



Australian
National
University

THE CENTRE OF GRAVITY SERIES

Strategic & Defence Studies Centre
ANU College of Asia & the Pacific

May 2015



A Strategy towards Indonesia

Evelyn Goh, Greg Fealy, Ristian Atriandi Supriyanto

The Centre of Gravity series

About the series

The *Centre of Gravity* series is the flagship publication of the Strategic and Defence Studies Centre (SDSC) based at The Australian National University's College of Asia and the Pacific. The series aspires to provide high quality analysis and to generate debate on strategic policy issues of direct relevance to Australia. *Centre of Gravity* papers are 2,000-3,000 words in length and are written for a policy audience. Consistent with this, each *Centre of Gravity* paper includes at least one policy recommendation. Papers are commissioned by SDSC and appearance in the series is by invitation only. SDSC commissions up to 10 papers in any given year.

Further information is available from the *Centre of Gravity* series editor Dr Andrew Carr (andrew.carr@anu.edu.au).



Contact us

Dr Andrew Carr
Centre of Gravity series editor
Strategic and Defence Studies Centre
ANU College of Asia and the Pacific
The Australian National University

T 02 6125 1164
E andrew.carr@anu.edu.au
W <http://ips.cap.anu.edu.au/sdsc>



Centre of Gravity series paper #20

Photos courtesy of www.defence.gov.au and www.defense.gov

© 2015 ANU Strategic and Defence Studies Centre. All rights reserved.

The Australian National University does not take institutional positions on public policy issues; the views represented here are the author's own and do not necessarily reflect the views of the University, its staff, or its trustees.

No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the ANU Strategic and Defence Studies Centre. Please direct inquiries to andrew.carr@anu.edu.au

This publication can be downloaded for free at <http://ips.cap.anu.edu.au/sdsc/>
CRICOS#00120C

A Strategy towards Indonesia

Editor's Foreword

For most people, notions of the Asia-Pacific or East Asia lead to a focus on Northeast Asia. This was where the worst fighting in World War Two occurred, where the main 'Asian Tigers' first boomed and where the middle kingdom's rise and rise is seen as potentially tipping world order out of balance.

Yet Southeast Asia is also staking its claim for attention and significance. As the Obama Administration has repeatedly stressed, the pivot/rebalance is an attempt to refocus on Southeast Asia. China likewise has expanded its economic links into the region, while also being challenged over its claims to territory and authority in the backyards of Southeast Asia's minnows and middle powers. Perhaps the central figure in Southeast Asia's future rise and role in global affairs is Indonesia. Currently the 16th largest economy in the world, Pricewaterhouse Coopers has estimated Indonesia will rise to be the fourth largest by 2050. Still far behind China, the US and India, but the largest of the non-great powers.

This has fundamental implications for Australia. Where Indonesia's weakness was once a source of concern and threat, today Canberra has to consider an environment shaped by Jakarta's strength. In theory, this should be a very welcome place. Australia and Indonesia share democratic and capitalist systems, and have similar views about the importance of institutions, dispute resolution mechanisms, open trade and navigation and a stable regional and global order. Yet few could be satisfied by the nature of the relationship today. Regular scandals such as the Bali 9 drug smugglers, live cattle trade, high-level spying, asylum seekers, terrorism and West Papua all threaten to blow the relationship off course, and scuttle the progress many officials on both sides have worked long and hard to overcome.

This special Centre of Gravity Paper doesn't claim to offer answers to all of these challenges. But it does seek to help encourage a better foundation for the national and regional conversation. Evelyn Goh, Shedden Professor of Strategic Policy Studies examines the changes in Indonesian foreign policy under President Joko Widodo. She also offers important policy recommendations for Australia that can help work with the new president's maritime focus and deepen US-Indonesia links. Professor Greg Fealy meanwhile highlights a potential relationship destabiliser on the horizon: the rise of Islamic State fighters in Indonesia. He explores how Indonesian politics and society has responded to IS' rise and looks at the limited opportunities for cooperation between Australia and Indonesia. Finally, Ristian Atriandi Supriyanto, a PhD scholar at SDSC, working under Evelyn Goh's supervision examines Indonesia's maritime security focus and offers a bold proposal for improving regional security and helping to ground the bilateral relationship.

This Centre of Gravity paper doesn't seek to lecture or condemn, nor claim unheralded insights that can 'solve' today's challenges. But, in the tradition of the series it seeks to offer academically grounded analysis of one of the vital issues in Asia-Pacific strategic affairs: the Indonesia-Australia relationship.



Andrew Carr
Editor, Centre of Gravity Series
Strategic & Defence Studies Centre
Australian National University

Author bios

Evelyn Goh

Professor Goh is the Shedden Professor of Strategic Policy Studies and Director of Research in the Strategic & Defence Studies Centre, Coral Bell School of Asia-Pacific Affairs at ANU. Her research interests are East Asian security and international relations; U.S.-China diplomatic history and contemporary strategic relations; and strategic policy studies. Her current projects relate to China's influence in Asia; emerging US security partnerships in Southeast Asia; and strategic diplomacy.



Greg Fealy

Associate Professor Greg Fealy has extensive expertise studying Indonesia. His research interests include Indonesian politics, modern Islamic political history, democratisation and Islamism, and jihadist ideology and strategy. He has also examined terrorism, transnational Islamist movements and religious commodification in Indonesia, as well as broader trends in contemporary Islamic politics in Southeast Asia. He has worked at John Hopkins School of Advanced International Studies, Monash University, and as an Indonesia analyst with the Australian government before coming to work at the School of Politics and Social Change in the Coral Bell school of Asia-Pacific Affairs, ANU.



