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Strategic hedging in Indonesia's defense diplomacy

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ABSTRACT

With the rapid pace of regional arms modernization and unresolved territorial disputes, Indonesia is increasingly susceptible to the impact of emerging great power rivalry in Asia-Pacific. Rather than pursuing a robust military build-up, Indonesian policy-makers assert that diplomacy is the country's first line of defense. This article argues that defense diplomacy serves two agenda of Indonesia's hedging strategy – strategic engagement and military modernization. This way, Indonesian defense and security officials seek to moderate the impact of geopolitical changes while maintaining the country's defensive ability against regional uncertainties.

KEYWORDS

Hedging; defense diplomacy; strategic engagement; military modernization; Indonesia

Introduction

The study of Indonesian defense diplomacy is significant for both academic and policy communities. Firstly, within realist tradition, states tend to undertake arms build-up or align with major powers to preserve their national security. Given its geostrategic position, Indonesia is inherently susceptible to geopolitical developments. Despite the significant volume of bilateral trades between China, Japan, India and the United States, the Indonesian government remains aware about the potential impact of increased great power rivalries to regional security. Spurred by changes in military doctrine, enduring regional suspicions and the growing supply side of global arms trade, Indonesia has been concerned about the rapid pace of regional military modernization. Rather than pursuing a robust military build-up, the Indonesian government stresses on “diplomacy [as] the [country's] first line of defense.”¹

Secondly, the military has traditionally been a means for achieving a government's foreign and security policy either through the threatened or actual use of coercion in diplomacy.² The cases of “coercive diplomacy” had been evident in the formative history of Indonesia, including Indonesia's military campaigns against the Dutch in West Papua (1961–1962), British forces in the Federation of Malaya (1962–1966), and during the invasion of East Timor (1975–1976). In contrast, Indonesian policy-makers now seek to build an extensive network of defense and military ties. In addition to regular conducts personnel exchanges, joint training programs and coordinated sea patrols, it engages in arms procurement and defense industrial cooperation with many strategic partners.

Using the Association of Southeast Asian Nations (ASEAN)-centered multilateral frameworks, it also discusses various security issues and develops practical cooperation among regional and extra-regional defense establishments on areas of mutual concern.

This article argues that defense diplomacy serves the agenda of Indonesia's "strategic hedging." At one level, it strategically engages major powers through various defense ties, while enmeshing their interactions into a norms-based security order. At another level, defense cooperation supports the country's military modernization with a focus on bolstering indigenous strategic industries. This article provides an analysis of the conceptual framework and strategic context of Indonesian defense diplomacy. It then reviews recent developments in the country's multilateral and bilateral defense diplomacy and concludes by pondering the future prospect of Indonesia's defense diplomacy.

Conceptual framework of Indonesian defense diplomacy

The notion that the role of the military in international affairs is hardly new. However, the term "defense diplomacy" became fashionable only after the end of the Cold War. Over the past two decades, a new form of defense interactions, which involve the peacetime cooperative use of military forces and related infrastructures to serve broad foreign policy objectives, has grown in significance.³ Many scholars have listed a number of relevant activities that a government could undertake in conducting the country's defense diplomacy (Table 1). Broadly understood, defense diplomacy turns the military establishment into an instrument of "soft power" or persuasion to achieve various diplomatic agenda.⁴

Much of the scholarly literatures on defense diplomacy focuses on confidence building and conflict prevention. It is considered as a low-cost and low-risk instrument for building amicable defense and security relations, thereby reducing the likelihood of international conflicts.⁵ According to a regional analyst, this notion finds its relevance in Southeast Asian context where "equally weak" regional countries conduct defense diplomacy for different rationale and policy direction.⁶ Often referred as a process of "strategic engagement," defense diplomacy for conflict prevention encompasses a spectrum of military cooperative engagements that works in various ways and operates on different levels (Table 2).

Table 1. Defense diplomacy activities.

Bilateral and multilateral contacts between civilian defense officials and senior military officers
Appointment of defense attachés to foreign countries
Bilateral defense cooperation agreements
Training of foreign civilian and military personnel
Provision of advice and expertise on democratic civilian control over the armed forces, defense management and military technical areas
Contacts and exchanges between military personnel and units, port calls
Placement of liaisons officers in defense and military establishments of partner countries
Deployment of training teams
Provision of military equipment and other material assistance
Bilateral or multilateral military exercise or training

Source: Cottey and Foster, *Reshaping Defence Diplomacy: New Roles for Military Cooperation and Assistance*, Adelphi Article No. 365 (London: IISS, 2004), 7 in note 3.

Table 2. Defense diplomacy as a means of conflict prevention.

Military cooperation can act as a symbol of willingness to pursue broader cooperation, mutual trust and commitment to work to overcome or manage differences
Military cooperation can be a means of introducing transparency into defense relations, particularly with regard to states' intentions and capabilities
Defense diplomacy can be a means of building or reinforcing perceptions of common interests
Military cooperation may change overtime the mind-sets of partner states' militaries
Military cooperation can support specific, concrete defense reforms in partner countries
Defense assistance may be used as an incentive to encourage cooperation in other areas

Source: Cottey and Foster, *Reshaping Defence Diplomacy: New Roles for Military Cooperation and Assistance*, Adelphi Article No. 365 (London: IISS, 2004), 15–17 in note 3.

Nevertheless, defense or “military diplomacy” has to strike a balance between cooperative approach and security interest of a country. From a conventional perspective, arms transfer is “a foreign policy writ large” to enhance diplomatic leverage and political influence.⁷ An arms contract not only involves the procurement of military hardware, but also entails other commitments with long-term implications – such as setting up training and maintenance facilities, supply of ammunition and spare parts, availability of capability upgrades, and transfer of technology.⁸ This way, both recipient and supplying countries can foster and maintain closer military-to-military ties.

