

Jakarta International Defense Dialogue: Defense and Diplomacy in the Asia-Pacific Region

MAY 2013



On March 20–21, 2013, the government of Indonesia, with the support of the International Peace Institute (IPI), convened the third annual Jakarta International Defense Dialogue (JIDD) on the theme of defense and diplomacy in the Asia-Pacific Region. The meeting brought together foreign and defense ministers and government officials from nearly forty countries, seeking to promote intergovernmental cooperation in addressing common threats and challenges.

This meeting note summarizes the key themes and ideas that arose during these discussions. It was drafted by Andrea Ó Súilleabháin, a visiting fellow at IPI. The note reflects the rapporteur's interpretation of the meeting and not necessarily the views of all other participants. IPI owes a debt of gratitude to its many generous donors whose support made this publication possible.

While unprecedented prosperity and stability is transforming the Asia-Pacific region and its role in the world, traditional and new security threats and challenges still loom large. Interdependence and trust among governments, militaries, and societies can provide the foundation for continued growth, while the confrontational mentality of the past can only do harm. Regional cooperation mechanisms should be strengthened through formal and informal dialogue and trust- and confidence-building measures. These themes emerged at the Jakarta International Defense Dialogue (JIDD), held at the Jakarta Convention Center on March 20–21, 2013. Organized by the government of Indonesia, with the support of the International Peace Institute (IPI), JIDD brought together foreign and defense ministers and government officials from nearly forty countries, as well as representatives from academia and civil society with a particular expertise in defense and diplomacy in the Asia-Pacific.

At the opening ceremony, Indonesia's President Susilo Bambang Yudhoyono told an audience of 1,300 that the main challenge for the Asia-Pacific is building strategic trust among countries in the region. President Yudhoyono said that urgent territorial, jurisdictional, and resource disputes are the central flashpoints threatening stability in the region. He stressed the complexity of these disputes, referring to continental shelf boundary negotiations between Indonesia and Vietnam that lasted for thirty years. According to President Yudhoyono, the key to maintaining peace as tensions and disputes endure is building, strengthening, and spreading mutual confidence and strategic trust consistently across the region.

In opening the international dialogue in Jakarta, the president of Indonesia was joined by Prime Minister Xanana Gusmão of Timor-Leste in a moment that personified the real impact of dispute resolution and cooperation in the Asia-Pacific. Prime Minister Gusmão called for a new global paradigm to create and deepen ties of cooperation and mutual trust among nations. He characterized old styles of defense and diplomacy as unhealthy and incapable of developing long-term peace and prosperity, stressing the importance of cooperative relationships between traditional and emerging powers—particularly the US and China. According to Prime Minister Gusmão, dialogue and diplomacy are the only "weapons" that can respond to the problems of today.

IPI's president, Terje Rød-Larsen, also spoke at the opening ceremony, expressing his hope that JIDD will become the preeminent forum for continued multilateral cooperation in the Asia-Pacific, seeking peace, progress, and prosperity for all the peoples of the region. This report summarizes the key insights raised at the 2013 JIDD, throughout six panel

discussions that explored collective challenges and opportunities for cooperation in the Asia-Pacific region.

The New Geopolitics of the Asia-Pacific

The first decade of the twenty-first century has seen the global center of gravity shift toward the Asia-Pacific region. Its population already accounts for more than half of the world's people and is expected to overtake the collective Western world by 2030. The Asia-Pacific is home to the fastest growing economies in the world and its collective share of global GDP is quickly approaching 40 percent. The region has developed an elaborate system of organizations on economic and security matters, promoting continued progress and political strength. Alongside this rapid economic and diplomatic growth is the need to stabilize points of contention; continued prosperity hinges on interdependence across the region and the world. Rising powers and regional institutions are creating a new geopolitics in the Asia-Pacific, but lingering tensions and new frictions among countries provoke the potential for conflict.

Indonesia served as a fitting locale for discussing the geopolitics of cooperation. In its 1945 constitution Indonesia committed to multilateral foreign policy and the pursuit of an active and inventive diplomacy to contribute to international peace and stability. Moreover, with its location at the crossroads of three oceans and major routes for shipping and trade, Indonesia represents the vital importance of sea lines of communication including the Malacca Strait. More than 60,000 ships-40 percent of the world's trade-pass through the Malacca Strait every year, demonstrating the international economic and security significance of Indonesia and the surrounding region.