Ristian Atriandi Supriyanto

Andi Supriyanto is Indonesian Presidential PhD Scholar at the Strategic and Defence Studies Centre, Coral Bell School of Asia-Pacific Affairs at ANU. Before joining the ANU, he worked for the S Rajaratnam School of International Studies and the University of Indonesia. He has published reports on Australia-Indonesia maritime issues with the Australian Strategic Policy Institute, and on Indonesia's approach to the Law of the Sea with Leonard C Sebastian and I Made Andi Arsana at the ANU National Security College.



Contents

Indonesia's new strategic policy under Jokowi: change, continuity, and challenges	4
Evelyn Goh	
Indonesian terrorism and relations with Australia	10
Greg Fealy	
From shipmates to mateship: Improving maritime security cooperation with Indonesia	14
Ristian Atriandi Supriyanto	

Indonesia's new strategic policy under Jokowi: change, continuity, and challenges

Evelyn Goh

Executive Summary

- > President Jokowi continues the trend of widening Indonesia's strategic outlook.
- > His vision of Indonesia as 'global maritime fulcrum' between the Indian and Pacific Oceans aims to consolidate vital national security priorities and facilitate defence reforms and procurements.
- > Indonesia will continue to deepen strategic relations with both China and the United States.
- > Indonesia may shift its central foreign policy focus away from ASEAN, but ASEAN will remain an important pillar of its foreign policy strategy for the foreseeable future.


DEFYING expectations that he would be a leader engrossed in domestic affairs, Indonesia's new President Joko Widodo (popularly known as Jokowi) has already left his mark on the regional and world stage within seven months of his inauguration. Alongside his new concept of Indonesia as a 'global maritime fulcrum', his government has pledged to raise defence spending and sought assistance for military modernisation from a range of international partners. It has boosted economic and defence cooperation with the United States, China, Japan and India. Internationally, Jokowi and his defence minister have announced their determination to support the fight against Islamic extremists. Within the region, he has signalled a tougher stance on maritime security – including the orchestrated sinking of three empty Vietnamese fishing boats to deter illegal fishing in Indonesian waters – and has launched a national coast guard.

How Jokowi's Indonesia conceives of its role in the region, and how its strategic policies develop carry significant implications for Australia. In working out how to respond, Australian policy-makers should be asking four questions.

Does Jokowi bring a sea-change in Indonesia's strategic outlook?

President Jokowi certainly appears to be adopting an internationalist approach both to developing Indonesia's partnerships and to his new maritime strategic doctrine. This reflects a trend of Indonesia's globalising foreign policy, which gathered pace under his predecessor, Susilo Bambang Yudhoyono (SBY). Widely viewed as a market-friendly reformer, the latter's decade in office coincided with Indonesia's recovery from the Asian financial crisis and steady growth rates of 5-6.5% annually. Indonesia's economic growth stemmed from the commodities boom, but also reflected optimism about its young labour force, growing consumer demand, and investment potential.

Indonesia's relative success with democratization in a complex multi-ethnic archipelago that is also the world's most populous Muslim nation, brought international legitimacy and cultivated confidence on the part of Indonesian leaders and policy-makers. Global recognition for Indonesia's *primus inter pares* status in Southeast Asia came in the form of G20 membership, and being increasingly treated by corporate analysts as part of the expanded 'BRICS' group of the world's top emerging markets.

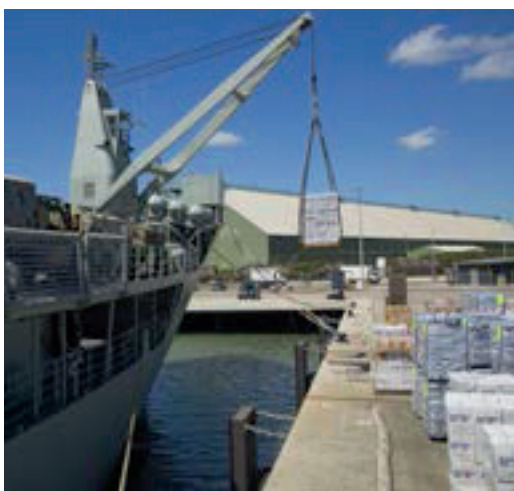


President Jokowi has already left his mark on the regional and world stage.

SBY's global foreign policy activism derived from his personal style and domestic political stability, especially in his second term. Jokowi is a very different personality and faces more uncertain domestic political constraints in the form of factional politics and serious economic challenges. However, Jokowi's key foreign policy advisers are internationalists aspiring to a greater global reach for Indonesia.

The clearest indicator of this to date is Jokowi's strategic vision of Indonesia as a *poros maritim dunia* – global maritime fulcrum. Rizal Sukma, Jokowi's key foreign policy advisor, describes the ideal as transforming Indonesia into 'the fulcrum of the two... strategic oceans' – the Pacific and Indian Oceans – as 'the place upon which the burdens of the two seas rest'.¹

Jokowi's key foreign policy advisers are internationalists aspiring to a greater global reach for Indonesia.



What is the 'global maritime fulcrum'?

Rhetorical flourishes aside, this innovative strategic concept is a rallying cry to consolidate various vital national security priorities, pursue much-needed defence reforms and procurements, and assert Indonesia's widening strategic domain.

The 'global maritime fulcrum' idea helps Jokowi advance some vital domestic goals through building connectivity among the strategic islands of this far-flung archipelago, chiefly by upgrading port infrastructure. Connecting these islands will increase their integration into the national economy, and help address local insurgency issues, particularly in remote areas like the Maluku islands. Overall, improving maritime infrastructure within the archipelago will enhance Indonesia's ability to harness international trade, reduce currently prohibitive costs of domestic commerce, tackle piracy and increase control over maritime resources like fisheries.

