AUSTRALIAN DEFENCE ENGAGEMENT WITH SOUTHEAST ASIA

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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 1,500-2,000 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.

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ABOUT THE AUTHOR

Tim Huxley was educated at Oxford, Aberystwyth and the Australian National University. He has worked for many years in the overlap between strategic studies and Asian area studies, his research focusing particularly on Southeast Asian states' security and defence policies. He has held research and teaching posts at universities in the UK and Australia, and was for two years a Fellow at the Institute of Southeast Asian Studies in Singapore. Before joining the IISS, he was Reader in South-East Asian Politics and Director of the Centre for South-East Asian Studies at the University of Hull. His major publications include Defending the Lion City. The Armed Forces of Singapore (Allen & Unwin, 2000) and Disintegrating Indonesia? Implications for Regional Security (IISS Adelphi Paper 349, July 2002). He joined The International Institute for Strategic Studies in 2003, and became Executive Director of IISS-Asia, based full-time in Singapore, in April 2007.
s Vice-Chief of Defence Force Air Marshal Mark Binskin emphasized in an address in Canberra in late September 2012, imminent reductions in Australian military commitments to Afghanistan, Timor-Leste and Solomon Islands will provide an opportunity for the ADF to concentrate greater resources on developing its relations with the armed forces of neighbouring states, particularly in Southeast Asia.¹

AM Binskin pointed to Australia’s longstanding defence relationships with Singapore and Malaysia (including through the Five Power Defence Arrangements), Indonesia, Thailand and the Philippines, and the more recently-developed military links with Vietnam and Cambodia. He also highlighted Australia’s important role in regional disaster relief operations, and in regional security institutions - notably the ASEAN Defence Ministers’ Meeting Plus Eight and ‘two plus two’ forums involving defence and foreign affairs ministers (the first such meeting involving Australian and Indonesian ministers having been held in March 2012).

Looking to the future, AM Binskin argued that the ADF needs to engage more broadly and deeply in its neighbourhood in the coming decades, particularly because of the probability that Australian forces would be involved in stabilisation and HADR operations in the ‘immediate region’. In his view, ‘…the ADF needs to build a defence capability that can support our national security interests in a neighbourhood that is growing more capable, more confident and more outward-looking’. He pointed out that, as regional states’ armed forces modernised their equipment, the ADF’s own ‘high-end’ capabilities would become increasingly useful assets in regional defence cooperation. For example, the most recent Pitch Black multinational air exercise, hosted by the RAAF in northern Australia during July and August 2012, saw modern combat aircraft from Indonesia, Singapore and Thailand operating alongside Australian and US fighters.

DEFENCE COOPERATION WITH INDONESIA
There is currently particular emphasis within Defence and the ADF on building closer defence links with Indonesia. The wide-ranging bilateral Defence Cooperation Agreement (DCA) signed in September 2012 presages an era of even closer cooperation between the ADF and the TNI (Indonesian armed forces), and provides for practical collaboration on counter-terrorism, HADR, peacekeeping, maritime security, intelligence, and defence equipment. This agreement is the latest stage in a process of reviving defence and security cooperation that languished in the wake of Jakarta’s abrogation of the 1995 Agreement on Maintaining Security after Australia took the lead role in intervening in East Timor following atrocities by pro-Indonesian militias there. The process began with bilateral counter-terrorism cooperation following the 2002 Bali bombings, and the DCA builds on the 2006 framework agreement on security cooperation (‘the Lombok treaty’) and a subsequent joint statement on defence cooperation by the two countries’ chiefs of defence force in 2009.

There is a strong rationale behind current efforts to enhance the defence partnership with Indonesia as Australia re-focuses on defending itself in its own region after the last decade’s extensive involvement in expeditionary warfare motivated by the dual impulses of counter-terrorism and alliance maintenance.

Over the last decade, Indonesia has been a success story by many measures. After the instability of the initial post-New Order years, its democracy has consolidated. Under the leadership of President Susilo Bambang Yudhoyono, who was re-elected for a second five-year term in 2009, political stability and economic progress have characterised the country. Since 2007, annual GDP growth has usually reached or exceeded 6 per cent. New foreign investment in 2012 is expected to amount to more than US$19bn. Indonesia’s membership of the G20 grouping since 2008 has recognized its overall economic success, and it is sometimes seen as an honorary member of the BRICS category of large, fast-growing states. There is a tangible sense of greater prosperity in the capital Jakarta, not to mention other parts of the country – notably Kalimantan, where a resource-driven boom is under way.