In Asia-Pacific, defense and military professionals have met, consulted and interacted for decades. In a view of a regional expert, the growing role of defense diplomacy is reflected in the institutionalization of the practice.⁹ Looking at the range of actors, it includes both Track-1 (such as ministerial-level officials, parliament members, military, and police officers) and Track-2 personnel (including think-tanks and civil society). In terms of diplomatic engagement, defense diplomacy involves either dyadic interaction or multilateral exchange among defense professionals in a sub-regional or regionally focused framework. By and large, the practice of defense diplomacy reflects the prevailing regional security architecture, including US-led bilateral defense treaties, China-sponsored regional cooperation on non-traditional security issues, and ASEAN-centered security dialogues.¹⁰

In recent years, the Indonesian government has adopted the contemporary practice of defense diplomacy. With the notion that diplomacy is the country's first line of defense, it implies that defense diplomacy is a key means of conflict prevention. The 2003 and 2008 Defense White Articles further highlight the layers of Indonesian defense diplomacy. The first layer is military-to-military ties with ASEAN countries. The second layer involves defense and military cooperation with external powers, including Australia, China, Russia, South Korea, and the United States. The White Article also considers the Indonesian military's deployment in the United Nations-sponsored peacekeeping operations as part of the country's defense diplomacy.¹¹

Looking at its agenda, Indonesian defense diplomacy aims at achieving three strategic objectives: (i) confidence building, (ii) harnessing military capability, and (iii) developing the defense industrial base.¹² For trust-building, it involves activities such as state visits, consultations, information-sharing, and personnel exchanges. Defense diplomacy for harnessing military capability includes joint exercises and training, technical assistances, and coordinated operations. In order to develop indigenous defense industries, the practice ranges from arms sales, technological offsets and joint ventures to research and

development programs. This way, Indonesian defense diplomacy promotes regional amity and cooperation while supporting the development of national defense capabilities.

Strategic context of Indonesian defense diplomacy

Indonesia is the largest archipelagic country in the world and geo-strategically located at the crossroads of two oceans (the Indian and the Pacific) and two continents (Asia and Australia). Given its geostrategic location, it occupies vital sea lanes for global commerce and communication including Malacca Straits and Lombok Strait. Despite huge economic potential, Indonesia is inherently susceptible to geopolitical changes and security challenges.

First, major power rivalry is at the forefront of Indonesia's strategic concern in the Asia-Pacific. The growing power of China and ensuing structural shifts in the regional power balance would inevitably affect the position of the United States as the predominant power in the region.¹³ Proposals for free trade and economic cooperation, such as the US-led Trans-Pacific Partnership and Chinese idea of the Asia-Pacific Free Trade Agreement are among the key instruments to promote regional integration. However, without a shared vision, these economic frameworks could further deepen the divisions of perceptions in the region.

Second, the Indonesian government is also apprehensive about the worrying trends of regional arms build-up. Defense spending in Asia has risen by 27.2% from US\$270.6 billion in 2010 to US\$344.2 billion in 2014.¹⁴ With that huge funding, regional countries have procured cutting-edge weapon systems such as upgraded fourth-generation jet-fighters, ocean-going naval combatants, new class of submarines, and a range of sophisticated missile systems. According to a prominent scholar, the main concern here is that if a state's decision to launch military modernization is poorly matched to its security requirements, then the arms race that it provokes could ultimately reduce the state's security and increase the likelihood of war.¹⁵

Although one can contest which type of weapons are "order-enhancing" or "order-upsetting,"¹⁶ new military technologies have the potential to alter the balance of power in East Asia. At one level, information technologies have resulted in the growing asymmetric threats and cyber warfare. At another level, the development of Chinese "blue water" navy and "anti-access/area denial" capabilities would enable Beijing to, respectively, enhance its naval presence and pose a serious challenge to the ability of the US government to project its military power in the region.¹⁷ If these destabilizing factors go unchecked, they could raise the risks of miscalculation and deterrence failure, making regional conflict unnecessarily likely.

Third, maritime disputes increasingly pose a significant challenge to Indonesia's regional cohesion and security. Recent tensions between China and Southeast Asian claimants have complicated ASEAN-China relations and weakened the unity within the regional association.¹⁸ Although Indonesia is officially a non-claimant state, it rejects Chinese historical nine-dashed line claim over the South China Sea. While brokering negotiations between ASEAN capitals and Beijing for a regional Code of Conduct, Indonesian defense officials have repeatedly expressed concerns on the vulnerabilities of the country's territorial sovereignty to China's creeping encroachment – particularly intrusions of its fishing fleet.¹⁹

Fourth, the complex nexus between traditional and non-traditional security issues would potentially complicate Indonesia's strategic landscape. While historical concerns among regional countries have yet disappeared and maritime boundaries are highly contested, issues such as illegal fishing, maritime piracy, and shipping route vulnerabilities have overlapped with the growing demand for marine resources and energy.²⁰ Recent studies also suggest that climate change could exacerbate the fault lines of geopolitical competition and regional vulnerabilities to transnational threats, including organized crime and illegal migration.²¹ In addition to the regional haze debacle, increased refugees from conflict-torn countries would strain bilateral ties between Indonesia and its neighbors.

Amid these regional uncertainties, Indonesian policy-makers maintain the long-standing doctrine of "independent and active" foreign policy. Referring to the Law No. 17/2007, the core interest of the Indonesian government is the maintenance of the country's "strategic autonomy" in its external relationships.²² Specifically, the law highlights Indonesia's aspiration for "international peace and stability" despite its concerns about the emergence of "hegemonic power" and trust deficit among the great powers.²³ That said, the Indonesian government prefers a cooperative approach in international relations rather than military solution to regional security issues.