Through this fulcrum, Jokowi has also advanced a strategic vision to galvanise domestic and international support for much-needed defence development. The aim here is less to transform Indonesia into a maritime great power than to ensure that the navy and air force is modernised sufficiently to have some minimal capacity to cope with maritime threats internally and externally, and to protect national maritime assets, territories and SLOCs. The latter aim has grown urgent especially in the face of China's assertiveness in the South China Sea territorial disputes since 2010. According to SIPRI figures, Indonesian defence spending more than doubled between 2005 and 2013, but the defence

budget remains below 1% of GDP and modernisation is hampered by limited infrastructure and R&D. Jokowi has pledged to raise the defence budget to 1.5% of GDP over the next five years. He signed a January agreement to expand military cooperation with the US and has discussed defence technology transfers from Germany and assistance for maritime infrastructure development from Japan and France.

The 'global maritime fulcrum' concept consolidates the rising attention that has been paid to the Indian Ocean in recent Indonesian strategic thought. In 2012-3, SBY and his Foreign Minister Marty Natalegawa emphasised the importance of building stability in the Indian Ocean region, with the latter identifying the region bounded by Japan, Australia and India as vital to Indonesia. Their conception echoed the security focus of the 'Indo-Pacific strategic arc' mentioned in the 2013 Australian Defence White Paper, which equally stressed Indonesia's vital position between the two oceans.

In further developing its own strategic policy on the 'Indo-Pacific arc', Australia should thus closely monitor Indonesian political developments and strategic thinking for indication of whether these might aid or hinder Australian plans.

This is particularly important because Jokowi's maritime fulcrum vision is actually broader, suggesting developmental and civilisational overtones beyond the emphasis on regional powers. In this sense, Jokowi's concept resonates more closely with the Chinese idea of a '21st century maritime silk road', which has gained traction over the last five years. Supported by President Xi Jinping, this is a wide-ranging vision underpinning China's westward projection of its influence by developing commercial, socio-political and strategic maritime connectivity from Southeast Asia, through the Indian Ocean and into the Persian Gulf.

Will Indonesia choose China or the US?

Sukma has noted the convergence between the two ideas as 'about connectivity, safety and diplomacy. They are not about power supremacy.'² Chinese Foreign Minister Wang Yi stressed China's desire to 'participate in the development of Indonesia's maritime economy' and called Indonesia 'the most important partner' for creating the maritime silk road.³

Within these strands of Asian strategic thought, there is significant confluence between economic development, regime legitimacy, national security, and power projection. Indonesia urgently requires hardware and software for military modernisation, but it also needs a reported US\$740b over the next five years for infrastructure projects to help achieve the targeted 7% annual growth.⁴ And critical infrastructure development is essential for developing economic, security and governance capacity.

Jokowi has urged China, with its huge foreign reserves, to invest in infrastructure development. At their first bilateral high-level economic meeting in January, China agreed to cooperate with Indonesia in infrastructure development, starting with power plants. Unsurprisingly, Indonesia is also joining China's initiative to set up the new Asian Infrastructure Investment Bank. It is important, though, to understand that the AIIB is regarded as an *additional* – not alternative – source of investment alongside Japan, the Asian Development Bank and the World Bank, the three largest external financiers of Indonesian development. Indonesia's significant trade deficits with China as well as economic logic dictate non-exclusivity and diversification. Thus, Jokowi also shopped his development plans to other world leaders at the November 2014 APEC summit, and garnered over US\$1bn in ODA towards building a railway network during his visit to Japan in March 2015.

Therefore, it would be far-fetched to suggest that Indonesia is 'choosing China's side'. Despite varying labels, the principle of a 'free and active' (bebas aktif) foreign policy has been a consistent hallmark of Indonesian strategy. In recent years, SBY's aim of 'a million friends and zero enemies' and Natalegawa's 'dynamic equilibrium' doctrine strived to encapsulate the twin goals of enmeshing regional great powers in cooperative relationships while facilitating back-up deterrence against their potential aggression.

Indonesia thus created a Comprehensive Partnership with the US in 2010 and a Comprehensive Strategic Partnership with China in 2013. From each relationship, Jakarta hopes to derive technology, investment and assistance in the economic and defence sectors. Because the ultimate military deterrence against major aggression in the region is still perceived to come from the United States, Indonesia, like the vast majority of its neighbours, is reluctant to lean closely towards Beijing at the expense of Washington.

Besides, the US has substantial resources to offer Indonesia. For example, in a landmark bilateral defence agreement in 2013, Washington agreed to sell eight Apache attack helicopters and radar technology worth over US\$500m to Indonesia. By leveraging upon the image of being a modern, moderate and democratic Islamic state, Indonesia also hopes US support will open doors with other western democracies, suppliers, markets and investors.

Rising attention has been paid to the Indian Ocean in recent Indonesian strategic thought.



However, Jokowi does inherit some deep-seated tensions in Indonesian attitudes towards the US role in Southeast Asia. Indonesian strategists have been ambivalent about the US 'rebalance' to Asia partly because of the emphasis on troop rotations through Darwin, which is close to the troubled Indonesian province of Papua. Key foreign policy figures also worry that over-reliance on the US security umbrella has emboldened some Southeast Asian claimants in the South China Sea disputes, leading to greater instability. These concerns will have to be balanced against the growing parallel anxiety about Indonesia's own South China Sea territories and resources, with a number of TNI leaders in 2014 publicly referring to the need to bolster Indonesian defences on Natuna island, which lies within China's 'nine dashed-lines'.



