN is going to achieve by 2015 its three pillars of community-building – ASEAN Political and Security Community, ASEAN Economic Community, and ASEAN Social and Cultural Community. As a result, the pace of integration has picked up during the last few years.

In addition to the process of community-building within ASEAN, the grouping has also embarked on the expansion of its structure and functions. The entry of Australia, India, New Zealand, and the US into the newly-formed East Asia Summit (EAS) and ASEAN Plus Defence Ministerial Meetings (ADMM+) indicate incorporation of broader political, economic and security agenda in the ASEAN framework and an attempt to provide an overarching cooperative architecture to the challenges facing the Indo-Pacific world.

Both these ASEAN processes have come under enormous strain during the last few years. ASEAN appears to find it difficult to address the challenge of growing major-power rivalries,

and steering the regional cooperation given the growing influence of big powers on its decisions and agenda. While the Bali Summit of 2011 witnessed an assertion on the part of the US and its strategic partners, the Phnom Penh summit has seen growing Chinese influence on the ASEAN process. ASEAN, instead of regulating big-power relations in the region, appears to be undergoing the process of ‘reverse enmeshment’ whereby its cooperative agenda is gradually being replaced by the agenda of big powers.

Moreover, the ASEAN chair till 2015 is going to be managed by somewhat weaker and smaller member-states of ASEAN – Cambodia (2012), Brunei (2013) and Myanmar (2014). The Phnom Penh setback has raised questions over the ability of these chairs to provide leadership to the regional grouping. It is imperative that ASEAN retains its unity, independence and effectiveness when it is undertaking its most ambitious task of building three pillars of ASEAN community. Indonesia, as the most important ASEAN player and informal leader of ASEAN, has to shoulder the responsibility of steering the ASEAN centrality while the grouping accomplishes its two-fold objectives.

NTS Issues Confronting the Region

The two maritime systems constituting the Indo-Pacific world have brought forth another equally important challenge for Indonesia in the form of several NTS issues. Five of them i.e. terrorism, maritime security, natural disasters, climate change and insurgency have drawn greater attention both from Indonesia as well as other players of the region. The Indonesian authorities reported two incidents of terrorism during the last six months – one foiled in March 2012 by the police in the Indonesian island province of Bali and another failed attempt in September 2012.¹¹ The country continues to face insurgency in its far eastern province of West Papua. Maritime security has come to occupy special focus from Indonesia as well as other countries of the region, making it an important issue of regional deliberation.

Natural disasters constitute one of the most important NTS challenges facing Indonesia. The Indian Ocean Tsunami of 2004 that affected India, Indonesia, Sri Lanka and Thailand not only highlighted shared vulnerability of countries cutting across sub-regional boundaries of South and Southeast Asia but also jolted Indonesia towards its stakes in the Indian Ocean. More than 18 natural disasters have already taken place in Indonesia during the last eight months in 2012.¹² The United Nations Development Programme has identified Indonesia as one of the most

disaster-prone countries in the world.¹³ As per the 2009 Global Assessment Report on Disaster Risk Reduction, Indonesia was ranked third in terms of human exposure to earthquakes and first in terms of exposure to tsunamis.¹⁴

Indonesia's Policy Responses

A rising Indonesia is becoming acutely aware of an expanding geo-political arena of its strategic engagement, its shared vulnerabilities and responsibilities, and its growing strategic leverage as a 'swing state'. Dewi Fortuna Anwar, a well-known Indonesian expert on international affairs, argues that Indonesia as a 'global swing state,' which straddles strategic choke points between the Indian and Pacific Oceans, is going to exercise considerable influence in the regional and international affairs.¹⁵

Jakarta has responded to these challenges by pursuing a nuanced and assertive strategy of balancing between the pentangle of powers, steering the ASEAN process of integration and community-building, and developing a composite and multilateral approach to the NTS challenges. There are three basic objectives of Jakarta's new-evolving regional diplomacy - (a) projecting Jakarta's new-found confidence and importance in the region, (b) managing the side-effects of big power rivalries on the region and regional cooperative processes, and (c) steering the integrative and community-building processes of ASEAN.

