

## **Re-converging India-Indonesia ‘Strategic Tridents’: Economics, Security and Geopolitics**

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*“In a dim, distant, unrecorded age  
We had met, thou and I, –  
When my speech became entangled in thine  
And my life in thy life”*

This prose by Rabindranath Tagore in his celebrated poem ‘To Java’ written in Bengali captures the essence of forgotten relations between India and Indonesia, subtly referring to the drift caused by colonisation of the two countries by the western colonial powers, viz. the British and the Dutch respectively.

India and Indonesia share a history of bilateral cooperation induced by similitude in their ethnicity and culture. The two countries led by Prime Minister Jawaharlal Nehru and President Sukarno supported each other during their independence movements, leading to the creation of Afro-Asian and Non-Aligned movements in 1955 at the Bandung Conference.

However, during the decade of the 1960s, relations between India and Indonesia drifted apart, arguably due to changing strategic dynamics in Southeast Asia. The divide widened further due to the combined effect of the signing of Sino-Indonesia Friendship Treaty in 1961 and the Sino-India war of 1962. The decline in relations continued throughout the 1980s due to Jakarta’s apprehensions over the substantive enhancement of Indian Navy’s capabilities, particularly in India’s Andaman and Nicobar Islands (A&N). For Indonesia, this was perceived as a looming threat to its Sumatra Islands situated only 80 nautical miles away.<sup>i</sup>

With the initiation of India's Look East Policy (LEP) in 1991, India announced a major strategic reorientation of foreign policy towards Southeast Asia. However, despite Indonesia being India's immediate maritime neighbor, the LEP could not bridge the gap in bilateral relations. During the visit of the Indonesian President Dr. Susilo Bambang Yudhoyono to India in November 2005, the two countries initiated economic engagement in a major way. It led to signing of a Joint Declaration on Establishing a Strategic Partnership towards achieving that goal.<sup>ii</sup> Notably, however, India took eight years to reciprocate to the Indonesian President's visit, with Prime Minister Manmohan Singh visiting Indonesia only in 2013.<sup>iii</sup>

Nonetheless, introduction of Act East Policy (AEP) in 2014 by Prime Minister Modi gave thrust to India's geopolitical approach towards Southeast Asia. AEP has envisioned and enhanced focus on India's extended eastern neighborhood by pronounced and proactive Indian role in the affairs of Pacific-Asia. Coincidentally, the introduction of Indonesia's Maritime-Axis vision was enunciated in 2014 converging with the motives and objectives of Indian AEP, which was also announced in 2014.<sup>iv</sup> Strategic developments in policy orientation of both countries made it important for them to allocate focus on different contours of collaboration in order to optimise their capabilities in the region.

## **Economic Dimensions**

In the 21<sup>st</sup> century, the world's economic centre of gravity has shifted to the Indo-Pacific, with the region presenting dynamic opportunities in economic, political, and security realm. The preceding few years have witnessed sustained economic growth in the region, with India and Indonesia being among the top performers. The two countries have high prospects in future to achieve higher growth rates, as their potential market base is locally driven contrary to countries like Taiwan, Korea and Singapore which are export driven.<sup>v</sup> In their attempt to boost economic capabilities, India and Indonesia are collaborating in public-private investments and forging new partnerships. The two countries have also aided enterprises to achieve economic growth aimed at generating additional trade opportunities.

In December 2016, President Joko Widodo visited India and briefed Prime Minister Modi on Indonesia's ongoing reforms and how the country is on the path of become an investment-friendly destination. He also spoke about the opportunities available for Indian companies to invest in pharmaceuticals, infrastructure, information technology, energy and manufacturing industries in Indonesia.<sup>vi</sup>

Subsequently, PM Modi also invited Indonesian businesses to invest in India's flagship projects such as Make in India, Digital India, Skill India, Smart City, and *Swachh Bharat Abhiyan*.

