

Chapter 5.

Dipping toes in the water: Indonesia's Indian Ocean engagement





Indonesia sits at the geostrategic and geopolitical heart of the Indian and Pacific Oceans. It is therefore the strategic fulcrum in the broader Indo-Pacific. But for decades Jakarta has focused its energy more on the Pacific side of the equation. Despite obvious strategic interests in the Indian Ocean region, Indonesia has lacked serious strategic investment and deep relationships with many key South Asian partners. This includes India, which plays the central role in managing regional dynamics.

Instead, Jakarta has become overly reliant on broad-based multilateral platforms—primarily the Association of Southeast Asian Nations (ASEAN) and Indian Ocean Rim Association (IORA)—to engage the Indian Ocean. It has recently started to re-consider closer partnerships with regional powers including India, Australia, and France. But even these bilateral engagements remain limited and narrow in their focus without renewed strategic energy, purpose, or framework—certainly not within an overarching strategy for the broader Indian Ocean region, which remains absent.

Overall, Indonesia's Indian Ocean engagement remains half-hearted, inconsistent, and much less impactful than it could be. Regional partners seeking to work with Indonesia on the Indian Ocean region, Australia included, should for the time being focus on building deeper engagement with Jakarta's current preferred tools such as ASEAN and IORA. They should simultaneously lay the groundwork for a wider range of mechanisms, including minilateral platforms, surrounding shared challenges like maritime security, defence cooperation, and connectivity.



Indonesian President Joko Widodo meets Prime Minister Narendra Modi on the sidelines of the 2022 G7 Summit in Germany. Photograph by MEAphotogallery via Flickr.

Baseline strategic interests

In principle, Indonesia's baseline strategic interests in the Indian Ocean cover economic growth, maritime security, and great power politics. The shipping lanes between the Indian and Pacific Oceans serve as a vital economic artery for Indonesia's growth. Much of Indonesia's commodity exports reach South Asia, the Middle East, Africa, and European markets through the Indian Ocean. Nearly half of Indonesia's oil imports since at least 2004 have come from the Middle East through these waterways¹³⁵. In the future, the decline in Indonesia's fish stocks might also push it to look further at the Indian Ocean's rich fisheries¹³⁶.

Meanwhile, Indonesia's porous borders along the Indian Ocean region have given rise to a whole host of security challenges, from illegal immigration to smuggling activities and illegal fishing. Human trafficking across the Bay of Bengal and Andaman Sea is estimated to be valued at between US\$50-\$100 million annually¹³⁷. There are around 13,700 illegal immigrants in Indonesia from different parts of the world, including Afghanistan, Myanmar, Iran, and Yemen. Many of them came through the Indian Ocean¹³⁸. The hundreds of Rohingya refugees that have come to Aceh province have also travelled through the Indian Ocean.

On top of these non-traditional challenges, great power politics have increasingly highlighted the strategic importance of the Indian Ocean. For one thing, the China-India strategic rivalry in the Indian Ocean has been amplified alongside US-China competition. China's growing strategic footprint in the Indian Ocean—such as its involvement in port developments in Bangladesh, Myanmar, Pakistan, and Sri Lanka—has partially led to India's renewed interest in the South China Sea and the Malacca Strait (often seen as China's critical lifeline).

Indonesia is naturally concerned with the polarising great power politics in the Indian Ocean, even if it remains unable to develop a broader strategy to respond. After all, the spiralling great power politics in the area will also strain ASEAN's ability to manage the broader regional security architecture. *The ASEAN Outlook on the Indo-Pacific* (AOIP) document is unlikely to be effectively implemented with the Indian Ocean increasingly contested. Within the region, the China-India strategic rivalry is also playing out in Myanmar and has to some extent contributed to the prolonging of post-2021 coup crisis and hinders ASEAN's effectiveness.



Perils of preferred platforms

While Indonesia has major strategic interests in the Indian Ocean, it has only dabbled in efforts to “push and shove” for key strategic outcomes in the area. Its policies remain mired in pre-existing multilateral platforms it feels comfortable in and are further hindered by an underwhelming strategic partnership with India. Under the Widodo administration, Indonesia's incoherent and under-developed strategic policy ecosystem has exacerbated the problem.

In recent years, Indonesia has relied on the 22-member IORA, particularly as chair in 2015-2017. Indonesia established the first (and only) IORA Leaders' Summit and the Jakarta Concord, which sought to deepen cooperation on a wide range of issues, from maritime safety and security, trade, to fisheries, disaster, science, and others. Indonesia also promoted 'blue economy' projects and started the IORA Business Innovation Centre. Indonesia's dabbling in strategic unilateralism also sprung from IORA. The Indonesia-India-Australia trilateral senior officials dialogue began in 2017 (India and Australia were the two preceding IORA chairs)¹³⁹.

But Indonesia has not fundamentally changed how IORA does business; the grouping remains lacking in political will and resources¹⁴⁰. It also lacks the capacity to implement well-resourced plans and policies. This is partially because IORA covers too many complex areas, from fisheries management to maritime security, and even cultural exchange. The highly divergent member capacity and priorities further exacerbates this problem¹⁴¹.

But following Indonesia's chairmanship, there has not been a significant strategic push for IORA reform in recent years. If anything, IORA has been “absorbed” into Indonesia's ASEAN-centric foreign policy outlook; IORA was, for example, mentioned as a possible avenue to implement the AOIP¹⁴². The AOIP, which Indonesia initially drafted and proposed, nonetheless makes it clear that ASEAN views the Asia-Pacific and Indian Ocean as “a closely integrated and interconnected” region.