In 2012, following sixty years of peace, stability, and prosperity across the Asia-Pacific, the United States announced an ongoing military, political, and economic shift toward the region—further evidence of its increasing geopolitical centrality. According to US Deputy Secretary of Defense Ashton Carter, the immediate result is a "rebalance" of military presence to the region to support US

allies like Japan and the Republic of Korea (ROK). More joint and cooperative military exercises will be held in the region, with military-to-military relations with Myanmar already underway to bolster democratic reforms in the country. This rebalance in American foreign policy from the Middle East to the Asia-Pacific is another sign of the region's increasing relevance and the shifting global balance of power toward countries such as China and India.

Throughout the 2013 JIDD, there was an overall call to move beyond traditional win-lose geopolitics, to leave behind the Cold War period, and to advance practical cooperation as the foundation of regional stability. Today's international and bilateral disputes should be resolved through the rule of law and economic cooperation, rather than military confrontation. New security threats that are often transnational and tend to cross borders underscore the need for joint responses and shared solutions.

Economics and Security: Prosperity's Impact on Defense and Diplomacy

During the last decade, while Europe and the US suffered from recession, the Asia-Pacific enjoyed unprecedented economic development, lifting millions out of poverty and becoming an engine of global growth. Economics and security are interconnected, and to date, vast economic growth has positively impacted the region's stability and political integration. However, high dependency on Chinese markets and competition over scarce natural resources are only two economic factors that threaten stability in the region.

In addition to conflicts arising from economic disputes, strategic issues and competing ideologies can give rise to tensions. Participants at JIDD discussed traditional security disputes over territory and resources as well as ongoing trends in the radicalization of their societies. Political and religious extremism, driven in part by dynamics in the Middle East, serves as a menacing reminder of formerly violent divisions among religious and ethnic groups in the Asia-Pacific.

Participants at JIDD agreed that balance of power and polarity are not at the root of insecurity in the Asia-Pacific. Instead, states' unpreparedness to face future threats and new security challenges endangers stability in the region. Nations need to chart a common course to confront increasing nontraditional threats like human and drug trafficking, piracy, and the illicit arms trade. Bilateral meetings led by regional powers like Australia and multilateral gatherings at forums like the Association of Southeast Asian Nations (ASEAN) ensure that these challenges are dealt with constructively. Peaceful development and respect for the rule of law is necessary to ensure that economic prosperity continues, particularly amidst heightened competition and increased territorial disputes.

Resource anxiety increasingly drives conflict, and competition over scarce natural resources may pose a progressively serious threat to peace and stability. Indeed, ongoing offshore disputes over the Sea of Japan and the East China and South China Seas are conflicts about resources. To reduce tension and create a manageable system to share and distribute resources, rigid sovereignty issues should be put aside. As economic competition increases, resources need to be shared in a less competitive way. Multilateral forums like ASEAN can also provide a space for creative solutions and South-South cooperation, bolstered by bilateral agreements.

Given the extraordinary use of maritime trading routes in the Asia-Pacific, countries may need to explore shipping via alternate routes in the coming years. As polar ice caps continue to melt, use of the Northeast Passage—a shortcut between the markets of the Asia-Pacific and Europe—may greatly increase. China, Japan, Singapore, India, and the ROK have all expressed interest in becoming observers to the Arctic Council, which could lead to new economic and political opportunities for international cooperation.

Traditional and Evolving Security Threats in the Asia-Pacific

Traditional security challenges still loom large in the Asia-Pacific. This is particularly true in East Asia, with threats of nuclear proliferation in North Korea (The Democratic People's Republic of Korea [DPRK]), repeated conflicts in the South China Sea, tensions in the relationship between Taiwan and China, and growing competition and interdependence between China and the US. According to former White House advisor Jeffrey Bader, the biggest security risks the in the Asia-Pacific remain these traditional threats.