Towards an Assertive and Pro-active Approach

Indonesia has taken an assertive and pro-active approach while dealing with these multiple complexities. The Indonesian Foreign Minister, Marty R. M. Natalegawa, was quick to react against the adverse effect of the American declaration of stationing marines at Darwin in Australia. He also showed equal promptness in addressing the internal division of ASEAN when it failed, for the first time, in bringing out a joint statement of its Ministerial Meeting. The Indonesian Foreign Minister, assuming the role of a crisis manager, embarked on a shuttle-diplomacy to salvage ASEAN's image and convinced all its member-states to come up with a Joint Statement.

Engaging Powers and Navigating through their Rivalries

Indonesia, while responding to the evolving pentangle of power in the region, has followed a strategy of engaging these powers, navigating through their rivalries, and managing the side-

effects. There are two important characteristics of this strategy. First, Indonesia has called for a multi-polar power structure. Such an arrangement allows space to each of these powers and creates a buffer between these powers for Jakarta's own manoeuvrings.

Second, Indonesia has pursued the strategy of selective engagement with each of these powers depending on what Jakarta wants from a particular power and what the latter can offer. While Indonesia has focused on developing greater economic relations with China, it has developed stronger defence and security relations with the US. Similarly, Indonesia has developed strong economic relations with India and worked together towards addressing the maritime security challenges. This approach has allowed Indonesia to pay equal attention to its crucial strategic partners and its much-needed economic diplomacy that focuses on the rising economies and emerging market of the global south. Moreover, by pursuing this policy, Indonesia has been able to create a sense of equidistance and separate common agendas for cooperation with each of these powers, at the same time, laying claim for Jakarta's greater role in the regional agenda setting.

Lending Strength to the ASEAN Cooperative Processes

Shedding its earlier tendencies of uncertainty and inhibition, Indonesia has lent its full strategic support to the grouping. As its pro-active leader, Indonesia has resumed its role as an informal leader of ASEAN, its crisis-manager as well as the main anchor of consensus-building within the grouping. An assertive Indonesia has insisted on developing an inclusive regional cooperative architecture under the ASEAN leadership by including India and Australia, two principal players in the Indian Ocean.

A pro-active Indonesia has also called for modifications in the foundational principles of the 'ASEAN Way' to adapt to the changing geo-political realities. It really befits both the grouping as well as Indonesia that calls for change have come from the same country that has provided the main source of normative strength. Indonesia's promotion of democracy and human rights, and political reforms in Myanmar under the Indonesian chairmanship are steps towards that direction.

Addressing NTS through Multilateral Framework

While addressing different types of NTS threats, Indonesia has relied primarily on multilateral initiatives either through ASEAN cooperative framework or through the global initiatives. There are several forums within ASEAN – ASEAN Regional Forum, EAS, and ADMM+ - which are mandated with the tasks of addressing NTS issues. ASEAN has also set up different institutional mechanisms at the regional level to deal with these challenges.

Conclusion

A rising Indonesia sits prominently in the evolving strategic matrix in the Indo-Pacific world as it is courted by different powers, securing greater strategic leverage and a pivotal role for Jakarta in regional strategic debates amidst new power alignment. Jakarta's pro-active role in the ASEAN deliberations has saved the grouping from a major embarrassment, given strength to the grouping, and led to a smoother acceptance of the Indonesian leadership in the Southeast Asian geo-politics. Indonesia's ASEAN leadership will be tested in the coming years against the grouping's role in the management of South China Sea dispute, and in keeping the grouping united as it tries to complete three pillars of ASEAN community-building process.

However, the region demands greater attention from the policy makers towards developing an integrated perspective that could simultaneously address diverse strategic interests of different players in the region. Such a perspective has to address two issues, namely, (a) sustained growth of the country's military and economic capabilities commensurate with the growth in its international image, and (b) keeping the decibel of region's power politics to the manageable level. While the first issue requires a balance between its strategic ambitions and material capabilities of Indonesia, the second issue requires a delicate management of strategic agenda of different powers. A rising Indonesia has to develop a comprehensive and long-term response to the challenges emanating from its both eastern as well as the western flanks.

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Notes

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