It would be far-fetched to suggest that Indonesia is 'choosing China's side'. Despite varying labels, the principle of a 'free and active'...foreign policy has been a consistent hallmark of Indonesian strategy.

To help tilt the balance in Jakarta's considerations, Australia can cooperate with the United States to study key areas of technology transfer and other forms of security assistance that would help build capacity in Indonesia. Japan, for instance, has recently started a new programme of cooperation in military training and technology with Indonesia. Independently, Australia should also investigate possibilities of supporting Indonesia in maritime infrastructure development and related issues. For instance, in his paper in this COG issue, Andi Supriyanto suggests avenues for maritime security cooperation.

At the same time, taking advantage of Indonesia's widening global strategic outlook under Jokowi, Australia should seek wider common security goals with Indonesia, such as anti-radicalism and anti-terrorism. Greg Fealy discusses these issues at greater length in his paper in this COG issue.

What about ASEAN?

Jokowi's wider strategic vision, Indonesia's growing international profile, and intra-ASEAN discord particularly about the South China Sea disputes have intensified discussions about whether Indonesia is poised for a 'post-ASEAN' foreign policy strategy. This debate stems from the disillusionment felt by Indonesian policy analysts about the growing gulf between Indonesia and the newer ASEAN states.

On the one hand, the divide is ideological – as Indonesian democracy developed, some key foreign policy thinkers have tried to bring new agendas of democratisation and human rights into the Association in the process of drawing up the ASEAN Charter in 2007 and in debating policy towards Myanmar. They met with ambivalence from some of the 'old' ASEAN members, and outright resistance from the newer members (Cambodia, Laos, Myanmar and Vietnam), who stress sovereignty, non-intervention and non-interference. On the other hand, the divide is strategic – while they broadly agree on not choosing sides overtly, ASEAN members simply do not agree on the degree to which rising China's assertiveness can be accommodated, or the extent to which the US security umbrella can be relied upon. Natalegawa referred pointedly to the resulting 'trust deficit' in the aftermath of the 2012 ASEAN summit which laid bare differences over the South China Sea disputes with China.

Significantly, Jokowi's key foreign policy adviser is a leading proponent of 'post-ASEAN' foreign policy, arguing in 2010 that 'Indonesia should free itself from any undeserving obligation to follow the wishes of any state or grouping of states, including ASEAN, if by doing so we sacrifice our own interests'.⁵ Jokowi himself has indicated reservations about the ASEAN Economic Community project of creating a single market, due to kick off this year, if it would relegate Indonesia to merely being a market for goods produced by its neighbours.

Given Indonesia's central role in the founding and functioning of ASEAN, the Association and regional stability will clearly be damaged by Jakarta withdrawing or reducing its participation. However, this is unlikely for three reasons. First, Indonesia needs ASEAN in order to fulfil Jokowi's ambitious global strategic vision. ASEAN is the key means by which Indonesia reassures its smaller neighbours of its benign intentions. A minimally-coherent ASEAN lends collective negotiating weight to Southeast Asian states with territorial disputes with bigger neighbours. A smoothly-functioning ASEAN is also the platform from which Indonesia can amplify its diplomatic and economic projection to the rest of the world.

Second, the 'post-ASEAN' argument is more an argument for going beyond ASEAN *centrality*, not ASEAN per se. No one has suggested that Indonesia ditch ASEAN, and Jakarta has committed very significant diplomatic resources to the ASEAN Community project and to the negotiation of a South China Sea Code of Conduct in recent year. In other words, even as the Jokowi administration adopts wider concentric circles of foreign policy aspirations, ASEAN is not caught in a zero-sum game.

Finally, Jokowi in the course of his Presidency may well become consumed by domestic affairs, leaving less high-level attention for foreign strategic policy. In that situation, foreign policy will devolve to the most competent parts of the foreign policy bureaucracy, where the strongest institutional memory and the most well-exercised diplomatic muscles all reside along ASEAN tracks.

For these reasons, even as Australia explores the potential for bilateral strategic cooperation with Indonesia, Australia should continue to work with Indonesia and other Southeast Asian states on confidence-building and regional conflict prevention.

The 'post-ASEAN' argument is more an argument for going beyond ASEAN centrality, not ASEAN per se. No one has suggested that Indonesia ditch ASEAN...



Policy Recommendations

- > Australia should closely monitor Indonesian political developments and strategic thinking, as these are vital if Australia wishes to develop its own strategic policy on the 'Indo-Pacific arc'.
- > Australia should investigate possibilities of supporting Indonesia in maritime infrastructure development and related issues, such as cooperation in maritime security (see Supriyanto paper in this COG issue).
- > Australia ought to cooperate with the United States to study key areas of technology transfer and other forms of security assistance that would help build capacity in Indonesia.
- > Taking advantage of Indonesia's widening global strategic outlook, Australia should seek wider common security goals with Indonesia, such as anti-radicalism and anti-terrorism (see Fealy paper in this COG issue).
- > Australia should continue to work with Indonesia and other ASEAN states for confidence-building and regional conflict prevention.

Endnotes

- 1 'Jokowi's case for Indonesia's ocean future,' *The Jakarta Globe* 3 December 2014.
- 2 'China and Indonesia's maritime agendas closely aligned,' *The Jakarta Globe* 3 December 2014.
- 3 'China lobbies Widodo on "maritime silk road",' *South China Morning Post* 4 November 2014.
- 4 'Why Indonesia is forging closer ties with China,' *China Spectator* 20 November 2014.
- 5 Rizal Sukma, quoted in Barry Desker, 'Is Indonesia outgrowing ASEAN?' *RSIS Commentaries* 125, 29 September 2010.



