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Opportunities for, and impediments to, strategic co-operation between Australia and Indonesia: Dialogue summary



the closing address presented at the 3rd International Defence and Security Dialogue
on 27 May 2015 by

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Provided Australia and Indonesia can overcome the mutual distrust and culturally-based misunderstandings which continue to plague the relationship, especially at the political level, there is scope for them to co-operate on coping with China's rise, protecting the sea lines of communication through the region, countering terrorism, sharing intelligence, and building the TNI's external defence capability. Overcoming mistrust will be difficult, however, and must start with the national leaders.

Key words: Indonesia; Australia; strategic co-operation; opportunities; impediments; China; maritime security; terrorism; intelligence; TNI.

The trigger for the Royal United Services Institute's 3rd International Defence and Security Dialogue was the recognition in Australia's 2013 Defence White Paper that Australia's longstanding partnership with Indonesia remains our most important defence relationship in the Asia-Pacific region². Australia and Indonesia share security challenges and have a common commitment to regional security.

The Institute noted that Australia and Indonesia could co-operate on those strategic interests they have in common and, if they were to do so, it would be to their mutual advantage. Indeed, it would raise their relationship to a new strategic level. Accordingly, this Dialogue was held to identify opportunities for, and impediments to, strategic co-operation between Australia and Indonesia over the next two decades.

The Strategic Outlook

Before examining the opportunities and impediments to co-operation, it was first necessary to understand the grand-strategic context.

In his outstanding Blamey Oration, Dennis Richardson, Australia's Secretary of Defence, assessed the strategic outlook for the Indo-Pacific Region. He said the regional outlook over the next two decades would likely be dominated by two big strategic developments already evident globally: an increase in ungoverned spaces which are attracting extremist groups; and changing power relativities, especially the rise of China.

Richardson said the United States-China relationship will remain crucial as China looks to its military power-projection capabilities to protect its broadening strategic interests. Indeed, China's current land reclamation activities in the South China Sea raise the question of intent and the risk of miscalculation.

More broadly, the Middle East will continue to place demands on Australia; and terrorism, cyber, organised crime, people movement, and climate change will persist.

With growth in defence expenditure in East Asia, the defence capability gap Australia has enjoyed will diminish and may necessitate increased defence expenditure by us down the track.

Indonesia Today

It was also necessary to understand our intended ally, Indonesia. Last year, Indonesians elected a new President, Joko ('Jokowi') Widodo, of whom Australians previously knew little.

In his paper, Damien Kingsbury, an expert on Indonesia, pointed out that Jokowi is quite different to his predecessor, former general Susilo Bambang Yudhoyono, who had been very favourably disposed towards Australia. It will take time and deft diplomacy for Australia to reach a similar level of rapport with Jokowi.

The election left Jokowi as a weak president indebted to former president Megawati Sukarnoputri, who is insisting he implement her conservative policies. Jokowi lacks support in the national parliament and is struggling to implement the more liberal policies he championed during the election campaign. He has been unable to resolve the Papua issue or meet the electorate's high expectations of 'clean government', economic improvement, or TNI (Army) reform. Islamic extremists remain entrenched in Indonesia and now have links to Islamic State.

Externally, Indonesia remains a leader in ASEAN, but Jokowi's reactivation of the death penalty has alienated other foreign governments, including Australia, with whom relations generally are cool. Overall, this does not bode well for co-operation on strategic issues in the short term.

Meeting the Defence and Security Challenges

Two experts in defence and security policy, grand strategy and military strategy, one from Indonesia and the other from Australia, presented their views on how Australia

¹E-mail: office@rusinsw.org.au. These are his personal views.

²Department of Defence (2013). *Defence White Paper 2013: defending Australia and its national interests* (Commonwealth of Australia: Canberra) p. 58.

and Indonesia could co-operate to meet the defence and security challenges identified earlier by Dennis Richardson.

An Indonesian View

Lieutenant General (Retired) Agus Widjojo, a Senior Fellow at the Centre for Strategic and International Studies in Jakarta, identified two high-level strategic issues. First, the rise of China, and the United States and Japanese responses to it, is constraining Southeast Asian states. Second, the region's archipelagic seas are of immense strategic importance. Indeed, both issues are of strategic importance to both Australia and Indonesia; and collaboration on them could be to mutual benefit. Historically, though, attempts at collaboration have been plagued by cultural differences and mistrust.

As an initial step, Australia could assist the TNI build its external defence capability. The TNI historically has been focused internally on domestic security. This role has been transferred to the Indonesian National Police; and the TNI is struggling to come to grips with its new external defence role. The ADF could provide valuable assistance during this transition.