Additionally, the two countries have also identified the importance of affordable energy for economic growth, based on which, the first 'India Indonesia Energy Forum' was held in Jakarta on 20 April 2017. India being the third largest importer of coal from Indonesia amounting to approximately US\$ 3.5 billion in 2016, proceedings of energy forum plays an important role in exploring areas of cooperation between India and Indonesia in energy sector. In this context, it is also important to note that Indian companies have made substantial investment in coal mines of Indonesia. Overall, bilateral trade between the two countries in the year 2015-16 stood at US\$ 15.90 billion, wherein Indonesia's export to India amounted to US\$ 13.06 billion and India's exports to Indonesia stood at US\$ 2.84 billion in 2015-16.<sup>vii</sup> However, it has been argued that India needs to increase its exports to Indonesia in order reduce its trade deficit.

India and Indonesia currently stand as two vibrant and youthful democracies expedited with their emerging economy making it the best time for the two countries to recover their maritime heritage. Given the growing maritime trade in the region and the geographical continuity of the two countries along Indian A&N, both the countries need to synergise their efforts in expanding maritime connectivity in the region to further expedite their economic opportunities in the region.

## **Geopolitical Convergence**

The two large countries straddle the Indo-Pacific region, which makes them well-positioned to ensure peace, stability and prosperity in the maritime configured region. Both the countries demonstrate concerns over rising power of China in the region. China forms a complex relationship with each of the two countries as they engage economically with China, and concurrently harbor latent security concerns. India and Indonesia are committed towards freedom of navigation and overflight based on the United Nations Convention on the Law of the Sea (UNCLOS), which promotes India's and Indonesia's peaceful discourse in South China Sea (SCS). This was iterated clearly in the December 2016 joint statement issued by India and Indonesia during President Jokowi visit to India. India and Indonesia have thus made amply clear their joint stand on resolving disputes in SCS by peaceful means in accordance with universally recognised principles of international law.<sup>viii</sup> Furthermore, both countries strive for

development of a multipolar Asia, thereby striving to enhance their own influence and stature in the region.

India and Indonesia now look at each other for achieving complementary regional support, and can envisage their future as collaborating regional powers, reinforcing their strategic convergences to ensure a favourable regional balance. While both the countries aim to maintain peace, progress and prosperity in the region, they also seek to strengthen their relations with regional countries. India is prepared to provide viable alternatives to the Chinese Maritime Silk Route (MSR) initiative in the region. India's Project Mausam aims at re-establishing communication amongst the regional countries, and a better understanding of cultural bonds driven by regional maritime milieus.<sup>ix</sup> Whereas India's vision of Security and Growth for All in the Region (SAGAR) aims at bringing benefit to all in the region – as the very name suggests – its combination with Project Mausam could potentially provide Indonesia the other countries in the neighbourhood a preferred alternative to China's MSR.

On the other hand, Indonesia has the capability of extending India's strategic reach in the Indo-Pacific, by acting as a springboard connecting the Indian Ocean region to Pacific-Asia. Furthermore, the two countries could not only share a strong bilateral relationship, but also partner in multilateral forums. India and Indonesia are members of multilateral organisations such as the ASEAN Regional Forum (ARF), the Indian Ocean Rim Association (IORA), and the Indian Ocean Naval Symposium (IONS) to name a few, which largely aim to promote regional cooperation. Indonesia as the biggest democracy and largest country in ASEAN, thus, holds strategic value in the overall geopolitics of Southeast Asia. Accordingly, India and Indonesia geopolitical convergence has multiple advantages, which enhance the capability to formulate a meaningful collaboration for positively influencing the regional security environment through partnerships with countries and regional organisations.

## **Defence and Security Cooperation**

The converging security concerns shared by the two countries are identified in their commitment to strengthen the architecture of their defence ties through holding regular defence dialogues. Following Indonesian President Jokowi's trip to India in December 2016, the two countries pledged to deepen maritime cooperation through the "Statement on Maritime Cooperation". The two countries also value the success and recognize the potential of "Asian Ministerial Conference on Disaster Risk Reduction 2016", which took place in New Delhi. Subsequently, the two leaders

directed their focus on maritime industry and security, maritime safety and navigation, and other avenues of bilateral cooperation. In future, bilateral strategic and defence cooperation can be extended to a joint hydrographic surveys, joint production of defence equipment, formation of Joint Task Force for crises management, Search and Rescue (SAR) and most importantly, joint shipbuilding programs. A MoU is already in place for the same.