One key aspect of Indonesia’s reformasi (national reform process) since the end of the New Order has involved recasting the role of the TNI, which had exercised overweening political, social and economic influence during President Suharto’s rule. Fundamental military reforms have seen Indonesia’s armed forces abandon most of their former business activities (both legal and illicit), and largely withdraw from their previously centrally important internal security role. Increased defence spending has allowed not only new equipment programmes for all three services, but also proportionately greater spending on the air force and navy. This rebalancing within the TNI indicates broad recognition by Indonesia’s security
and defence establishment that the army’s traditional domination of the armed forces (deriving from the guerrilla-based independence struggle against Dutch colonialism, and the army’s subsequent key role in domestic politics) makes less sense than ever for an archipelagic state with huge maritime interests and vulnerabilities. Indonesia’s defence needs to be based primarily on securing its own extensive air-sea gap. Current procurement programmes involving Sukhoi Su-30 and F-16C/D combat aircraft (and, in the longer-term, the South Korean KF-X advanced fighter, in which Indonesia now has a stake) for the air force, and new submarines and frigates for the navy reflect this. Plans to create a third regional naval command and to construct new naval bases, as well as to add an extra marine division, also highlight the reorientation of Indonesia’s defence planning and policy.

In the past, rightly or wrongly, Australian defence planners saw Indonesia as either a source of direct threat or as a series of weakly-defended lily-pads that an aggressor from the Asian mainland might exploit to attack Australia. Even the 2009 Defence white paper seemed ambivalent regarding the implications for Australia of Indonesia’s defence modernization. However, the DCA seems to over-rule previous apprehensions, and contemporary thinking in Defence increasingly views Indonesia and the TNI as assets for Australia’s security in light of the consolidation of Indonesia’s democracy, its economic progress, and the TNI’s reorientation towards external defence. Nevertheless, while it is a logical move, building stronger defence cooperation with Indonesia will not necessarily be straightforward.

THE CHALLENGES OF CLOSER ENGAGEMENT WITH INDONESIA

Building defence cooperation with Indonesia with real substance is likely to prove a major challenge. Given the great differences between Australia and Indonesia in terms of culture, religion, language and political system, it will necessarily be a painstaking and incremental process. Certainly, if the entente with Indonesia is to develop, Defence will need to invest considerable energy and resources in expanding language capacity and cultural awareness within the ADF, though it should be possible to benefit indirectly from the renewed emphasis on Asian studies contained in the government’s October 2012 Asian Century white paper.

If the bilateral defence relationship is to prosper, the Indonesian side will expect there to be a genuine two-way street, not just in areas such as intelligence exchange, but also in the defence-industrial sphere. Indonesia has for decades accepted surplus military equipment from Australia as gifts or at token prices: the C-130H transport aircraft, soon to be transferred, are just the latest example. Inherent in the more substantial defence equipment relationship anticipated in the DCA is an Australian expectation that the TNI will provide a market for commercial sales of new equipment from Australian industry. But if the defence-industrial dimension is to prosper, Indonesia’s own defence industry (now reviving after being in the doldrums after Suharto’s ouster) may legitimately expect to sell equipment to the ADF. This provokes the question of whether the ADF is ready to use, for example, Indonesian-made small arms and ammunition.

Even more importantly, though, Indonesia’s strong tradition of non-alignment, rooted in the strong but defensive nationalism that pervades its political culture and manifest in its ‘independent and active’ foreign policy and Jakarta’s central role in efforts through ASEAN to build a regional community in Southeast Asia and the broader Asia-Pacific, militates against any form of defence cooperation that might be seen as a proto-alliance. The DCA points to some military areas where Indonesia and Australia have common interests – counter-terrorism, HADR, maritime security and peacekeeping – and these will certainly provide opportunities for concrete exchanges between the ADF and the TNI. Moving beyond those elements into strategic-level cooperation would be difficult and, barring a calamitous development such as open conflict in the South China Sea, extremely unlikely. Both Jakarta and Canberra are known to harbour concerns over China’s long-term international role, but like other medium powers in the region both also have important reasons (not least, economic ones) for pursuing foreign policies emphasising constructive engagement with Beijing.