Indonesian terrorism and relations with Australia

Greg Fealy

Executive Summary

- > The growing influence of the Islamic State (IS) within Indonesia has revived Australian concerns about terrorist threats in the region.
- > IS presents significant challenges to Indonesia and Australia, due to its mobilization of both experienced jihadists and new recruits, and the likelihood that Indonesian fighters returning from Syria and Iraq will target foreigners.
- > Australian policy options are more limited than in the past as a result of changing political conditions in Indonesia and broader tensions in the bilateral relationship.

In the decade following the 2002 Bali bombings that killed 202 people including 88 Australians, counter-terrorism dominated Australia's foreign policy towards Indonesia. Hundreds of millions of dollars were expended on a range of programs, including heightened police and intelligence cooperation on terrorism issues, financial assistance to the Islamic education sector, training and capacity building projects for correctional facilities holding terrorist detainees, and an array of cultural exchange schemes for Indonesian and Australian Muslims. In addition, visiting Australian political leaders to Indonesia routinely praised Indonesian leaders for their religious moderation and dutifully visited 'moderate' Muslim organisations extolling their importance in combatting radicalism.

From about 2011, Australian government fervor on Indonesian terrorism issues began to wane. The terrorism threat in Indonesia had declined, as was evident in the falling number of attacks as well as the growing success of the Indonesian police in uncovering jihadist networks and plots and prosecuting would-be terrorists. Also, many new jihadist operations appeared focused on Indonesian targets, especially the police, rather than Australians living in Indonesia. Hence, counter-terrorism tumbled down the list of Australian government priorities, and was eclipsed by new issues such as stopping 'illegal' boat people, patching up relations after the 2013 Snowden revelations on Australian spying in Indonesia, and protecting the legal rights of Australian citizens detained in Indonesian jails.

But the emergence of the Islamic State (IS) in Syria and Iraq in early 2014 has refocused Australian government attention on terrorist threats abroad, particularly in Indonesia. Australia's concerns are well founded. IS has dramatically changed the dynamics within Indonesia's jihadist communities. It has had a deeply polarizing effect on jihadist attitudes, with some well established jihadist leaders and groups committing themselves to the new state and its caliph, al-Baghdadi, while others emphatically declare their opposition to it.

The pro-IS forces within Indonesia are numerous but largely without coordination. The best known supporters of IS are the former Jemaah Islamiyah (JI) emir and current head of Jemaah Anshorut Tauhid (JAT), Abu Bakar Ba'asyir, and prominent jihadist intellectual, Aman Abdurrahman. Both men, who are serving sentences for terrorism offences, declared their allegiance to IS in mid-2014 in a ceremony conducted within the maximum-security prison at Nusakambangan in Central Java. Many of Ba'asyir's followers rejected his actions and left JAT in protest. Among the other jihadist networks supportive of IS are: Santoso's Eastern Indonesian Jihad Fighters (MIT), which remains committed to attacks on

IS has dramatically changed the dynamics within Indonesia's jihadist communities.

foreigners; sections of Darul Islam, Indonesia's oldest jihadist movement; and the Western Indonesian Jihad Fighters (MIB). What has attracted many of these jihadists to IS is its ability to defeat 'infidel' forces in battle, to conquer and hold territory, and to establish a functioning caliphate within with Islamic law is comprehensively implemented. These practical and symbolic aspects of IS give it great potency in the minds of many jihadists.

IS has succeeded in re-legitimising the concept of attacking foreign non-combatants.

Policy Analysis of Conflict, there are long queues of would be IS fighters in Indonesia waiting to depart for Syria and Iraq. Not all Indonesians who join the conflict are fighting with IS; some have joined anti-IS groups such as Jabba an-Nusra and Ahrar al-Sham.

Several major concerns arise from this IS activity. First, IS has succeeded in re-legitimising the concept of attacking foreign non-combatants, especially non-Muslims. Most Indonesian jihadist groups had moved away from this foreigner-centric viewpoint since the mid-2000s and had concentrated their efforts either on Indonesian officials, such as police and prosecutors, or on non-violent outreach and educational activities. Following IS's emergence last year, web and blog-sites espousing its views have quickly sprung up, often featuring translations into Indonesian of IS publications such as its glossy online *Dabiq* magazine. This has fostered discussion in jihadist circles that foreigners in Indonesia are valid targets. Second, there is a heightened risk that returning fighters from Syria and Iraq will pass on their technical skills in fields such as bomb making, sniping and covert operations to less experienced recruits. In recent years in Indonesia, many of the newly emergent terrorist cells have comprised young, 'clean skin' jihadists who are highly motivated but lack the expertise to mount large attacks. Thus, IS veterans might enable a new generation of Indonesia-based terrorists to acquire the highly lethal capacity that the perpetrators of the 2002 Bali bombing – most of whom were Afghanistan veterans – possessed.

Indonesian government responses to the IS threat have been far more concerted than earlier efforts against terrorist groups such as JI and the Noordin Network. Senior government figures from the president down have condemned IS and the movement was outlawed in mid-2014, something that

never happened to JI. Police have arrested several dozen people for suspected IS-related activity but most have been released without charge. Government funding has also been forthcoming for community-level anti-IS campaigns, resulting in many hundreds, possibly thousands of villages across the country displaying anti-IS banners and posters. It should be noted, however, that much of this government and community opposition to IS is more a product of the perceived threat which the movement poses to Indonesian nationalism rather than an objection to its advocacy of terrorism or revulsion at its acts of brutality within its own borders. Indeed, it was Ba'asyir's pledge of allegiance to IS which helped to galvanise government responses, and much of the official discourse against IS focuses on its seditious impact rather than its extreme violence.