Indonesia has thus effectively thrown its lot with ASEAN as the primary engagement tool for the Indian Ocean. In practice this means that any wider Indian Ocean cooperation will go through ASEAN-led mechanisms such as the East Asia Summit, ASEAN Defence Ministers Meeting Plus, and others. Indonesia is unlikely to fully engage the Indian Ocean without ASEAN.

Indonesia will also likely rely on ASEAN to engage India as the gateway to the Indian Ocean. Jakarta supported India's membership in the ASEAN Regional Forum, the establishment of the ASEAN-India Summit, and its participation in the East Asian Summit¹⁴³. This preference to engage India via ASEAN highlights the under-developed state of Indonesia-Indian ties.

In principle, both India and Indonesia share similar strategic preferences, including concerns over China's rise, support for security cooperation with the West, and aspirations to be recognised as major powers¹⁴⁴. India also never had a history of intervening directly in Indonesia's internal affairs¹⁴⁵. Both sides signed a 'Strategic Partnership' agreement in 2005 (later upgraded to 'Comprehensive Strategic Partnership' in 2018 along with a defence cooperation agreement).

Both sides have also held a regular dialogue on defence technology sharing, which includes a possible export of India's Brahmos missile systems to Indonesia¹⁴⁶. Their navy-to-navy cooperation remains a strong ballast to bilateral ties. Maritime security cooperation more broadly seems to have gradually grown in recent years¹⁴⁷.

But bilateral economic ties have stagnated. Trade has been steadily diminishing; falling from US\$19.6 billion in 2018 to US\$15.5 billion in 2020¹⁴⁸. A former Indian Ambassador to ASEAN commented, “without greater economic engagement, the [India-Indonesia] relationship cannot become truly strategic”¹⁴⁹. India's public standing in Indonesia has also plummeted. A recent poll notes that less than six per cent of Indonesians have “a lot of confidence” in Prime Minister Modi to do the right thing in world affairs. India's standing across the board was much lower compared to China and other regional powers, except for pop culture¹⁵⁰.

Maritime security cooperation has yet to translate into a wider strategic engagement. Education and training exchanges among security officers remain low and broad military exercises remain few and far between. Defence industrial cooperation and procurement plans remain comparatively small in value and scope. Indonesian strategic policymakers do not regularly engage with Indian counterparts compared to other regional powers. Overall, the relationship remains lofty in framework and aspirations but lacking in depth and sustainability.



What role for external partners?

Indonesian leaders have expressed the need to focus on the Indian Ocean. But Indonesia's domestic strategic policymaking ecosystem remains under-developed. President Widodo has been less attentive to geopolitical affairs on a daily basis. In the absence of a centralised hub that integrates cross-domain strategic policies, each agency—from foreign affairs to the coast guard—develops and implements their own policies, including for the Indian Ocean.

There is a disjuncture then between Indonesia's baseline strategic interests in the Indian Ocean region and the existing tools available to defend them. The foreign ministry's over-reliance on broad-based multilateral norms exercised through IORA and ASEAN has not been met with significant depth in the bilateral relationship with India. Trilateral mechanisms with India and Australia remain under-developed and Jakarta's ambivalence on the Quad grouping of Japan, India, the United States, and Australia persists¹⁵¹. Indonesia-India bilateral maritime security cooperation, particularly navy-to-navy interaction, continues to provide limited benefits.

How can external partners then encourage greater Indonesian engagement on the Indian Ocean?

For one thing, regional powers like Australia, Japan, and others will have limited options beyond strengthening Indonesia's preference for IORA and ASEAN-related mechanisms. Until such time as Jakarta seriously develops non-multilateral options, venues like ASEAN remain the path of least resistance to get Indonesia's attention and support. But how fast and furious ASEAN-led mechanisms engage Indian Ocean strategic challenges remains an open question.

For another, without a deeper India-Indonesia strategic partnership, Indonesia's engagement with the Indian Ocean region will be tepid. Indonesia has yet to develop broader, stronger, and institutionalised partnerships with fellow ASEAN members bordering the Indian Ocean like Myanmar and Thailand on issues facing the area, let alone with Bangladesh or Sri Lanka. The depth and quality of Indonesia's strategic partnership with India is therefore the strategic bellwether of its broader engagement with the Indian Ocean.

Regional powers such as Australia should try to facilitate and support closer India-Indonesia relations, whether directly through trilateral or minilateral mechanisms, or indirectly through multilateral platforms. Perhaps in parallel, they should also encourage closer Indonesian cooperation with the other Indian Ocean coastal states. The onus, of course, is on Jakarta to develop and implement a broader Indian Ocean engagement strategy with these partners.

In the meantime, Indonesia remains open to cooperation with regional partners like Australia, Japan, and others on a limited number of Indian Ocean issues. The challenge is to calibrate specific or limited cooperation (for example, over countering illegal, unreported and unregulated fishing, or trafficking) with different Indonesian agencies, without assuming or expecting that there will be a wider strategic interest or push to fully engage the Indian Ocean. In other words, tempering wider expectations should not hinder limited cooperation over a range of practical, operational issues.

Indonesia has in principle many key strategic interests in the Indian Ocean. But its strategic tools are limited, partially due to the path-dependent comfort level over multilateralism and partially due to an under-developed strategic policymaking ecosystem. Indonesia has only dipped its toes in the Indian Ocean through IORA and ASEAN and an incipient trilateral cooperation with India and Australia. Indonesia may be the strategic fulcrum between the Indian and Pacific Oceans, but thus far the tilt has been far more on one side than the other.