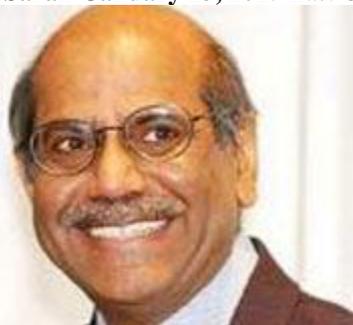


Business Standard

Shyam Saran: Distant neighbours

Worryingly for India, Indonesia looks to China for help in achieving its maritime ambitions

Shyam Saran January 13, 2015 Last Updated at 21:50 IST



Prime Minister Narendra Modi and President Joko Widodo (better known as "Jokowi") of Indonesia are often compared to each other. Both achieved high office despite their humble origins. Both have raised surging expectations, of being harbingers of transformational change, in their respective countries but confront similar challenges - of complex democratic polities, entrenched bureaucracies and a legacy of corruption.

It is not clear whether these commonalities engendered any special empathy between the two leaders when they met briefly on the sidelines of the East Asia Summit in Naypyidaw, Myanmar, on November 12 last year. Neither announced any initiative to impart new energy and direction to a relationship that has consistently fallen short of its evident potential. After their meeting, Mr Widodo said the discussions had covered coal and defence industries - and added somewhat oddly that "we had no exclusive cooperation in the maritime field". Odd, because the maritime field is precisely where we do have some modest cooperation.

As pointed out by an Indonesian analyst, India-Indonesia relations "remain mired in neglect". If this persists, then both countries would have missed an opportunity to work together to shape the emerging security landscape in Asia.

In my column entitled "Rising Indonesia" (May 19, 2010, *Business Standard*), I had spelt out the reasons why Indonesia qualified as a critical strategic partner for India. It is a close neighbour, separated by only 80 kilometres of ocean space. Together our two countries serve as sentinels of the ocean bridge connecting the Indian and Pacific Oceans, and dominate the dense sea lines of communication running across them. They are Asia's two largest and vibrant secular democracies and share a strong cultural affinity. Just as they have an instinctive preference for a multi-polar world, so do they wish to ensure a multi-polar Asia, or what Indonesians describe as a "dynamic equilibrium".

Since India and Indonesia established a Strategic Partnership in 2005, there has been progress in enhancing maritime cooperation through coordinated ship patrols and joint exercises. The Indonesian navy participates in the Indian Ocean Symposium and the Milan joint-naval exercises hosted by the Indian navy. India has offered to share its capabilities in maritime domain awareness. The Indonesian army has benefited from training at the Counter Insurgency and Jungle Warfare School in Mizoram. Training on Sukhois is part of cooperation between the air forces.

However, security cooperation remains thin and the overall relationship in terms of political, economic, trade and people-to-people exchanges is well below expectations. Till date, there are no direct flights between the two countries, despite 150,000 Indians travelling to Indonesia each year. Trade is modest at around \$20 billion and Indian investment in Indonesia is mostly flat.

As would be apparent, maritime cooperation between the two countries, even though modest, is the centrepiece of their bilateral relations. Recent developments in Indonesia's maritime strategy pose a challenge. President Jokowi has declared that Indonesia must become a "maritime fulcrum" and a "power between the two oceans". As a maritime country, he adds, "Indonesia should assert itself as the World Maritime Axis". It is the first time that an Indonesian leader has enunciated a maritime doctrine with such clarity, and this is to be welcomed.

At the East Asia Summit, President Jokowi further declared his intention to develop maritime infrastructure and connectivity by "constructing sea highways along the shores of Java, establishing deep-sea ports and logistical networks as well as developing shipping industry and marine tourism". In all, 24 deep-sea and other ports are to be built in the next five years.

In theory, this should create expanded opportunities for India to promote maritime cooperation with Indonesia and offer to play a part in helping build the latter's maritime capabilities. However, it is China that has emerged as the likely partner, subsuming Indonesian ambitions into its Maritime Silk Road (MSR) project. Another attraction for Indonesia is the likely availability of funds from the newly established and Chinese-sponsored Asian Infrastructure Investment Bank, of which Indonesia is a founder member - and has been pitching for the bank to be sited in Indonesia. When the Chinese foreign minister visited Jakarta in October 2014, he supported President Jokowi's ambitious plans: "China is willing to actively participate in Indonesia's process of building a maritime power and take Indonesia as the most important partner in building the Maritime Silk Road of the 21st century."

It is learnt that China has agreed to finance the building of several of the ports identified by Indonesia.

It should be noted that for China, Indonesia is slated to play a key role in the MSR initiative. A Chinese scholar has described the MSR route in a recent article: "The MSR will extend southwards from China's ports through the South China Sea, the Straits of Malacca, Lombok and Sunda, and along the north Indian Ocean to the Persian Gulf, Red Sea and Gulf of Aden. In other words, the Road will extend from Asia to the Middle East, East Africa and Europe and it will mainly rely on ASEAN [Association of Southeast Asian Nations] countries."

India has been ambivalent about participating in the MSR project. Some analysts see it as a benignly dressed-up version of the String of Pearls strategy to encircle India. Others believe that we ought to participate and help shape its contours. Whatever our perceptions, it is necessary to examine the implications of Indonesia being co-opted into China's maritime strategy and becoming a platform for an extensive Chinese maritime presence in our sensitive ocean space. We may need to engage Indonesia in a frank dialogue about our concerns and also consult our other partners in the region, including the United States, Japan and Australia, and other Asean countries. Perhaps this coalition could offer an alternative source for assisting Indonesia's maritime project.

There is one inescapable conclusion though. India needs to speedily ramp up its all-round maritime capabilities in terms of modern ports, efficient port-handling facilities and ship-building. Above all, its naval forces must enjoy enhanced priority in resource allocation for defence.

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