Indonesia: the key to South-East Asia’s security

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While Jakarta is preoccupied with intrigue, brinkmanship and betrayal, the fourth most populous nation on Earth is battered by destructive separatist, communal and economic pressures.

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Asia is a much less secure part of the world than Europe. Here, unlike in Europe, there is the risk of war among major powers. Asia does not have in place the arms control agreements that exist in Europe; nor does it have a multilateral alliance like NATO or an economic community like the European Union. Ideological disagreements left over from the Cold War still exist in Asia and over two dozen outstanding territorial conflicts remain to be resolved. The Asian political landscape—again, unlike that of Europe—consists of a contesting mixture of communist regimes, authoritarian states and democracies. The central strategic issue in the region is the emergence of China as a major power in competition with the United States. This means that the world’s strategic focus on the region will be centred largely on the balance of power in North-East Asia.

But South-East Asia, a collection of ten countries with a population of over 500 million, should not be overlooked. Maritime South-East Asia straddles narrow straits and confined international waterways through which pass 40 per cent of the world’s maritime traffic and over half of its oil trade. Indonesia is the world’s fourth most populous state and it is the largest Muslim country in the world. South-East Asia’s security, and particularly that of Indonesia, is at a turning point. Only four years ago, before the Asian economic crisis, the prospects for regional security appeared sound. South-East Asia seemed to be enjoying endless economic growth and the Association of South-East Asian Nations (ASEAN), 30 years after its foundation, was seen as a force for regional stability. This situation has changed quite radically. The Asian economic crisis brought Indonesia to its knees and severely disrupted the economies of Thailand, Malaysia and the Philippines. Since the overthrow of the Suharto regime in 1998, the key security question in the region has been whether Indonesia will progress to
a stable democracy and a rules-based civil society or whether, like the former Yugoslavia, it will fragment and experience a military coup.

The central theme of this article is that peace and stability in Indonesia are the key to peace and stability in South-East Asia. It begins by analysing potential threats to regional security and the interests of the major powers. Then it examines the future of regional security organizations, including ASEAN, the ASEAN Regional Forum (ARF), the Asia-Pacific Economic Co-operation organization (APEC) and the East Asia caucus. The main part of the article assesses Indonesia’s role in regional security and the prospects for a stable and democratic future for the country. Finally, the implications of a failed state and territorial secessionism for Indonesia’s neighbours—including Australia, Papua New Guinea, Singapore and Malaysia—are assessed.

Threats to regional security

Despite the dramatic events in Indonesia, South-East Asia is not an area of high priority for the world’s major powers. There is no risk of a major power war these days over South-East Asia: it is not a heavily armed part of the world, it is not an arena of nuclear weapons proliferation and there are no American military bases there. Armed conflict between South-East Asian countries—except for small-scale border conflicts—is only a remote possibility. The interests of the great powers overlap in South-East Asia, but this competition for power and influence is unlikely to see the region dominated by a single hegemonic power. This gives the region an essentially peaceful outlook.

What is of much greater security concern is political and social instability within the ASEAN countries themselves, and the risk that serious upheaval or fragmentation, especially in Indonesia, will infect other parts of South-East Asia. We live in a period of great strategic change and unpredictability. Who would have foreseen the Asian economic crisis and the overthrow of the Suharto regime in Indonesia? We should, therefore, be wary of predicting a fail-safe and overly optimistic outlook for South-East Asia; it is, ironically, more constructive to consider where events might go wrong. Potential points of breakdown range from conflict between Thailand and Burma (Myanmar) over border disagreements through to a repeat of the military clashes that have occurred in the past between China and Vietnam. In most of these cases, the risk of such scenarios bursting into open conflict is low, with the exception perhaps of the growing problems between Burma and Thailand. Further to the south, there are periodic tensions between Malaysia and Singapore over territorial and ethnic matters, but these two countries seem to have learnt how to manage a difficult relationship. The Philippines still faces serious problems of insurrection in its southern province of Mindanao and it is very concerned about China’s claims to Philippine territory in the South China Sea. To the east of Indonesia, Papua New Guinea is a weak state facing potential economic collapse and strong secessionist movements. Australia now confronts an arc of instability to its near north,
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stretching from Indonesia through to Papua New Guinea and the Solomon Islands, where there is an active insurrection. New Zealand’s defence policy, which is to structure its armed forces primarily for peacekeeping, means that the country is becoming more of a strategic liability than a defence asset for Australia.