In the light of the changing power structure in East Asia, Indonesia appears to adopt a hedging strategy to avoid a situation in which it must decide to align with either side of the competing major powers at the expense of another.²⁴ Given its geostrategic location and current level of military power, Indonesia is unlikely to commit itself to an antagonistic position toward other countries most of the time. Hence, it combines "engagement and regional integration" mechanisms with a realist-style "balancing" approach in the form of military modernization and security cooperation with strategic partners. This way, the Indonesian government preserves a maximum range of strategic options to achieve its foreign and defense policy agenda.

Chart 1 illustrates the trajectories of Indonesia's defense planning and regional diplomacy. Despite all regional complexities, Indonesian foreign policy-makers seem optimistic that creating a "security community" is the best approach to reduce tension and avoid armed conflict in Southeast Asia. In a view to develop a norms-based regional security order, it promotes the "basic principles on how the countries of East Asia will conduct themselves, like non-use of force, transparency, confidence-building measures."²⁵ The idea is to enhance regional cohesion, while managing great power relations in a peaceful and benign manner. For that purpose, according to a former Indonesian Minister of Foreign Affairs, the country relies on ASEAN-centered regional frameworks to develop "comprehensive security" cooperation and ensure a "dynamic equilibrium" among South-east Asian countries and external powers.²⁶

Apart from its regional diplomacy, the Indonesian government also undertakes a steady process of military modernization to maintain the country's "standard deterrence" ability.²⁷ Under the so-called "minimum essential force" strategy, it has outlined the nature and scale of capabilities for a broad array of military operations at the perceived flashpoints.²⁸ Moreover, in order to gain a higher self-reliance on arms manufacturing, defense policy-makers seek to revamp the capabilities of indigenous strategic industries through defense industrial cooperation with multiple partners.²⁹ This way, a military modernization program serves as an "insurance" against the uncertain present and

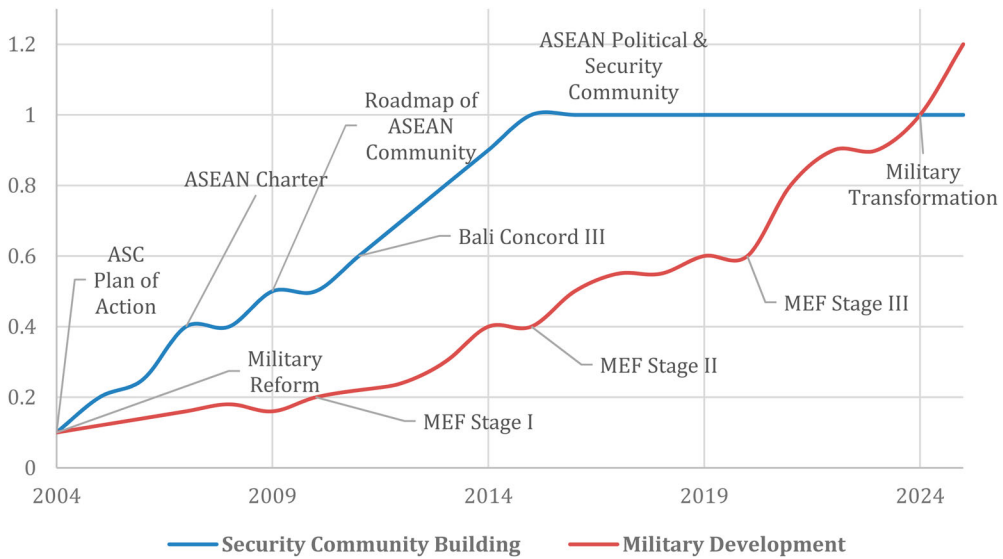


Chart 1. Indonesia's defence planning and regional diplomacy.

future intentions of great powers. By and large, strategic hedging has permeated the outlook of Indonesia's multilateral and bilateral defense diplomacy.

Indonesia's multilateral defense diplomacy and confidence building in Asia-Pacific

In East Asia, there is a long list of multilateral frameworks for defense interactions. They take place in the form of either formal meetings (such as ASEAN Regional Forum (ARF) and Western Pacific Naval Symposium) or informal exchanges (including Asia Pacific Roundtable and Shangri-La Dialogue). Initiated by both ASEAN and external powers – such as China and the United States, these forums generally have a broad membership and stress on building amity among defense establishments. However, unlike ASEAN's consultative platforms, the extra-regionally sponsored defense talks do not always reflect the strategic thinking of Southeast Asian countries, bringing about a significant change of regional security architecture.

Despite the skepticism about its ability to tackle critical security challenges,³⁰ ASEAN has been instrumental to Indonesia's foreign policy and regional diplomacy. In the view of a former Indonesian Defense Minister, the fundamental role of ASEAN mechanisms is to provide "strategic space" and calibrate "technological parity" among Southeast Asian countries and extra-regional powers.³¹ The "ASEAN Way" that involves consensus building and non-confrontational approach is deemed as the most acceptable strategy to build a cohesive regional security order. With that modality, according to a regional analyst, ASEAN's cooperation on trans-boundary security issues has helped create the "building block" for defense regionalism in Southeast Asia.³²

The strategic orientation of Indonesia's multilateral defense diplomacy is reflected in the agenda of ASEAN's official documents and its engagement in ASEAN-centered

security dialogues. A review of the former indicator shows that over the past six years, the regional grouping issued a total of 149 publications or 25 documents on an annual average.³³ These official articles principally seek to address traditional and non-traditional security problems, while undertaking measures to develop institutional mechanisms in the region.³⁴ Interestingly, the largest portion (34%) of ASEAN's publications covers cross-cutting issues – including comprehensive partnerships with extra-regional countries (Figure 1). This further highlights that the distinction between traditional and non-traditional security issues are increasingly blurred for Southeast Asian countries.