India and Indonesia offer unique opportunities to the strategic partnership shared by them as they are immediate maritime neighbors. Indonesia could contribute to the security of international sea lanes (ISL) due to its central location linking the Indian and Pacific oceans. At the same time, India, as a regional 'net security provider', could supplement Indonesia's interest in protecting the regional ISLs – particularly in the western approaches to the Indonesian international straits – from multifarious security threats, thereby maintaining a benign maritime environment conducive to unimpeded seaborne trade.

The two countries face similar concerns about illegal fishing in their maritime zones. The two countries have thus considered signing a Joint Communiqué to eliminate illegal, unregulated, and unreported (IUU) fishing and to further promote sustainable fisheries. Both countries have enhanced their defence cooperation by implementing initiatives like the India and Indonesia Coordinated Patrol (CORPAT). The 29<sup>th</sup> Co-ordinated Patrol was conducted in May 2017.<sup>x</sup> India and Indonesia are also participants in the ASEAN Defence Ministers' Meeting (ADMM-Plus), which aims at addressing shared security challenges.<sup>xi</sup>

## **Divergences and Impediments**

Even as bilateral relations are pivoting towards development, some impediments do loom large over their efforts. Interestingly, China announced its Maritime Silk Route initiative and its aspirations to develop the Asian Infrastructure Investment Bank (AIIB) in Indonesia.<sup>xiii</sup> Both the projects propel China's larger objective of Belt and Road initiative, to which India has showed no signs of being a part. China's strengthening grip over Indonesian market creates serious apprehension upon India's efforts to invigorate its historical ties with the country. Reassuring India's concerns over China's investment in Indonesia are President Jokowi's five meetings in two years with Chinese President Xi Jinping. Adding to the Indian apprehensions is the investment of China Development Bank (CDB) in Indonesia, which is an estimated

\$14.4 billion for 57 projects, invested since the two countries entered into a commitment in 2006.<sup>xiii</sup>

The two largest democracies of Asia are re-converging under the guidance of their respective leaders Prime Minister Narendra Modi and President Joko Widodo, both elected in 2014. Notably, both the leaders are outward looking, thus bringing changes in respective policy orientations of the two countries. The newly initiated policies aim at improving infrastructure, combating corruption, overcoming red-tapism and establishing good governance in their respective countries. This similarity in thoughts can be a driver for the two leaders to converge their abilities to achieve geopolitical goals. However, politically, both the countries have elections due in 2019 and there is always a possibility that the two countries could fall back upon their 'default mode in terms of the two countries' erstwhile inward looking policy orientations. This would place a severe stress on their burgeoning maritime ties.

## **Conclusion**

India and Indonesia are naturally situated in an advantageous geostrategic position, enabling them to play an important role in the region. Emanating from their regional development policies and their shared strategic vulnerabilities in the region, India and Indonesia are imparting momentum to their maritime convergence. The emerging new power configuration in Asia is resulting in favourable regional geopolitics, impelling the two countries to contribute to regional stability. India and Indonesia have the potential to increase their strategic footprint in the region aimed at upholding their respective spheres of influence and their shared vision of developing maritime power.

India and Indonesia are now more conscious about their united concerns and capabilities over economic, security and geopolitical issues. The two countries aim at maintaining peace and prosperity in the region. The leaders of the two countries have also begun to explore various contours of India and Indonesia relations, not only bilaterally but also multilaterally. The simultaneous change in strategic approach of both the countries is a fortunate coincidence. From which they need to maximize the benefits of the available opportunities. Thus, the re-convergence of India and Indonesia partnership is necessary for peace and prosperity in the region, but it may neither be irreversible, nor inevitable.

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