There is a growing consensus among those contemplating the strategic future that South-East Asia will be the focus of what is called ‘the new strategic agenda’. In other words, the region will increasingly experience the effects of illegal migration, drug trafficking, piracy and transnational environmental damage. While these non-traditional security concerns are unlikely to lead to armed conflict between nations, they do add to regional instability and tensions, especially between neighbouring countries. In theory, these problems should lend themselves to cooperation among countries of the region more readily than the more demanding issues of military cooperation and transparency. But in several South-East Asian countries—and not least in Indonesia—drug trafficking, economic activities that lead to severe environmental damage, illegal migration and even piracy involve vested interests, including the military. It will, therefore, be difficult to eradicate these serious problems.

The Asian economic crisis of 1997 and 1998 demonstrated just how closely economics and security are intertwined. The speed and depth of the crisis were unprecedented in modern Asian economic history. Spreading rapidly through the region (as well as to Russia and some Latin American countries), it fundamentally shook the confidence of the South-East Asian countries, and undermined the idea that they had found a foolproof combination of political authoritarianism and state capitalism that would ensure continuing economic growth for all time. But the crisis also demonstrated that democracy was alive and well in South Korea, Thailand and the Philippines, where democratic elections led to a smooth handover of power. The story was different in Indonesia, which was much more profoundly affected by the crisis than any other country; but even there the collapse of Suharto’s military regime was relatively peaceful. Even so, the economic crisis has set back Indonesia’s prosperity by at least ten years. Unemployment remains high and democracy is fragile, as recent events surrounding President Wahid’s presidency demonstrate. These issues, and their security implications, are discussed in more detail later in this article, but the point to be made here is that the economic crisis has had extremely serious security implications for Indonesia. It has also made the rest of the region much less confident and more introspective, with the corollary that governments here have less time and attention to give to broader regional security matters, such as the future of Indonesia.

What is the likelihood of another economic crisis? While most countries in the region are making a remarkable economic recovery, they have done little to address the fundamental structural problems that made them so vulnerable to the crisis of 1997. This is evident not only in Indonesia but also in the Philippines and Thailand. In several countries the key issues of banking reform, financial accountability, currency volatility and corruption have hardly been
touched upon, leaving the region susceptible to another crisis. The United
States remains the engine of economic growth and the driver of global techno-
logical change, and as long as the US economy remains strong, the prospects for
South-East Asia will be good; however, the current slowing down of economic
growth in the United States, and particularly the steep drop in domestic
demand for information technology hardware, is having a serious impact on
exports from South-East Asia. It is imperative for the health of the region that
the serious structural problems referred to above are addressed, and also that
Japan’s economy returns to respectable growth after almost a decade of
stagnation. The fear must be that few, if any, countries in South-East Asia have
learnt much from the crisis of 1997–8.

The role of the external powers should also be a serious concern to South-
East Asian security planners. The most obvious issue of contention is China’s
continuing claim to all the islands and reefs in the South China Sea and to their
surrounding waters. The Chinese authorities issue maps which show that China
effectively claims the whole of the South China Sea, and there is evidence that
the People’s Liberation Army continues to militarize China’s claims. There
have been clashes between some ASEAN countries—particularly the Philip-
pines and Vietnam—and China over these claims, and China has used military
force on more than one occasion. The solution to this serious territorial issue is
clearly to be found through negotiation and compromise; but China is a rising
power that sees itself as the natural leading force in Asia, and is acquiring, with
assistance from Russia, modern military equipment that will enable it to prevail
militarily in the South China Sea against any regional power, if it so wishes.
Were China to succeed in asserting sovereignty over the South China Sea, it
would be able to penetrate deeply into South-East Asia and threaten freedom of
navigation there, including through the Indonesian archipelago.

There are serious questions surrounding the rise of Chinese power. Will
China be a responsible and cooperative member of the international commu-
nity, abiding by its rules of non-aggression and non-interference in the internal
affairs of other countries? Or will it become an expansionist power? World
history has been marked by the rise of ambitious new powers seeking to displace
weaker rivals. But China is many decades away from being peer competitor
with the dominant world power, the United States. The main danger to South-
East Asia in the short term is not Chinese military aggression but the risk that
the next axis of Cold War-type confrontation will be between the United States
and China, and that the theatre in which this confrontation is played out will be
South-East Asia. There is now a growing sentiment in America that sees China
as a strategic competitor, if not the next ‘evil empire’. China and the United
States are increasingly diverging on a long list of key strategic issues, including
ballistic missile defence, Taiwan, Japan’s regional security role, the expansion of
NATO, the strengthening of America’s Asian alliances, missile exports and the
US forward security role in the Asia–Pacific region. David Shambaugh claims
that growing ‘strategic competition’ is likely to characterize Sino-American
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relations for most of the next decade.¹ I would assert that the risk is higher than this: namely, that there will be a struggle for power between the United States and China, perhaps leading to military confrontation.