Moreover, this study notes that between 2009 and 2014, ASEAN had organized an average of 75 security or defense consultative forums a year (Chart 2), in which Indonesian delegation played an active role. The figure is more significant compared to a previous study that shows only 12 meetings taking place on an annual average from 1994 to 2008.³⁵ The decision of ASEAN leaders to transform the region into a Political-Security Community by 2015 appears to have opened greater opportunity for enhanced defense diplomacy among Southeast Asian countries and extra-regional powers.³⁶ This includes a series of intra-ASEAN defense dialogues, ASEAN-Plus security talks, and regional events attached to the ARF and East Asian Summit (EAS).

Out of the recorded 447 meetings, intra-ASEAN defense and security interactions constitute the most intensive event (37%) of Indonesia's multilateral defense diplomacy (Figure 2). The ASEAN Defense Ministers' Meeting (ADMM) has become more institutionalized and regularized in recent years. Supporting ASEAN Security Community building,³⁷ Southeast Asian defense ministers work through a rolling three-year program to achieve three objectives: (i) enhancing practical cooperation among ASEAN militaries; (ii) promoting ASEAN's engagement with extra-regional partners; and (iii) strengthening the central role of ASEAN in the regional security architecture.³⁸ Close to Indonesia's interests, the ADMM has undertaken a number of regional initiatives, including defense

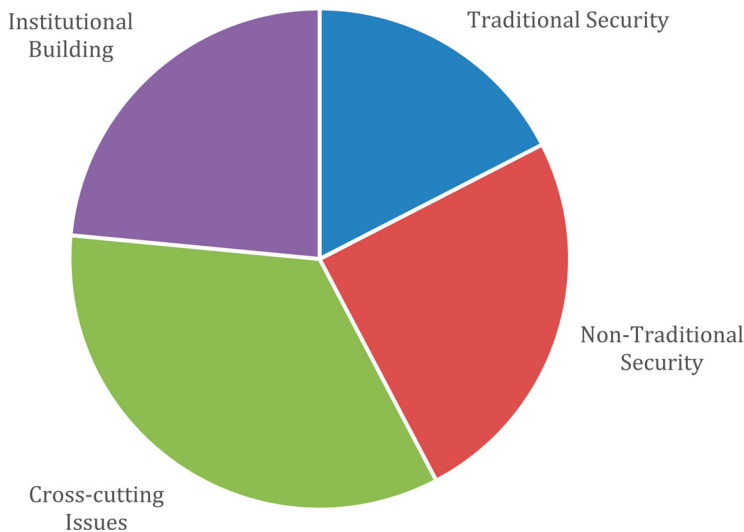


Figure 1. Focus of ASEAN's official documents, 2009–2014. Source: Data collated from ASEAN's official websites.

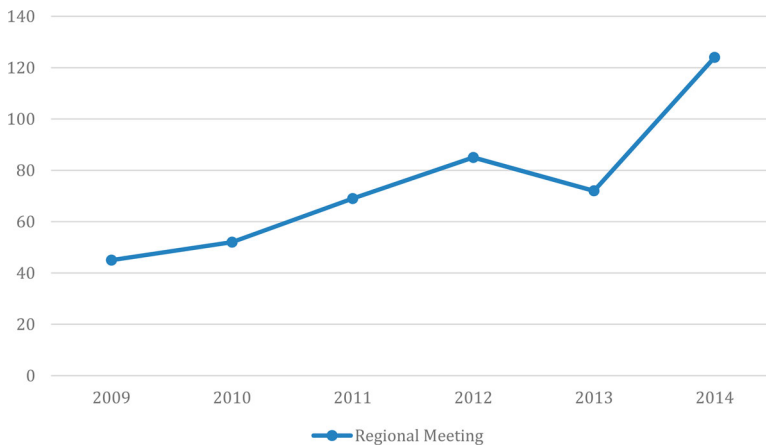


Chart 2. ASEAN's defence and security dialogues. Source: Data collated from the official websites of ASEAN and Indonesian ministry of foreign affairs.

industrial collaboration, peacekeeping centers network, and logistics support for non-traditional security missions.³⁹ Not less significant development is the establishment of a direct communication link for information exchanges in the event of crises.⁴⁰

Another venue of intra-regional defense diplomacy is ASEAN Chiefs of Defense Forces Informal Meeting (ACDFIM). With the ADMM introduced in 2006, the ACDFIM had become an annual mechanism for implementing decisions made by the regional defense ministerial forum through the implementation of a biannual activity work plan.⁴¹ As a high-level military meeting, it serves as the “regional hub” of military-to-