As another early step towards co-operation, the two countries could share intelligence, but the conditions for doing so are not right. First, a strong foundation of mutual trust would need to be built.

It follows that engagement in combined military operations is a long way off. The challenges are not technical, but are due to differences of culture and mind-set.

An Australian View

Peter Leahy, Director of the National Security Institute at the University of Canberra, quoting recent opinion polls, observed that the problem of mutual trust stems, in part, from Australians generally having an appalling ignorance of Indonesia. He asserted that, contrary to common perceptions in Australia, Indonesia is not a threat to Australia. Indeed, his predecessors on the Defence Committee in Canberra last century wasted much time and energy imagining Indonesia to be a threat.

For its part, Indonesia expects Australia to honour its territorial integrity and it looks to Australia to provide it with a secure southern border. Australia, equally could look to Indonesia to provide it with a secure northern border.

Australia and Indonesia can become strategic partners to mutual benefit. Major shared interests include: the protection of the sea lines of communication through the Indian and Pacific Oceans; and countering terrorism. Instead of pursuing global objectives in support of its principal ally, the United States, in the Middle East and further afield, the government should focus an overstretched Australian Defence Force (ADF) on co-operation with Indonesia and securing regional sea lines of communication.

Developing a meaningful defence relationship with Indonesia, however, will not be easy. Australia will be required to put in the majority of the effort because most of the difficulties lie with Australia. There are already in place alumni groups, such as IKAHAN SAG (a grouping of retired Indonesian and Australian defence officials), which discuss future events which might provide the greatest difficulties in the relationship. Such initiatives should be built on and expanded.

Another model worth considering is the Jakarta Centre for Law Enforcement Co-operation, a partnership between the Indonesian National Police and the Australian Federal Police focused on transnational crime and counter-terrorism. Under consideration is the formation along similar lines of a Jakarta Centre for Maritime Co-operation focused on securing the regional sea lines of communication.

Panel Discussion

The preceding papers had established much common ground among the expert panel – Dennis Richardson, Damien Kingsbury, Agus Widjojo, and Peter Leahy. Five opportunities for strategic co-operation had emerged and one major impediment. The opportunities were:

- coping with China's rise and assertive pursuit of its territorial claims in the South and East China Seas;
- protecting the sea lines of communication through the region's archipelagic seas and the Indian and Pacific Oceans;
- countering terrorism;
- intelligence sharing; and
- building the TNI's external defence capability.

The major impediment identified was mutual mistrust, exacerbated by cultural differences, which has plagued previous attempts at collaboration and continues to do so.

The panel noted that good co-operation on countering terrorism already existed between the respective national police forces. They decided to discuss the mistrust issue first, which was the main factor hindering intelligence sharing, and then look at opportunities for co-operation in maritime security and in coping with China.

Overcoming Mistrust

Relationships between neighbouring nation-states are rarely 'plain sailing', but there can emerge recognition of each other as reliable partners. For Australia and Indonesia, there has frequently been good progress among officials, but internal politics in both countries and politics between them keep getting in the way.

There was a frank exchange of views as to whether Australia has been inept in handling many political issues. Indonesia has long believed that Australia is not committed to Indonesia's territorial integrity, a view reinforced by the 1999 East Timor intervention. Despite the 2006 Lombok Treaty, which committed both sides to co-operation on defence and security issues and in which Australia committed to honour Indonesia's territorial integrity, that concern still persists in Indonesia.

A countervailing view was that, while Australia has made mistakes, it has not been inept. In the case of people smuggling, Australia had attempted to get a regional solution. In the case of spying, all countries do it, but Australia may be better at it than some others. Once such events occur the issue becomes how deftly they are subsequently managed.

Be that as it may, the spying was directed by Australia against the Indonesian president and his family – it was personal to the president, notwithstanding that the president was Australia's greatest friend in Indonesia. That is why it was such a big issue in Indonesia.

Australia's relationship with Indonesia is overwhelmingly political, whereas its relationship with China is overwhelmingly economic. We need to develop more balanced

relationships. Further, where we do have an economic relationship with Indonesia, it has not always been handled well. In the case of the live cattle trade, in 2011 Australia, without warning, suddenly stopped live cattle exports to Indonesia, cutting off 25 per cent of Indonesia's beef. We need business leaders who will stand up to government when the political relationship tilts off course.