Short of such cataclysmic events, the main danger for South-East Asia is that these countries will come under increasing pressure to side with either China or the United States in the struggle for influence. This could divide the region. There are already signs that Thailand and Malaysia incline towards China, as Burma does more strongly. Vietnam, the Philippines and Singapore will tend to favour the United States but will be keen to avoid incurring Chinese wrath. Indonesia has traditionally been hostile to China, not least because it has feared that its economically very successful Chinese minority may be subject to Beijing’s infiltration. But President Wahid talked about a triangular relationship with China and India that would offset Indonesia’s traditionally closer relationship with the United States. There has even been speculation about Indonesia obtaining military equipment from China. The future course of Indonesia’s relations with China will be followed with the utmost scrutiny, not least by the United States and Australia. The purchase by Indonesia of arms from China would raise alarm.

As China’s influence in South-East Asia grows, India—which also sees itself as an emerging great power—will seek to compete with China. Until recently, India’s poor economic performance, its alliance with the former Soviet Union and its preoccupation with Pakistan served to limit its interests in South-East Asia. However, India now seems set on the path of economic reform, and its economy is growing strongly; it is also favoured by the military balance on the subcontinent. It will therefore be able to lift its strategic horizons; and South-East Asia is a natural area for its future focus. India has long-established historical ties to the region, especially with Indonesia. Parts of its territory, including the Andaman and Nicobar Islands, are in close proximity to Indonesia and the Straits of Malacca. India is also seeking to strengthen its old relationship with Vietnam. This competition between India and China in South-East Asia will be of benefit to the region because it will ensure that neither major power predominates.

Japan has strong strategic interests in South-East Asia: more than half of its imports, including most of its oil, pass through the region. If a potentially hostile power were to gain control of the maritime approaches to South-East Asia, Japan’s economic health would be fundamentally threatened. As long as the United States remains the dominant world power, and has a strong alliance with Japan, this will not occur. Of greater concern is Japan’s inability to provide leadership in the region commensurate with its economic power. Partly, this is to do with lingering memories of Japan’s aggression in the Second World War. But it also stems from Japan’s preoccupation with its severe domestic economic problems. Notwithstanding these factors, it is important that Japan take more of a leadership role in the region, both to offset the growth in China’s influence and because its economy accounts for more than 60 per cent of Asia’s gross

national product. But China—whose economy is less than one-fifth the size of Japan’s—has a much higher political profile in the region. Moreover, as we saw during the Asian economic crisis, the United States is not willing to allow Japan to take on the role of financial leader in South-East Asia; and Japan’s own constitution continues to restrict its involvement in military deployments abroad, even in support of peace enforcement operations as in East Timor.

Russia, the other major external power, is unlikely to be a significant influence in South-East Asia for the foreseeable future. It will remain preoccupied with its internal political and economic problems and the situation along its southern borders, especially in Central Asia and the Caucasus. Russia’s ability to supply advanced conventional weapons to China and India is, however, of concern, especially as armaments are one of the few competitive export products produced by the ailing Russian economy. Russia has the capacity to upset the regional military balance; indeed, it is already doing this through its arms supplies to China.

The future of regional security organizations

One way to minimize South-East Asia’s vulnerability to major power influence is to strengthen the multilateral organizations that deal with peace and security in the region. Historically, Asia has not had a good track record with multilateralism. The South-East Asia Treaty Organization (SEATO), which was created in 1954 and dissolved in 1977, was not effective. Unlike NATO, it never had standing forces that could be committed in the event of war. ASEAN, which was created in 1967, has been a successful regional political organization and, until recently, it has done better than might have been expected. But the Asian economic crisis greatly diminished the relevance of ASEAN, which has been powerless to help with either the turmoil in Indonesia or the security crisis in East Timor. Moreover, the expansion of ASEAN to include ten countries, with membership ranging from communist Vietnam and an oppressive military regime in Burma through to struggling democracies in the Philippines and Thailand, has undermined the cohesion and credibility of the organization. The International Institute for Strategic Studies has observed that ASEAN’s hope of developing a coherent regional identity and role has not been realized:

Instead, the enlargement has resulted in institutional paralysis ... The greater diversity of identities and interest now included in ASEAN and its unwillingness to bend its cardinal rule of non-interference in domestic affairs has left the association unable to address its structural weaknesses. It is now, to an even greater extent than before, tied to the lowest common denominator in managing consensus. In addition, the authority vacuum in Indonesia in the face of its continuing troubles has deprived ASEAN of a locus of leadership and has diminished its international standing.2