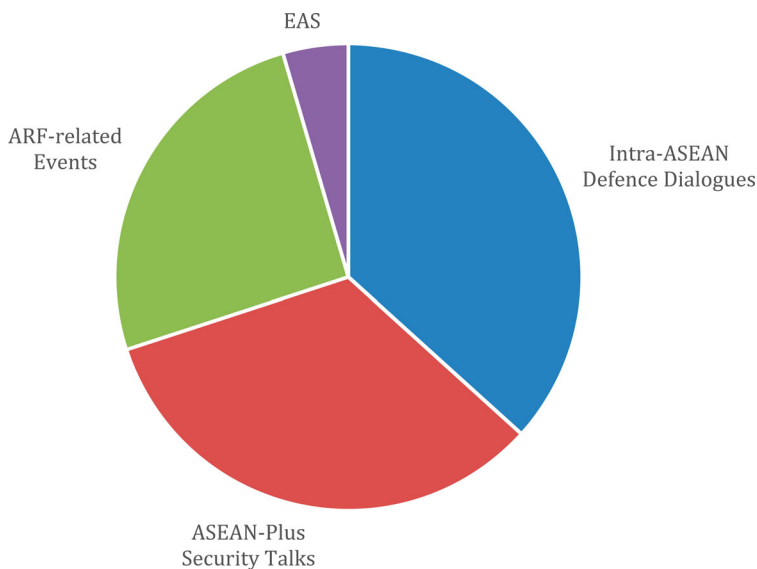


Figure 2. Indonesia's multilateral defence diplomacy venues, 2009–2014. Source: Data collated from the official websites of ASEAN and Indonesian Ministry of Foreign Affairs.

military interactions for trust-building and information-sharing. In addition to the ASEAN Military Intelligence Informal Meeting, the ASEAN Military Operations Informal Meeting was inaugurated in 2011, extending the scope of regional cooperation to military operation level.⁴²

With the rise of multilateral defense ties in Southeast Asia, regional defense officials become more confidence in engaging major powers as a collective. Under the umbrella of the ASEAN-Plus mechanism, there were a total of 154 security or defense-related meetings with extra-regional partners in the last six years (Figure 3). Among the significant development in the architecture of regional defense diplomacy was the creation of ADMM-Plus in 2010. Alongside the expanded membership of the EAS, the new regional defense forum brings together defense ministers from ten ASEAN members and eight external powers including China, India, Japan, Russia, and the United States.

Held once every two years, the ADMM-Plus has formed Experts' Working Groups to explore cooperation on humanitarian assistance and disaster relief, maritime security, military medicine, counter-terrorism, and peacekeeping operations.⁴³ Despite its modest process and agenda,⁴⁴ the ADMM-Plus is significant for two reasons. *First*, it reaffirms the central role of ASEAN in developing an inclusive regional security order. *Second*, the nascent regional framework allows bilateral meeting on the side-line to ameliorate any inter-state tensions.⁴⁵ From an Indonesian perspective, the ADMM-Plus operationalizes the country's vision of ASEAN as the strategic space provider in Asia-Pacific.

The third venue of Indonesia's defense regionalism is the long-established ARF. Since 1994, it was regarded as a means to manage geopolitical changes after the end of Cold War.⁴⁶ The plethora of defense exchanges under the ARF is valuable for three organizational attributes.⁴⁷ *First*, it embodies and spreads the norms of behavior stemming from the ASEAN Way to avoid the eruption of regional war. *Second*, given the extensive number of its members, the regional institution reinforces "ASEAN centrality" to manage evolving regional relations beyond Southeast Asia. *Third*, the ASEAN-driven regional

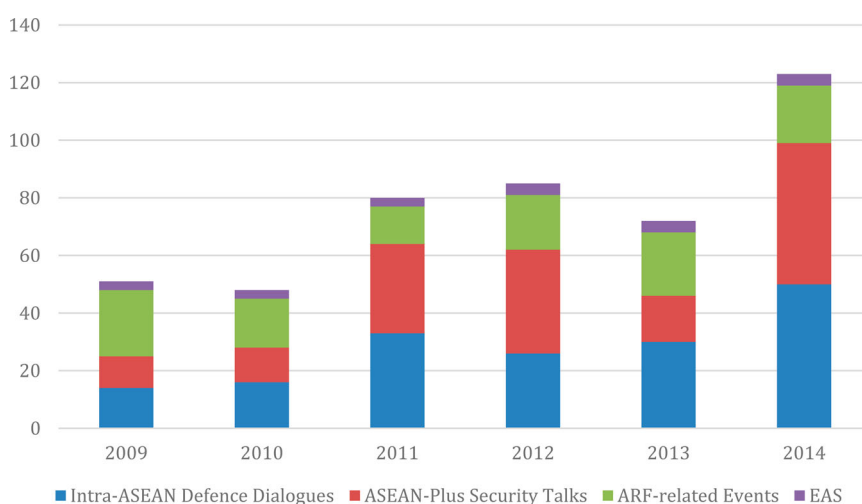


Figure 3. Indonesia's multilateral defence engagements, 2009–2014. Source: Data collated from the official websites of ASEAN and Indonesian Ministry of Foreign Affairs.

dialogues also welcome extra-regional participants to make significant contributions, as in the case of Chinese proposal of ARF Security Policy Conference.⁴⁸

On average, from 2009 to 2014, the ARF has organized 19 multilateral events a year (Figure 3), involving Indonesian defense and security officials. To date, it has made contributions to foster defense transparency through a range of cooperative and practical measures, such as annual defense policy statement, regular publication of defense white article, and increased military-to-military contacts. In addition to regular Track-1 meetings,⁴⁹ Indonesian academics have engaged in the ARF Track-2 events – including the contributions of the ASEAN Institute of Strategic and International Studies and Council for Security Cooperation in the Asia Pacific. This linkage would ultimately form a social modality – “a stock of trust, familiarity, ease and comfort” – for conflict prevention and the maintenance of good-natured great power relations.⁵⁰

For Indonesia, the East Asia Summit is the highest-level forum in the regional security order. Having supported the inclusion of Australia and India in the EAS, it welcomed Russia and the United States to participate in the regional institution in 2011.⁵¹ The adoption of the so-called “Bali Principles”⁵² for mutually beneficial relations highlights the country’s belief that regional uncertainties could be mitigated through a dynamic equilibrium in the regional security architecture. This further confirms the notion that like other Southeast Asian countries, Indonesia relies on ASEAN’s regional processes as a means of an “omni-enmeshment” approach to draw the major powers into a set of regional norms for a stable and mutually beneficial relationship.⁵³ Overall, Indonesia’s multilateral defense diplomacy has taken part in the on-going process of confidence building in Asia-Pacific.

