

## General Studies – 2 Topic: Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

### India-Indonesia Relations

#### 1) Introduction

- Indonesia is the largest country in the Association of Southeast Asian Nations (Asean) with the biggest Muslim population in the world.
- India shares a maritime boundary with Indonesia and it is India's largest trade partner in Asean.
- India and Indonesia have always been natural partners in culture, economy and politics.
- Yet, bilateral ties have not acquired the momentum compared to countries like Singapore and Vietnam.

#### 2) Background

- The Indian-Indonesian relationship stretch back for almost two millennia.
- The shared culture, colonial history and post-independence goals of political sovereignty, economic self-sufficiency and independent foreign policy have unifying effect on the bilateral relations.
- India and Indonesia are among the largest democracies in the world.
- Both are member states of the G-20, the E7 (countries), the Non-aligned Movement, and the United Nations.
- India and Indonesia collaborated closely in supporting the cause of Asian and African independence and later laid the foundation of the Afro-Asian and Non-Aligned Movements at the Bandung Conference in 1955.

#### 3) Importance of Indonesia

- Indonesia is a key country within Asean, it is perhaps right to call it the fulcrum of Asean.
- It is situated astride major sea lanes of communication between the Indian and Pacific Oceans, between India and South-east Asia.
- India's bilateral trade with Indonesia was the largest among all the Asean countries, at \$16 billion in 2015-16.
- It can potentially control virtually all the straits linking the southern Indian Ocean to the South China Sea.
- It can play a stabilising role in the Indo-Pacific region as China is showing its naval muscle in the South China Sea and its strategic One Belt One Road initiative
- Indonesia is an important country towards India's Act East Policy
- Many countries within the Asean look to India as a balancing power when it comes to China and so is Indonesia

#### 4) Economic and cultural relationship

- Indian investment in strategically important countries should be seen as an arm of its foreign policy.
- There is potential for investments in the energy, infrastructure, manufacturing and tourism sectors in Indonesia
- While there is already substantial Indian investment in areas like coal, textiles, steel, and the auto and banking sectors, much more can be done.
- A shipping service from Chennai or Krishnapatnam to Medan in Indonesia via the Andaman Islands could be used to export Indian goods

- In the areas of education, culture, and people-to-people relations, a thrust could be given to scholarships in Indian universities, increased slots for training, closer academic exchanges, and vocational training by Indian companies in Indonesia.
- India could also learn lessons on tourism promotion from Indonesia-from Bali, for instance, where Indians rank high in the list of nationalities visiting that island.
- Hinduism, Buddhism and Islam all came to Indonesia from India.
- India is the largest buyer of crude palm oil from Indonesia
- Indonesia is strong in plantations, low-cost housing and retail, which India needs to develop besides imports of coal and palm oil.
- The Udayana University of Bali has a strong department of Indian cultural and religious study.
- 'Sahabat India -The Festival of India in Indonesia' was inaugurated on 26 January 2015
- The International Day of Yoga (IDY) was celebrated with enthusiasm and fervour in the four cities of Jakarta, Bali, Medan and Surabaya in Indonesia

### 5) Concerns / Challenges

- The India-Indonesia relationship has been one of potential rather than realisation.
- The partnership has not yet gathered traction
- Indonesia does not seem to have articulated a strategic vision of what to do with its extraordinary location

### 6) Way Forward

- The visits of leaders should utilise to turn the relationship into one of the defining ones in Asia.
- Both countries can be partners for security in the Indo-Pacific region
- Identify common strategic interests, develop a partnership with Indonesia as a maritime power, and effect a leap in India's defence cooperation to cover all threats to security in the region.
- Indonesia and India can also provide complementary models for the coexistence of religious minorities with majoritarian communities in Asia based on their own traditions of coexistence.
- India can strengthen Indonesia's democratic credentials by advocating its admission in a revived India-Brazil-South Africa forum