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The ASEAN Regional Forum (ARF) also seems to be losing its way. It was set up in the early 1990s with much fanfare and with the aim of progressing steadily from military confidence-building measures to preventive diplomacy and, eventually, to conflict resolution. But despite its early promise, in the eight years of its existence it has not progressed beyond discussing fairly basic confidence-building measures. And there are still many countries in the region that do not produce even the most basic information about their military capabilities. The ARF, like ASEAN, has proved totally incapable of making a contribution to the resolution of the situation in East Timor. The problem with the ARF is that it has taken on the ASEAN style of multilateralism, in which difficult issues are swept under the carpet and process is seen as more important than tangible outcomes. Of course, the ARF is still in its infancy; it took Europe a long time to develop arms control agreements between NATO and the Warsaw Pact. Even so, the ARF is dangerously close to becoming an irrelevant regional security organization, as distinct from a diplomatic talking shop.3

The only strong multilateral security organization in South-East Asia is the Five Power Defence Arrangements (FPDA) among Malaysia, Singapore, Australia, New Zealand and Britain. This security arrangement was formed in 1971 in the wake of Britain's military withdrawal from the region and after President Sukarno's confrontation with the newly created state of Malaysia. It has withstood the test of time, although it has not been tested in any military crisis. The main value of FPDA is its contribution to military cooperation between Malaysia and Singapore. In many ways, it is now a three-power arrangement, with Britain and New Zealand playing only minor roles. It remains to be seen whether FPDA will remain a viable security arrangement in the future.

On the basis of this evidence, it is hard to be optimistic about the role of regional security organizations. It will be a long time, if it ever happens, before the ARF—potentially the most promising of the regional multilateral organizations—is able to handle the resolution of conflicts. There is still much deep-seated historical suspicion and many outstanding territorial disputes in the region, and hardly any tradition of military cooperation. Most of the military forces in Asia are highly secretive. They are resistant towards ideas of arms control and the introduction of the kinds of transparency measures that are common in Europe. It is important to recognize that the ARF has made some progress, albeit slow and hesitant, in the discussion of military confidence-building. But there are question marks hovering over the future of the ARF and its chairmanship by ASEAN, which is a grouping with little real clout. The central strategic issues in the region are in North-East Asia, not in South-East Asia; however, the newly created ASEAN Plus 3 grouping (which consists of the ten ASEAN members plus China, Japan and South Korea) is unlikely to contribute much to regional security, given the strong distrust that exists between China and Japan and even

3 For a balanced discussion of the strengths and weaknesses of the ARF, see Khoo How San, ed., The Future of the ARF (Singapore: Institute of Defence and Strategic Studies, 1999).
between South Korea and Japan. Its main emphasis will be in the areas of trade and investment and perhaps financial reform.

The other multilateral organization of relevance to the security of the region is APEC. This is not explicitly a security organization: its main focus is economic and political. However, a tradition has developed in which the political leaders of APEC countries do discuss security-related issues. This was most obvious at the APEC leaders’ summit meeting in Auckland in 1999, when it was agreed to marshal a multinational peace enforcement force, under UN authority, to be deployed in East Timor.

Too much should not be expected from multilateral organizations with regard to keeping the peace in South-East Asia. There is as yet no sense of a strategic community in the region. No country, in the foreseeable future, is going to depend on ASEAN, the ARF, APEC or any other such organization for its national security—certainly not Indonesia.

**Indonesia’s key role in regional security**

Indonesia has played a key role in the security of South-East Asia for over 30 years, both through its prominent position in ASEAN and the ARF, and through the stability and longevity of the Suharto regime. As a result of the devastation of the Asian economic crisis in 1997 and the political instability arising from President Suharto’s overthrow in 1998, Indonesia will not recover its former leading status in the region until at least 2010. It faces formidable tasks in economic, social and political restructuring. The path from an authoritarian military regime to a participating democracy and a soundly based civil society is fraught with danger in the best of circumstances. These Indonesia does not have. Its economy is in a critical state, close to collapse; poverty, unemployment and inflation are all at disastrous levels and show few signs of improvement. The ethnic Chinese community, the leading source of domestic investment, has relocated the bulk of its capital offshore, where it is likely to stay until political stability is assured. Since 1997 Indonesia’s per capita annual income has halved, leading to great social unrest and an increase in violence throughout the archipelago. The high rate of unemployment—there are now almost 40 million Indonesians out of work as a result of the prolonged economic crisis—will remain the country’s main problem for the next five to ten years. Economic recovery since the crisis that began in 1997 has been slow, largely because the core problems of that crisis have not been tackled. The banking system is not working, most corporate debt is yet to be restructured and the courts are unpredictable. The foreign investors who might fund a recovery remain elusive, wary of investing here again because of the confusing political picture that Indonesia presents to the outside world.