Indonesia’s bilateral defense diplomacy and military modernization

Indonesia has engaged in bilateral defense diplomacy for decades. In the past, its defense cooperation focused on confidence building, information-sharing, and management of border issues.⁵⁴ In some cases, the bilateral defense ties have been institutionalized through the creation of high-level panels. Indonesia, for example, had separate agreements with Malaysia and the Philippines to create joint committees with a major focus on resolving maritime border issues and enhancing military-to-military ties.⁵⁵ With the original ASEAN members, its defense interactions also involved bilateral military exercises and training (Table 3).

As a general practice, the Indonesian government dispatches its defense attachés to countries it considers important. In 2012, for instance, there were a total of 59 military officers working in 32 Indonesian embassies and 1 senior officer posting at the United Nations headquarters (Figure 4). Aside of assisting the ambassadors on defense and security issues, these military envoys play a crucial role in enhancing amicable working relationship between Indonesia and host countries. Between 2009 and 2013, this study notes that the country had conducted a total of 385 bilateral defense interactions. This number is more significant compared to a previous study, in which only 88 activities took place since 2003 until 2008.⁵⁶

Another important development of the current practices is the shift of focus of Indonesian defense diplomacy agenda. Unlike the earlier period, the bilateral defense interactions for developing military capability have outgrown confidence building measures in recent years (Figure 5).⁵⁷ Aside from the growing need for regional cooperation on

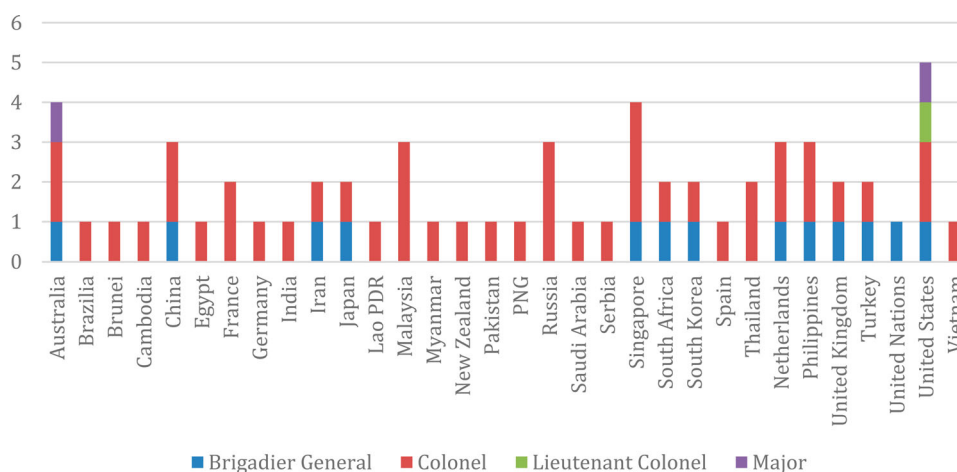
Table 3. Indonesia's bilateral military exercises in Southeast Asia.

Partner	Code Name	Type	Year of Initiation	Frequency
Brunei	Helang Laut	Naval	2000	Annual
	Bruneisia	Air	2009	Annual
Malaysia	Darsasa Malindo	Air, land, naval	1982	Intermittent
	Elang Malindo	Air	1975	Biennial
	Kekar Malindo	Land	1977	Annual
	Kripura Malindo	Land	1981	Intermittent
	Tatar Malindo	Land	1981	Intermittent
	Malindo Jaya	Naval	1973	Annual
Philippines	Philindo	Naval	1972	Intermittent
Singapore	Eagle	Air, naval	1974	Annual
	Elang Indopura	Air	1980	Annual
	Safkar Indopura	Land	1988	Annual
	Englek	Naval	1974	Annual
Thailand	Elang Thainesia	Air	1980	Annual
	Sea Garuda	Naval	1975	Intermittent

Source: Updated from Singh and Tan, "Introduction: Defence Diplomacy and Southeast Asia," in Bhubindar Singh and See Seng Tan, *From 'Boots' to 'Brogues': The Rise of Defence Diplomacy in Southeast Asia*, RSIS Monograph No. 21 (Singapore: RSIS, 2011), p. 7 in note 6.

transnational security issues, this trend likely relates to the country's military modernization programs that require the armed forces to harness new missions and latest defense technologies. With a strong commitment to rebuilding indigenous strategic industries, Indonesia's defense industrial cooperation has also grown in prominence.

Over the past five years, Indonesia engaged 36 countries in bilateral defense diplomacy, suggesting that Jakarta seeks to reduce the country's security dependence and expand its strategic partnerships. The top 10 targeted countries of Indonesia's bilateral defense diplomacy represent the most important regional neighbors, crucial security partners, and potential rivals (Figure 6). Despite the past arms embargo, defense cooperation with the United States enables the Indonesian military to access advanced weapons systems and top-class professional military education. Although Jakarta is still uncertain about Beijing's foreign policy direction with regard to the South China Sea issue, their militaries