Whether the Nuclear Non-Proliferation Treaty (NPT) can survive a nuclear DPRK or Iran is an important, ominous question for the Asia-Pacific and the world. A cooperative, integrated approach is needed to fully address the issues in DPRK, which involve both nuclear and human security challenges. Countries can use the tools the international system has provided, including UN Security Council sanctions, to call for a return to the NPT. The stability of the Asia-Pacific as a whole is interlinked with peace on the Korean Peninsula.

Proliferation not only of nuclear weapons but of small arms and chemical weapons pose grave threats in the Asia-Pacific. Countries like the Philippines have called for the development of "defense-diplomacy" and the bilateral and regional enhancement of defense relations through cooperative security architectures like ASEAN. Throughout the discussion in Jakarta, ASEAN and similar frameworks for dialogue were continually raised as central tools for the multilateral resolution of potential conflicts.

Non-traditional security threats and human security risks require cooperation and cohesive action among Asia-Pacific nations. In addition to long-discussed problems like terrorism, violent extremism, and transnational organized crime, cybersecurity is a primary emergent threat. Cyber attacks on government facilities are on the rise across the world, notably with attacks by DPRK on property in the ROK. Espionage, theft of corporate intellectual property, and the sabotage of infrastructure are critical priorities for any strategies to improve cybersecurity. Bilateral and multilateral agreements are needed, which could eventually lead to international regulations and a UN treaty on cybersecurity.

Human security challenges such as large-scale natural disasters also threaten stability in the Asia-Pacific. These are especially grave threats for many island nations in the region such as the Philippines. More cooperation is needed to develop disaster preparedness and mitigation, and to improve humanitarian assistance and disaster relief. Joint

training for militaries of ASEAN countries, including best practices on search and rescue operations, is a marked indicator of progress in this area.

Consumption of resources has grown alongside populations and economies in the Asia-Pacific, and demand continues to increase. Strained natural resources give rise to serious non-traditional security threats. Water insecurity is a crucial example, as many countries are already waterstressed and tensions between upstream and downstream countries are mounting. Water has the potential to be the top source of disputes in the twenty-first century, demonstrating that a nontraditional threat can transform into a traditional security threat and potentially lead to intrastate conflict. Similarly, energy and food security can both produce instability in a country or region with a global ripple effect, as many of the world's traditional energy sources are in nations plagued by instability. The role of the private sector, scientists, and engineers in developing new energy sources can relieve international energy markets and has great potential to reduce these strains.

Participants at JIDD agreed that as the significance of the Asia-Pacific continues to increase, so too does the mutual need for cooperation. Further preparation and coordination is needed to confront these new security challenges, through the development of comprehensive measures that address both symptoms and root causes.

Troubled Waters: Maritime Challenges in the Asia-Pacific

Throughout the 2013 JIDD, the South China Sea emerged as the most urgent security and diplomatic concern in the Asia-Pacific. The importance of safe passage and free navigation were repeatedly raised as critical to stability. Lieutenant General Qi Jianguo, deputy chief of general staff of the Chinese army, stressed the regional character of disputed territorial claims in the South China Sea and argued that internationalization of the issue would only cause further complications. Others argued that territorial claims and free passage are matters of international concern. However, the need for a peaceful, long-term resolution of the South China

Sea dispute was agreed upon almost universally. Participants stressed the necessity of rejecting the use of force and proceeding with a cooperative approach to ensure peace and stability.

According to Stephanie Kleine-Ahlbrandt of the International Crisis Group, there are four potential drivers of tensions in the South China Sea: disputes over oil and energy reserves, disputes over fishing groups and accidents, the presence of naval vessels rather than law enforcement vessels, and nationalism that fuels competing territorial claims. These intractable territorial claims have made compromise and the use of international law ineffective in resolving disputes. Still, ongoing diplomatic cooperation signals that there is goodwill and a shared desire to avoid conflict.

Professor Wu Ximbo of Fudan University in Shanghai said that a mechanism is needed to avoid escalation and to build on this cooperation in the South China Sea, with the goal of finding a long-term solution. More than a code of conduct is needed for a peaceful and lasting agreement of the dispute, and resolution is not likely to come quickly. More negotiation and durable cooperation is the necessary route to a peaceful Pacific and protection of the global and regional commons.