For the Australian government, the rising threat of terrorism in Indonesia poses serious concerns. Pro-IS jihadists probably regard Australian citizens and assets as suitable targets, and indeed, Australia is often mentioned as an enemy in jihadist literature. Almost one million Australians visit Indonesia annually, mainly to Bali, and there are thousands more who are resident in the country. While the Indonesian police have enjoyed impressive success in their counter-terrorism efforts, the magnitude of the surveillance effort to keep track of hundreds of released terrorists as well as dozens of returnees from Syria and Iraq and numerous suspected new recruits, exceeds their capacity. Some 90 terrorist inmates have been released from Indonesian jails over the past two years and an estimated 150 are due for release by the end of 2016. Unlike a decade ago, there are now fewer opportunities for Australian police to assist their Indonesian counterparts with new technology and in-the-field collaboration. Indonesian police now have sophisticated databases and computer analytical tools, as well as vastly improved forensic capabilities compared to the time of the 2002 Bali bombings. A more assertively nationalistic political mood in Indonesia also crimps possibilities for security cooperation. Senior politicians and some ministers in the new Joko Widodo government openly query the benefit to Indonesia of close police and intelligence ties. Such remarks were less frequent during the Yudhoyono presidency (2004-2014).

Australian policy options are fewer than they were in the years following the 2002 Bali Bombing.

So, Australian policy options are fewer than they were in the years following the 2002 Bali bombing. Perhaps the single most effective option remains that of maximizing counter-terrorism cooperation between the two nations' police forces. In particular, greater effort could be made to improve the effectiveness of the National Counter-Terrorism Agency (BNPT). At present, BNPT's de-radicalisation and terrorist disengagement programs are patchy and ineffective, and its analytical capacity in tracing ideological and organizational trends in the jihadist community is also limited. As a result, much of BNPT's counter-terrorism outreach fails to target those groups most susceptible to terrorist recruitment and instead gives too much attention to mainstream attitudes. Broader Australian-sponsored programs for exchange between the Muslim communities of both countries will also serve to undermine some of the negative stereotypes that exist about Australia's treatment of its Muslim citizens.

Australia should also resist efforts by the Indonesian military (TNI) for a greater CT role. The current Defence Minister, ex-general Ryamizard Ryacudu, and the TNI commander, Gen. Moeldoko, have declared their interest in TNI sharing or leading CT efforts with the police. This would be a regressive step as the military have little expertise in terrorism investigation and analysis and are inclined to heavy-handed approaches that may well exacerbate tensions between the state and hardline Islamic groups. By contrast, the police have an excellent record in detecting and apprehending terrorists, as well as managing released jihadists. Unfortunately, in his only public remark on terrorism since becoming president, Widodo warned police that he would hand over counter-terrorism operations in the trouble province of Central Sulawesi to TNI if the police failed to catch the MIT leader, Santoso.



In responding to the rising IS threat in Indonesia, the Australian government should seek to avoid some of the mistakes of the immediate post-Bali bombing period. At that time, much of our public diplomacy was simplistic and condescending. Australian political leaders regularly lectured Indonesian Muslim leaders regarding the nature of their faith and need to combat terrorism within their communities. This often irritated Muslim leaders and reinforced impressions that Australia was using counter-terrorism to cloak strategic or ideological motivations. While Australia should rightly maintain counter-terrorism as a high-priority in its relations with Indonesia, avoidance of glib or reductionist rhetoric on the matter will ensure a more sympathetic reaction. In the domestically focused Widodo era, Indonesia can be expected to respond best to Australian initiatives if they are seen as serving a national interest. Countering IS in one field where both nations share a clear mutual interest.

Policy Recommendation

- > The single most effective option remains that of maximizing counter-terrorism cooperation between the two nations' police forces. Greater effort could be made to improve the effectiveness of the National Counter-Terrorism Agency (BNPT).
- > Broader Australian-sponsored programs for exchange between the Muslim communities of both countries will also serve to undermine some of the negative stereotypes that exist about Australia's treatment of its Muslim citizens.
- > One policy option that Australia should avoid is to resist attempts by the Indonesian military for a greater CT role.



From shipmates to mateship: Improving maritime security cooperation with Indonesia

Ristian Atriandi Supriyanto

Executive Summary

- > Mutual trust is the bedrock foundation of maritime security cooperation between Australia and Indonesia.
- > Australia should offer to help establish Indonesia's National Maritime Security Information Centre.
- > A better coordination between the military and various civilian agencies involved in bilateral maritime security cooperation is required.
- > Greater information exchange to build maritime domain awareness can initially focus on non-traditional security threats and later gradually expand into the aerial and sub-surface domains.

Introduction

Trust is the bedrock of any working relationship between Australia and Indonesia. A trust deficit arising from people smuggling, espionage allegations, and other disagreements has often chilled bilateral relations.¹ Geography and common interests however dictate both countries cooperate on certain matters, while remaining attentive to the fragility of bilateral relations. Under such constraints, Australia and Indonesia should remain focused on one critical dimension of cooperation: maritime security.

Underpinned by the 2006 Australia-Indonesia Security Cooperation Framework Agreement (also known as the 'Lombok Treaty'), maritime security is central to bilateral security cooperation.² With 40 per cent of Australia's exports passing through Indonesian waters, the security of sea lines of communications (SLOC) and maritime choke-points in the archipelago is a key priority for Canberra.³ Given Indonesia's renewed focus on maritime affairs under the Joko Widodo administration, momentum has arisen for both countries to step up maritime security cooperation.⁴ While bilateral defence training and exercises reached their peak in 2012 (since the mid-1990s), they were partially terminated the following year due to the trust deficit identified above.⁵ This suggests that both countries should maintain a healthy dose of scepticism on what cooperation can realistically achieve in near-term.