So, while both Indonesian and Australian defence planners might need to take into account a ‘Chinese threat’, this cannot be used as a basis for practical bilateral military cooperation.

A further complication, which could come into play at any time, concerns the potential for serious differences to arise between Australia and Indonesia over human rights. Indeed, the widespread assessment within Australia’s political elite – or at least within the Labor Party - that Indonesia is a congenial partner remains at odds with the thinking of many Australians who see the northern neighbour as a potential source of affront of one sort or another. It is not difficult to conceive of circumstances – most obviously an intensification of the rebellion in West Papua resulting in a lethal crackdown by
the TNI - prompting outrage in the Australian media and serious questioning of the DCA. And it should be remembered that while the leadership of President Susilo Bambang Yudhoyono has provided a welcome respite from the sometimes eccentric and prickly nationalism that characterised Indonesia’s foreign policy in the years immediately following the end of the New Order, there is absolutely no guarantee that President SBY’s successor will maintain the same moderate course.

DEVELOPING OTHER REGIONAL RELATIONSHIPS

As the VCDF pointed out in his September address, Australia has a number of longstanding defence relationships in Southeast Asia as well as that with Indonesia. These should not be overlooked amid the new enthusiasm for defence ties with Jakarta.

The defence links with Malaysia and Singapore are particularly valuable, both in the context of the FPDA and bilaterally. As I have argued elsewhere recently, the FPDA - with its mix of regional and extra-regional member-states, lack of formal alliance commitments, and proven adaptability - is a non-provocative form of hedging and confidence-building particularly well-suited to the emerging regional strategic circumstances.

In contrast to the TNI, the armed forces of Malaysia and Singapore have a longstanding commitment to external defence, and they have operated alongside the ADF for decades. Malaysia has continuously provided a peacetime forward operating location in Southeast Asia for the RAAF, and still hosts regular deployments of maritime patrol aircraft as well as providing valuable regional experience for infantry platoons which are rotated through Butterworth Air Base in a force protection role.

The bilateral defence relationship with Singapore is even closer. Indeed, when Singapore Prime Minister Lee Hsien Loong visited Canberra in October 2012, PM Gillard claimed that ‘our defence cooperation is the strongest with any country of our region’. The SAF operates basic flying training and helicopter schools in Australia, contributes regularly to Pitch Black as well as to naval exercises, and uses the Shoalwater Bay Training Area for large-scale combined-arms training every year. Most importantly, while Singapore remains formally non-aligned, there are no hugely significant differences in international outlook with Canberra, and no important bilateral sources of suspicion or friction. And unlike Indonesia (or Malaysia), Singapore has close security relations with Australia’s primary ally, the US. In many ways, Singapore is a natural strategic partner for Australia.

CONCLUSION

The time is opportune for closer defence relations with Indonesia and, despite the potential pitfalls, the net assessment must be that Australia’s security stands to benefit from pursuing this course. However, Canberra should not neglect its other defence relationships in Southeast Asia, as these provide crucial depth to regional engagement and also a hedge against any future complications or cooling in ties with Jakarta. Most crucially, Defence should continue to cultivate Australia’s military relations with Malaysia and Singapore, bilaterally as well as in the FPDA context.

POLICY RECOMMENDATION

Australia should be conscious of the challenges as well as the opportunities inherent in its efforts to build closer defence cooperation with Indonesia, and should simultaneously make every effort to enhance further its existing strong defence relations with Singapore and Malaysia.
Endnotes


2. A poll by the Lowy Institute in early 2012 intended to measure the ‘warmth’ of Australians’ attitudes towards other countries assigned Indonesia only a relatively cool ‘54 degrees’. According to the survey, Australians regarded Egypt, India, China and Japan more warmly. http://www.lowyinstitute.org/publications/lowy-institute-poll-2012-public-opinion-and-foreign-policy

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