More than twenty nations in the Asia-Pacific have developed maritime cooperation initiatives and offices. This indicates major investment in free navigation and sea lanes, which are particularly important as the region continues to drive global trade. Maritime cooperation is growing, with dialogue at numerous regional forums bringing internationally recognized norms and confidence to the maritime security architecture in the Asia-Pacific. Partners from around the world can bring expertise and offer capacity-building and military training, a great deal of which is already underway.

Despite these positive developments, tensions over the Asia-Pacific waters are ever increasing. Participants at JIDD explored potential escalations and asked how to advance cooperation in the maritime area. According to some experts, the Asia-Pacific needs a regional mechanism to mitigate and de-escalate maritime tensions. In the absence of such a regional agreement and mechanism, certain disputes—like those in the South China Sea—may escalate to irreversible levels.

Porous Borders: Migration, Trafficking, and Human Protection

Illegal and irregular migration is another transnational challenge in the Asia-Pacific that requires a regional approach. Transnational migration streams mutate and change rapidly, and policy responses must adapt quickly. Yet policies on porous borders also require empathy, due to their largely human impact. Bilateral and multilateral agreements can bolster formal enforcement agencies toward exchanging information and building regional confidence on border control and security. A collaborative culture that brings human and technical capacity to the design and enforcement of immigration policy is crucial to addressing the complexities of migration across the Asia-Pacific.

Smart immigration policies combine security and economic approaches, recognizing that the movement of people brings opportunities as well as challenges. Indonesia hosts ASEAN nationals for travel and work, through an ASEAN community agreement on migration. A similar bilateral agreement between Indonesia and Australia permits the exchange of people, experts, and workers. This not only brings economic gains, but also fosters understanding between countries. Leaders must build political will to further these initiatives while developing secure border control.

There are many regional agreements to address migration, including those negotiated through UN Economic and Social Commission for Asia and the Pacific (ESCAP), as well as applicable international conventions on human rights, transnational crime, and trafficking. Launched in 2002, the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime has engaged most countries in the region in capacity-building and dialogue activities throughout the last decade. It has evolved into more formal cooperation among states, already yielding practical responses to irregular migration in the region. The Bali Process Regional Cooperation Framework, with an office in Bangkok since 2012, coordinates information exchange on refugee protection and international migration and oversees resource sharing and operational support for joint projects. The

Framework can provide the tools to respond to irregular migration, but its success depends on the president and member states of the Bali Process.

Trafficking is big business in the Asia-Pacific, with pipelines to move migrants by air, land, and sea. Legitimate asylum-seekers and refugees are often caught in the human smuggling route, and countries along the pipeline must cooperate to provide effective humanitarian protection. Following the deaths at sea of more than 1,000 people trying to reach Australia since 2000, the Australian government has taken steps to deter asylum-seekers from risking their lives. Australia has increased its intake of refugees from source countries in the region, and targeted traffickers while removing incentives for taking an irregular migration path. Governments need to address the sources of international migration, though many global powers have diminishing moral standing to hold others accountable on human rights and good governance issues.

Migration, trafficking, and the new security threats described above no longer correspond to the concept of nation or even region. With globalization, political change, population growth, and resource scarcity, security issues can no longer be viewed as problems between nations. New technologies and new threats also do not respect borders; cyberspace is a borderless world and whether it can be effectively managed is a lingering question. Threats formerly labeled as civil or criminal domestic challenges are now seen as international threats requiring multilateral action. When it comes to border control, migration, and trafficking, internal policing-no matter how skilled—is not enough. Profound cooperation, including multilateral intelligence sharing, is needed to reduce human trafficking and other cross-border crime.

Modern Militaries: Securing Expanding Capabilities

Alongside recent economic growth, military capabilities in the Asia-Pacific experienced dramatic expansion with the addition of advanced weapons systems and growing air and naval forces. Research from the Stockholm International Peace Research Institute (SIPRI) demonstrates rapid

military growth: From 2007 to 2011, the five biggest arms recipients in the world were all in the region—India, ROK, Pakistan, China, and Singapore. In the same period, the Asia-Pacific accounted for 44 percent of global arms imports. Between 2002–2006 and 2007–2011, the volume of weapons delivered to the region increased by 24 percent, and deliveries to Southeast Asia alone increased by a remarkable 185 percent.