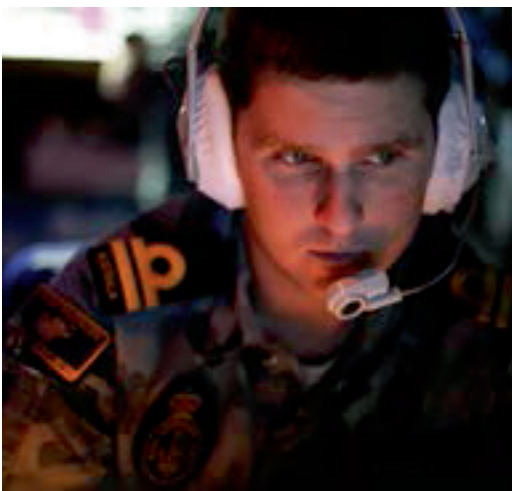
Both countries should maintain a healthy dose of skepticism on what cooperation can realistically achieve.

Creating the National Maritime Security Information Centre

Recognising Indonesia's growing maritime focus (see Evelyn Goh's paper), this paper offers a specific proposal to help build trust and support Australia-Indonesia security concerns. It recommends that Australia should offer to help establish Indonesia's proposed National Maritime Security Information Centre (NMIC).⁶ Although the NMIC concept is still being sketched out, the general aim is to build Maritime Domain Awareness (MDA)—providing comprehensive understanding of anything on, above, and under the sea and along the littorals that can impact safety, security, the economy, or environment. Given MDA is often financially and technologically prohibitive, Australia would be an attractive partner for Indonesia to co-fund the NMIC and jointly develop its supporting information and communication technology infrastructure. This would be in keeping with Australia's own national interests to maintain SLOC security vital for Australia's seaborne trade.

If this went ahead, the NMIC could serve as the coordination centre not just for bilateral maritime cooperation purposes, but also for Australia-Indonesia joint maritime cooperation initiatives throughout the region. With respect to bilateral cooperation, the NMIC could enable an improved understanding of maritime non-traditional security threats such as illegal fishing, natural disasters, and maritime smuggling—all common interests of Australia and Indonesia. Illegal fishing is claimed to cost Indonesia up to US\$25 billion annually, and it remains a significant problem in Australia's northern waters.⁷ Natural disasters, especially cyclones, tsunamis, and earthquakes, continue to make headlines in Australia and Indonesia. Via this centre Australian and Indonesian officials could exchange information including on illegal fishing incidents, people smuggling, disaster relief efforts, and plan for joint activities. The NMIC can cue operational actions on the ground and at sea, such as designating which country should send the first search party to intercept an illegal maritime arrival, or coordinate a joint maritime task force for disaster relief operations.

The NMIC... would try to specifically improve coordination between the navies and civil maritime security agencies of Australia and Indonesia.



At the same time, third-party participation should be encouraged, such as Timor-Leste and the United States. For example, Australia can support Indonesia expanding its capacity to train Timor-Leste officials responsible for maritime security. This would help share the burden of regional MDA and boost necessary long-term cooperation between Indonesia and Timor Leste. In addition, greater involvement by the US Marines in Darwin should be explored (such as a joint trilateral response to natural disasters in the region),⁸ with the NMIC potentially hosting a US Marine liaison officer to ensure smooth coordination during a disaster crisis scenario.

Complementing similar information centres already established in Singapore⁹, one key advantage of the NMIC is that it would try to specifically improve coordination between the navies and civil maritime security agencies of Australia and Indonesia. While multiple bilateral cooperation agreements already exist to cover various aspects of maritime security, better efforts to ensure their implementation are required. Sometimes the various agencies involved in implementing these agreements do not coordinate their policies with each other, making cooperation less effective. While the navy will likely play a crucial part in the NMIC, the role of civil maritime security agencies should be thoroughly accommodated. If established, the NMIC centre could facilitate joint activities between the newly established Indonesia's coastguard, the 'Maritime Security Agency' (*Badan Keamanan Laut*, BAKAMLA), and the Australian Border Force (ABF) after it is established in July 2015.¹⁰

Growing mutual trust between Australia and Indonesia

Aside from its practical value, the proposed NMIC centre can grow mutual trust between the two nations facilitated through rotational postings of Australian officials. While high-level meetings have taken place between Indonesian and Australian leaders, foreign and defence ministers, and chiefs of defence forces, nothing can replace trust at the lower operational levels. These are the officials who come into contact in crisis situations. Personnel from the lower operational levels (captain/commander-level) can get promoted to higher strategic levels later (senior officials and

ministerial-level) where they make important decisions on bilateral relations. Hence, cultivating mutual trust and familiarity in working together at the earliest possible opportunity can be worthwhile. For example, both countries could explore the possibility for attachments of Australian officials from the Border Protection Command (BPC) and ABF officials at the NMIC once it is established.

The next step of cooperation would be to look into the aerial and sub-surface domains of the MDA, in which the NMIC can play a substantial part. The Indonesian Air Force participates in 'Eyes-in-the-Sky' (EiS) airborne maritime surveillance cooperative patrols in the Malacca and Singapore Straits with Singapore, Malaysia, and Thailand; while there is the Australia-Indonesia Maritime Surveillance Exercise 'Albatros Ausindo'. However, these activities tend to be single-service, despite the necessity for a whole-of-government approach to maritime security. Both countries need to consider involving their navies and air forces simultaneously in bilateral exercises. For example, the Indonesian Air Force could participate in the 'Ausindo Corpat' Coordinated Patrols, and the Indonesian Navy in the Exercise 'Albatros Ausindo' so both services can develop jointery in airborne maritime surveillance alongside their Australian naval and air force counterparts. So, instead of only 'naval' or 'air force' exercises, Australia and Indonesia could conduct 'maritime' bilateral exercises.