An alliance between Australia and Indonesia would not be easily achieved as we have different strategic cultures – Australia's is one of alliance with powerful friends; whereas Indonesia's is one of non-alignment. This is unlikely to change in the foreseeable future unless a common enemy were to emerge. There can be some flexibility in practice, though, and co-operation short of a formal alliance is a realistic goal. A first step would be to position ourselves as good friends rather than hostile critics.

Indonesian culture is very focused on the 'leader' – the 'king'. Indonesians expect a 'perfect' leader; and, while no leader can be 'perfect', he must be respected. This need has survived the transition to democracy. There was briefly a 'golden age' in Australia-Indonesia relations when Paul Keating was the Australian prime minister. Keating developed excellent person-to-person relations with President Suharto – two leaders of the stature needed to engender respect. Such relations are vital to overcoming mistrust.

Co-operating on Maritime Security

Both nations have an interest in seeing the United Nations Convention on the Law of the Sea observed along their common sea lines of communication. The panel agreed that there is already willingness on the part of both countries to collaborate and co-operate on maritime security and we should pursue the opportunity vigorously.

On Indonesia's part, though, much work is needed to prepare for the role. Australia could assist by providing much of the infrastructure needed. Indonesia recently moved from multi-agency co-ordination on maritime security to a unified maritime security command along the lines of Australia's Border Protection Command. It is now better placed to develop and implement a maritime strategy and to co-operate with other nations on maritime security.

As to regional co-ordination mechanisms, the panel agreed that a Jakarta Centre for Maritime Co-operation (JCMC) should be developed along the lines of the very successful Jakarta Centre for Law Enforcement Co-operation described earlier by Peter Leahy. The role of the JCMC would be to foster co-operation in securing regional sea lines of communication.

The panel, however, did not comment on Professor Alan Dupont's suggestion³ that Australia could invite Indonesia to join with it in developing the Cocos Islands as a joint base for surveillance of the Indian Ocean and the Malacca Strait, with the intelligence acquired shared.

Co-operating on China

The panel recognised that China's rapid development is forcing her to become a net energy importer and so she has a legitimate interest in the security of the international maritime trade routes through the South China Sea. It is a different matter, though, for her to assert her sovereignty

over those waters against the competing claims of her neighbours. The establishment of military bases in those waters, as now appears to be occurring, enables strategic projection on China's part and is of especial concern.

In Australia's case, as 52 per cent of our exports traverse the South China Sea, we have legitimate interests in the free and unhindered passage of those waters and are entitled to express those interests.

Indonesia is keen to see the matters in dispute settled peacefully in accordance with international law. The international community, though, will need to be creative if a solution is to be found.

Agus Widjojo asked Dennis Richardson how Australia would react if China were to resort to military force. Richardson said he did not know – it would depend on the precise circumstances. He said he was a friend of China and made no judgement on the South China Sea issue. He considers the anti-China attitudes expressed in military-dominated fora such as the Kokoda Foundation to be unhealthy. When we engage with China we should be transparent, telling China that the South China Sea disputes should be resolved peacefully through international law; and their current land reclamation activities are a concern.

Peter Leahy asked Agus Widjojo whether Indonesia would welcome an increased presence of United States military forces in Australia as a counter to China; and whether they would accept them in Indonesia, say Surabaya. Agus said he was uncertain how Indonesia would respond. While the United States presence in the region had generally been stabilising, friendly countries needed to appreciate that Indonesia has a nationalistic culture and pride. Indonesia was affronted by the surprise announcement in November 2011 of an increased presence of United States Marines in Darwin, on Indonesia's doorstep, without prior consultation.

Conclusion

Provided Australia and Indonesia can overcome the mutual distrust and culturally-based misunderstandings which continue to plague the relationship, especially at the political level, there is scope for them to co-operate on coping with China's rise, protecting the sea lines of communication through the region, countering terrorism, sharing intelligence, and building the TNI's external defence capability.

Overcoming the mistrust, however, will be very difficult and must start with the establishment of excellent personal relations between the Australian prime minister and Indonesia president. This can be supported by initiatives such as alumni groups of retired senior officials from both sides.

There is already a willingness to co-operate on maritime security and this should be pursued vigorously now, including the establishment of the proposed Jakarta Centre for Maritime Co-operation.

As to co-operating on China, the way forward at this point is uncertain. The desire of both Australia and Indonesia is that the South China Sea disputes be resolved peacefully through international law, but should China resort to force, unanimity of view on the way forward is yet to emerge. The presence of United States forces in the region, however, is generally seen as stabilising.

³United Service 66 (1), 16 (March 2015).