As militaries in the region modernize, capability development poses a challenge. Technologies change rapidly, and militaries need to stay current. Today's weapons are much more precise than their predecessors; fast attack aircrafts and quiet submarines are preferred to deployed ground forces in contested zones. Countries in the Asia-Pacific are investing in air and sea capabilities and contributing to this shift in military affairs, prioritizing undersea deployments and cyberspace operations over more traditional means.

Countries in the region acquire their new weapons not only through international purchases, but within the Asia-Pacific. The region's defense industry is booming, contributing to economic growth but also carrying the risk of setting off an arms race. As outlined above, new and rapidly evolving hybrid threats demand not only defense reactions but extensive diplomatic responses. Discussion in Jakarta sought to ensure that weapons acquisition be accompanied by equally expansive developments in diplomacy.

Expansions in weapons and military capability lead to more patrolling, which in turn mean a higher chance of violent incidents, warned SIPRI senior fellow Siemon Wezeman. Unplanned conflict and accidental escalation are risks of the

growing defense sector in the Asia-Pacific. Confidence- and security-building measures can familiarize militaries with working alongside each other and help to prevent outbreaks of spontaneous violence. These measures can take the form of joint military exercises or disaster relief preparedness and humanitarian relief operations. Confidence- and security-building measures can contribute to needed preparation in these areas while playing an important role in preventing violent incidents as militaries and weapons systems grow in the Asia-Pacific.

Conclusion

Impressive innovation and unprecedented economic development have brought renewed attention to the Asia-Pacific, a region known across centuries and empires for its diverse and vibrant cultures and traditions. With incredible promise for the future, the region still faces traditional security threats as well as social, economic, and environmental challenges. These threats undermine not only national and regional security, but also impact the human security of the peoples of the Asia-Pacific.

Participants at the third annual Jakarta International Defense Dialogue agreed that no country can confront these challenges alone. Long-term joint strategies are required for effective cooperation, not only among governments but also with business and civil society organizations. Regional cooperative security architectures like ASEAN and forums for dialogue like the JIDD are critical tools, and more serious efforts are needed to maintain a stable and prosperous Asia-Pacific.

Agenda

Jakarta International Defense Dialogue: Defense and Diplomacy in the Asia-Pacific Region

Jakarta, Indonesia

| 10:00 - 11:20 | Opening Ceremony of the 3 rd Jakarta International Defense Dialogue (JIDD) |
|---------------|--------------------------------------------------------------------------------------------------------|
| | Welcome Address H.E. Mr. Purnomo Yusgiantoro, <i>Minister of Defense, Republic of Indonesia</i> |
| | Video Presentation from Indonesia Defense University |
| | Keynote Speech H.E. Mr. Xanana Gusmão, <i>Prime Minister, Democratic Republic of Timor-Leste</i> |
| | Opening Remarks H.E. Mr. Susilo Bambang Yudhoyono, <i>President, Republic of Indonesia</i> |
| 11:20-11:50 | VVIP Asia Pacific Security & Defense Expo (APSDEX) Walkthrough |
| 11:20-11:50 | Video Presentation: "The Asia-Pacific Century" |
| | Presented by Terje Rød-Larsen, President, International Peace Institute |
| 12:30-14:30 | Ministerial Luncheon |
| | Keynote Address Vijay Nambiar, Special Adviser to the Secretary-General for Myanmar, United Nations |

Moderator

14:45-16:15

Wednesday, March 20, 2013

Desi Anwar, Senior Journalist, Metro TV, Jakarta

Presenters

Ng Eng Hen, Minister of Defense, Singapore

Dorodjatun Kuntjoro-Jakti, Emeritus Professor, Former Coordinator for the Economy and Finance, Republic of Indonesia