Cooperation in the sub-surface domain is perhaps the most challenging area due to its sensitivities. Both Australia and Indonesia are acquiring submarines and developing their undersea warfare capabilities, including on intelligence, surveillance, and reconnaissance (ISR). Both countries could share selective technical experience in submarine design, maintenance and operations. Australia can propose to co-host a joint submarine conference involving the Royal Australian Navy (RAN), Defence Science and Technological Cooperation (DSTO) and the Australian Submarine Corporation (ASC) with their Indonesian counterparts. As regional countries are acquiring more submarines, submarine search-and-rescue (SAR) cooperation will be critical in response to a submarine accident in regional waters.¹¹ Australia could offer a submarine SAR cooperation arrangement with Indonesia, while future series of bilateral naval Exercise 'New Horizon' can assign greater emphasis on anti-submarine warfare.

Potential challenges and pitfalls

No opportunities can be exploited without their associated challenges. Lack of funding, sensitivities over national sovereignty, institutional stove-piping, platform interoperability issues, and information security concerns are some challenges that can discourage any lofty cooperation goal. For example, Indonesia might be wary of an Australian offer to help establish the NMIC due to the trust deficit. Jakarta might balk at NMIC arrangements that could be perceived as infringing its sovereignty, territorial or otherwise. Given Indonesia's sensitivity over perceived intrusions into its maritime domain, Australia and Indonesia will first need to explicitly agree on the geographical extent of the NMIC coverage. Indonesia could also be reluctant at cooperating with Australia when it perceives insincere intentions are behind the granting of assistance from the latter.

On the other hand, a more cautious approach can limit overexpectations, and gradually cultivate mutual understanding on what each other is realistically capable and willing to do. In practice, cooperation should be buttressed on open mutual consultations about its potential pitfalls and risks, such as on dealing with public outcry lest some aspects of cooperation are regarded as domestically unpopular. While this is certainly a challenge, greater mutual trust can hopefully make the task less difficult.

Indonesia might be wary of an Australian offer to help establish the NMIC due to the trust deficit.



Policy Recommendation

- > In addition to building trust, Australia should offer to help establish Indonesia's National Maritime Security Information Centre aimed at building greater maritime domain awareness and coordination between military and various civilian agencies in bilateral cooperation. Future cooperation should expand into the aerial and sub-surface domains of maritime security.

Endnotes

- 1 To restore trust and resume cooperation, Australia and Indonesia signed a joint understanding on intelligence in August 2014. Daniel Hurst, "Australia and Indonesia sign spying code of conduct," *The Guardian*, 28 August 2014.
- 2 Particularly articles 13 and 14. See text 'Agreement between the Republic of Indonesia and Australia on the Framework of Security Cooperation,' 13 November 2006.
- 3 Andrew Carr, 'Making waves: a new maritime approach,' *The Centre of Gravity Series: A New Flank: Fresh Perspectives for the Next Defence White Paper* (Canberra: ANU Strategic and Defence Studies Centre, 2013), p. 8.
- 4 Rendi A. Witular, "Jokowi launches maritime doctrine to the world," *The Jakarta Post*, 13 November 2014.
- 5 Australian Government, Department of Defence, *Defence White Paper 2013: Defending Australia and its National Interests* (Canberra: Commonwealth of Australia, 2013), paragraph 6.29, p. 59.
- 6 The NMIC was first proposed in a Indonesia-Singapore joint naval seminar in Jakarta, 13 November 2012.
- 7 Kanupriya Kapoor, 'Indonesia holds 200 Malaysians in crackdown on illegal fishing,' *Reuters*, 19 November 2014.
- 8 Australian Government, Department of Defence, 'Australia and Indonesia conduct humanitarian assistance and disaster relief tabletop exercise in Darwin,' 7 June 2013.
- 9 They are the Regional Agreement on Combating Piracy and Armed Robbery against Ships in Asia—Information Sharing Centre (ReCAAP-ISC), the Information Fusion Centre (IFC), and the Regional Humanitarian Assistance and Disaster Relief Coordination Centre (RHCC).
- 10 Ristian Atriandi Supriyanto, 'Waves of opportunity: Enhancing Australia-Indonesia maritime security cooperation,' *Strategic Insights* (Canberra: Australian Strategic Policy Institute, 2014), p. 4.
- 11 Sam Bateman, 'Perils of the Deep: The Dangers of Submarine Proliferation in the Seas of East Asia,' *Asian Security*, 7:1 (2011).





GRADUATE STUDIES IN STRATEGY & DEFENCE

> A graduate program that is delivered by the Strategic and Defence Studies Centre (SDSC), Australia's original centre for strategic studies research, education and commentary.

SDSC provides an academically rigorous and policy-relevant Masters-level education which:

- > Helps students develop strong analytical frameworks to deal with today's strategic agenda;
- > Takes advantage of the SDSC's internationally recognised expertise in strategic studies, Australian strategic policy, Asia-Pacific security and military studies.

Contributing academics include:

- > Professor Hugh White
- > Dr Brendan Taylor
- > Dr Stephan Frühling
- > Professor Evelyn Goh
- > Dr Daniel Marston
- > Dr Peter Dean
- > Dr Andrew Carr
- > Professor Desmond Ball
- > Admiral Chris Barrie
- > Emeritus Professor Paul Dibb

Contact