**Figure 4.** Indonesia's defense attachés posting. Source: Indonesia's Ministry of Defense; data as of 2012.

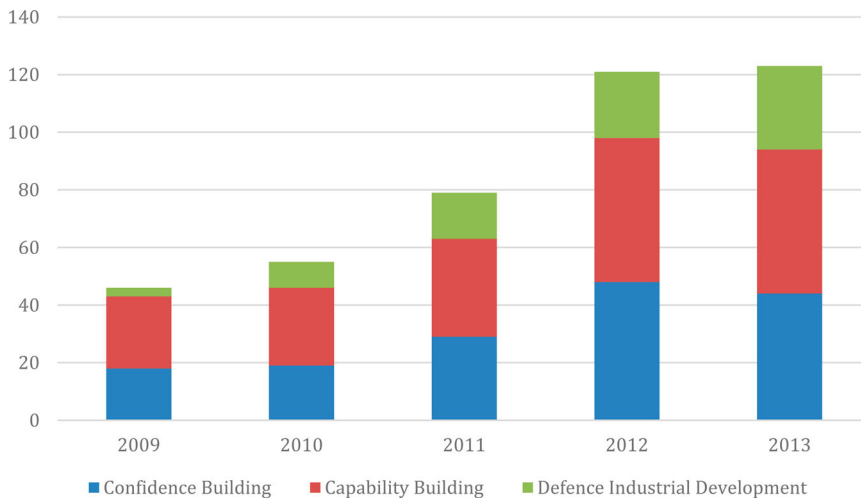


Figure 5. Indonesia's bilateral defense diplomacy. Source: Data set collated from various public records, 2009–2013.

have engaged in a range of activities for confidence building purpose. Meanwhile, Indonesia's defense ties with Australia remain dynamic due to the continuation of contentious issues in their diplomatic relations.⁵⁸ That said, Jakarta and Canberra still have a huge bilateral task to develop mutual understanding on operational issues under the umbrella of a comprehensive security treaty – signed in 2007.

On defense materials, the United States and West European countries had been Indonesia's traditional partners that supplied a majority of its existing weapon systems (Figure 7). In a view to improve the country's autonomy on military equipment, it undertakes two

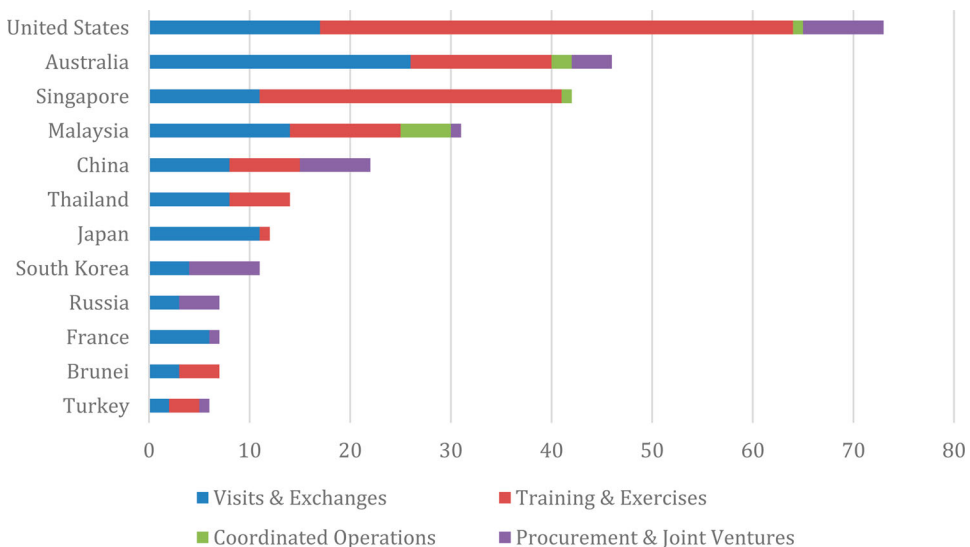


Figure 6. Indonesia's top partners in bilateral defense diplomacy. Source: Data set collated from various public records, 2009–2013.

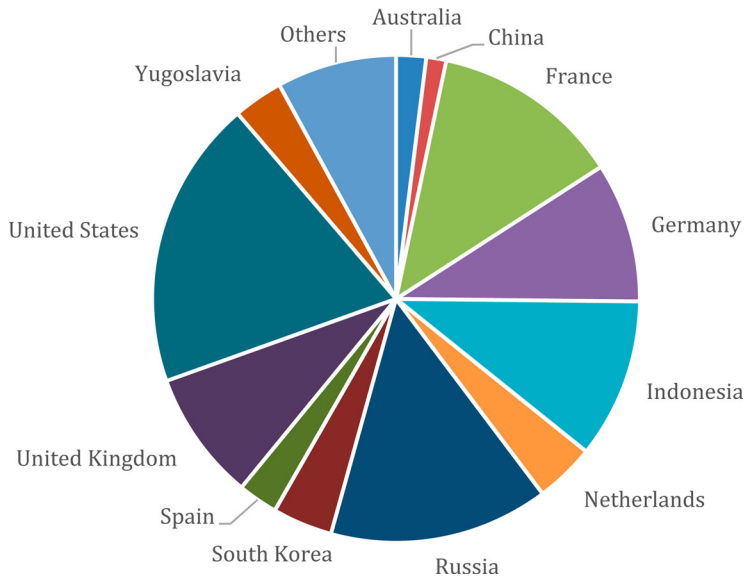


Figure 7. Indonesia's weapon systems based on country of origin. Source: Data set collated from various public records; data as of 2013.

policy initiatives on defense procurement. *First*, Jakarta expands the off-shore sources of the military's arsenal to avoid being overly dependent on specific arms suppliers.⁵⁹ *Second*, it obliges "technological offset" programs for major defense imports and encourages overseas defense contractors to form industrial partnerships with local arms manufacturers.⁶⁰ This way, Indonesian defense policy-makers seek to reduce the risks of arms imports, while rebuilding indigenous defense industrial bases.