Session 1 — The Rise of Asia and New Geopolitics in the Asia-Pacific Region

Ashton Carter, Deputy Secretary of Defense, US Department of Defense

Lieutenant General Qi Jianguo, Deputy Chief of General Staff, People's Republic of China Alejandro Enrique Alvargonzalez San Martin, Secretary General for Defense Policy, Ministry of Defense, Spain

16:15-16:30 Break

16:30–18:00 Session 2 — Impact Asia: Economic Power, Defense, and Diplomacy

Moderator

Alan Dupont, Professor, University of New South Wales

Presenters

Ahmad Zahid Hamidi, Minister of Defense, Malaysia

Elina Kalkku, Director General, Department for the Americas and Asia, Ministry for Foreign Affairs, Finland

Morio Ito, Defense Counselor, Deputy Director-General, Ministry of Defense, Japan Lieutenant General David Morrison, Chief of Army, Australia

18:15–19:45 **JIDD 2013 Official Dinner**

Keynote Address

H.E. Mr. Dato Paduka Haji Mustappa bin Haji Sirat, Deputy Minister of Defense, Brunei Darussalam (ASEAN Chair 2013)

Thursday, March 21, 2013

09:00–10:30 Session 3 — Evolving Threats and Challenges in Asia Pacific

Moderator

John Riady, Editor at Large of Berita Satu Media Holdings and The Jakarta Globe

Presenters

Air Marshal Lee Young Man, Deputy Chairman of Joint Chief of Staff, Republic of Korea Pio Lorenzo F. Batino, Undersecretary for Legal and Legislative Affairs and Strategic Concerns, Ministry of Defense, The Philippines

Jeffrey A. Bader, John C. Whitehead Senior Fellow in International Diplomacy, Brookings Institution

Mely Caballero-Anthony, Associate Professor and Head of the Centre for Non-traditional Security Studies, S. Rajaratnam School of International Studies

10:30–10:45 Break

10:45–12:15 Session 4 — Troubled Waters: Maritime Challenges in Asia Pacific

Moderator

Lin Neumann, Journalist, Strategic Review, Jakarta

Presenters

Admiral Marsetio, Chief of Navy, Republic of Indonesia

Rear Admiral Anne Cullerre, French Pacific Forces/Fleet Commander

Stephanie Kleine-Ahlbrandt, North East Asia Project Director, International Crisis Group Wu Xinbo, Professor and Director, Center for American Studies, Executive Dean, Institute of International Studies, Fudan University

12:15–14:15 Ministerial Luncheon

Keynote Address

Air Chief Marshal (Ret.) Djoko Suyanto, Coordinating Minister for Political, Law, and Security, Republic of Indonesia

14:15–15:45 Session 5 — Porous Borders: Stronger Control and Cooperation

Moderator

Ambassador Sabam Siagian, The Jakarta Post

Presenters

Amir Syamsuddin, Minister of Justice and Human Rights, Republic of Indonesia Lieutenant General Sanjiv Langer, Director General Defense Intelligence Agency and Chief of the Integrated Defense Staff (Int.), Headquarters Integrated Defense Staff, Ministry of Defense, Republic of India

Air Chief Marshal (ret.) Angus Houston, Former Chief of Defense Forces, Australia Sandy Gordon, Visiting Fellow, Regulatory Institutions Network (RegNet), Australia National University College of Asia and the Pacific

Carolina G. Hernandez, Emeritus Professor of Political Science, University of the Philippines

15:45-16:00 Break

16:00–17:30 Session 6 — Modern Military: Growing Capability and Expanding Industry

Moderator

Peter Leahy, Director, National Security Institute, University of Canberra

Presenters

Brigadier Tim Gall, Head of Capability Branch, New Zealand Defense Force Adik A. Soedarsono, President Director, PT. Pindad

Bambang Kismono Hadi, Associate Professor, Faculty of Mechanical and Aerospace Engineering, Institut Teknologi Bandung (ITB)

Jim Thomas, Vice President, Center for Strategic and Budgetary Assessment (CSBA) Siemon Wezeman, Stockholm International Peace Research Institute (SIPRI)

17:30–18:00 Closing of Third Jakarta International Defense Dialogue

Closing Remarks

H.E. Mr. Purnomo Yusgiantoro, Minister of Defense, Republic of Indonesia

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