Between 2009 and 2014, Russia, South Korea, and China have been the dominant arms suppliers to Indonesia (Figure 8). With the foreign loans offered by Moscow, it has purchased a range of Russian military systems – including Su-30 jet-fighters, Mi-35 attack helicopters and BMP-3F amphibious assault vehicles.⁶¹ Under the recent arms contracts, Seoul has supplied Jakarta with T-50 multi-role jet-trainers and Black Fox armored vehicles.⁶² Given their non-participant position to the Missile Technology Control Regime treaty, Indonesia sees China as a key partner for unmanned delivery systems – particularly anti-ship missiles.⁶³

As Jakarta seeks to maintain a diplomatic leverage over any arms suppliers, it is unlikely to neglect its traditional defense partners. With the notable progress of the country's democracy and on-going geopolitical changes in East Asia, the Indonesian government eventually managed to canvass diplomatic supports for the lifting of arms embargoes. Recently, it has signed bilateral arms deals with the United States and European countries, such as F-16 jet-fighters, F2000-class corvettes, Leopard-2 main battle tanks, and Caesar 155-mm self-propelled artillery system.⁶⁴ Although the expanded arms acquisition strategy creates logistical and maintenance challenges for the military, it enables local defense industries to gain access to competitive technologies for air, land, and naval systems.

Bilateral defense industrial cooperation also contributes to recent developments of Indonesia's strategic industries. At one level, Indonesian defense officials promote offset-structured industrial partnership in all defense imports to enable localized

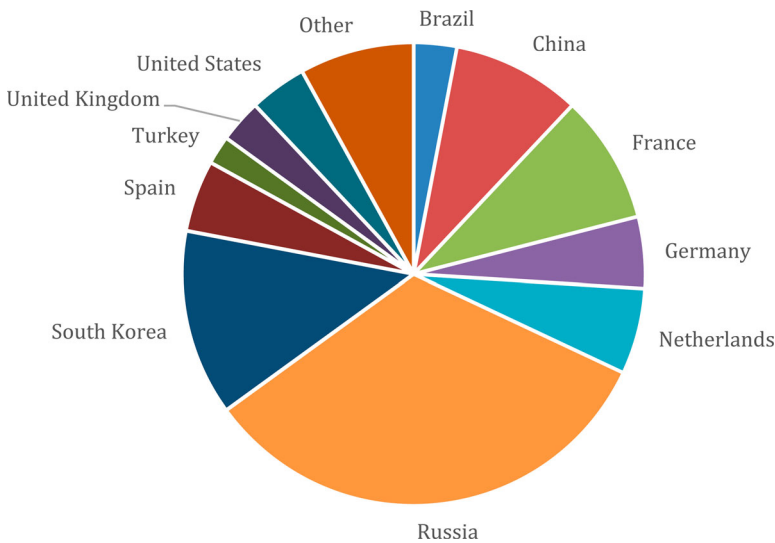


Figure 8. Foreign shares of Indonesia's arms acquisitions, 2009–2014. Source: Data set collated from various public records.

production of military equipment. Over the past few years, indigenous defense firms have taken advantage from sub-contracting activity for maintenance and production of parts and components, local assembly, and transfer of knowledge, facilities, and technology.⁶⁵ At another level, Indonesia's arms manufacturers engage foreign counterparts on research and development of new military hardware. Here, it focuses on key technologies for national defense, such as major naval combatants, multi-role jet-fighters, armored vehicles, missile systems, sensors or radars, propellants, and communication devices.⁶⁶ By and large, bilateral defense diplomacy has been instrumental in the development of national defense capabilities.

Conclusion

The rapid pace of military modernization, unresolved maritime disputes and trust deficit in great power relationships have been the key regional challenges to Indonesia's aspiration for a peaceful management of on-going geopolitical change in East Asia. As signs of rivalry among the major powers are increasingly evident, Jakarta begins to ponder the impact of regional politics on the country's strategic interests. Aside from improved bilateral defense ties, Indonesia continues to view the United States as a regional hegemon with whom it would have many convergences and divergences of interest. Meanwhile, as the rise of China becomes inevitable in the region, Jakarta is still uncertain whether Beijing would be a benign regional partner.

Amid this predicament, the Indonesian government continues to exercise an independence and active foreign policy. This normative guideline requires the country not to take sides in any rivalry between great powers. Although Indonesia is not in the position to dictate the strategic direction of great power relationship, it unlikely prefers both China and the United States to become rivals competing for influence in Southeast Asia. As

none of regional countries could address emerging security challenges alone, Jakarta regards regional cooperation as the relevant means to alleviate strategic uncertainties stemming from geopolitical changes.

Indonesia's response to evolving major power relationship could be understood through the lens of hedging strategy aimed at moderating the negative implications of China's rise to regional order and restraining the US' hegemonic power. While the regional emergence of China works to reduce the pivotal role of the United States in East Asia, the US military presence is undoubtedly vital to keep the regional balance of power in check. In parallel to that, through ASEAN's extra-regional engagements, Indonesia seeks to avoid increased Sino-US competition for geopolitical primacy.

This study shows that Indonesia's defense diplomacy has been instrumental in harnessing the agenda of strategic hedging. At one level, Indonesian defense and security officials engage in ASEAN's multilateral processes to help institutionalize the regional norms of behavior – including: confidence building; non-interference; cooperative security; and peaceful conflict resolution. At another level, Indonesia has been using bilateral defense diplomacy to upgrade its military capabilities and indigenous strategic industries. This way, Jakarta seeks to moderate the impact of geopolitical changes while simultaneously maintaining the country's defensive ability against regional uncertainties. In the context of a complex regional relationship, the strategic orientation of Indonesia's defense diplomacy will ultimately depend on the evolving major power relationship.

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