Indonesia is in the midst of a dangerous political transition. In the most optimistic scenario, it will lead over the next two to three years to a stable, democratically elected central government. However, the former defence minister, Juwono Sudarsono, has said that the transition to democracy in Indonesia will
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have to come gradually and could take 10-15 years. He has observed that the military has dominated Indonesia too long for the country to become a full democracy quickly. While the fact that Indonesia has held elections is welcome, the establishment of effective democratic government and the creation of a rules-based civil society will take a very considerable time. There are crucial problems to be resolved—not least the future political role of the Indonesian armed forces, which is still the only institution holding the country together.

President Abdurrahman Wahid was a disappointing leader. He failed to fill the authority vacuum that Suharto left as his political legacy. His erratic and inconsistent style of government, as well as his greater interest in international travel than in tackling domestic problems, attracted deep antagonism. The urgent tasks of dealing with endemic corruption and restoring the rule of law were beyond the competence of his government. Violence has spread to many parts of Indonesia, including Aceh, Kalimantan, the Moluccas and West Irian (West Papua), and further violence can be expected until large-scale political and economic reforms are carried out; but these are beyond the capacity of the present regime.4

The continuing turmoil in Indonesia is a potential threat to regional security. For over a generation, Indonesia has been committed to internal stability and a peaceful international approach. But the greater freedom that has emerged in Indonesia since the downfall of President Suharto has exacerbated internal tensions—religious, ethnic and geographic. Encouraged by the success of the East Timorese, there are now major and increasing separatist pressures in Aceh and West Papua. If either of these regions gets independence, the reaction from the military will be intense and may well put an end to democracy in Indonesia. The break-up of Indonesia is not in the region’s interest. It would face neighbouring countries—particularly Singapore, Malaysia, Papua New Guinea and Australia—with a highly unstable and potentially violent neighbour. Some academic commentators believe that the separation of Aceh and West Papua from Indonesia would not lead to the disintegration of Indonesia.5 They may well be right. But the transition to separation from the Indonesian Republic would probably involve violence on a scale much larger than in East Timor. In these circumstances, it would be impossible for the United Nations to stand idly by; and neighbouring countries would then be confronted with a difficult decision about whether to join an intervention force, with all the implications this would have for their future relations with Indonesia.

For many years there has been considerable anxiety in South-East Asia about the direction of Indonesia after Suharto, lest a weak and divided country spread contagion to neighbouring states, for example Papua New Guinea and the Philippines. Now some of the worst fears of Indonesia’s neighbours are being realized. Malaysia and Singapore, in particular, fear a wave of refugees should central authority in Indonesia break down completely. Already these countries

have been havens for a considerable number of ethnic Chinese fleeing the steadily increasing violence across the Indonesian archipelago.

The cohesion and unity of Indonesia must, therefore, be the central security concern of the region. It will be important in this process that an independent East Timor and Indonesia come to friendly terms with each other and with Australia. Relations between Australia and Indonesia have been damaged very significantly over the independence of East Timor. In terms of its own national interest, Australia would have strongly preferred that East Timor remained part of Indonesia, had this been the wish of the East Timorese people. There is no avoiding the fact that an independent East Timor greatly complicates Australia’s security outlook. The potential for serious friction between Indonesia and Australia still exists, even though a more moderate government may emerge with President Megawati Sukarnoputri.

A weak and divided Indonesia led by a nationalist military regime, or a xenophobic Islamic government, would present Australia, and Indonesia’s other neighbours, with a potential security threat. It would also be more vulnerable to external great power interference. This would raise acute anxieties in the region, not least in Australia. Those who believe that Australia wants to see a disintegrating Indonesia do not understand the realities of Australia’s geopolitical position. Since 1965 and the overthrow of the Sukarno regime, Indonesia has provided a strategic shield to Australia’s vulnerable and sparsely populated northern approaches. A stable, unified and democratic Indonesia is in Australia’s national interest.

The focus of the region and of the external powers, as well as major international institutions such as the International Monetary Fund, must be on helping Indonesia to recover economically and to build a democratic society. This will be no easy task, given the extreme nationalist sentiments that have been stirred up in some quarters in Indonesia. A combination of religious fervour and strident nationalism in a future Indonesian leadership would be of great concern to Indonesia’s neighbours. Indonesia has a well-deserved reputation as a moderate, secular nation. A more extreme Islamic stance in Indonesia would be deeply disturbing if it generated aggressive foreign policies.

The future direction of Indonesia will be decided by the ability of President Megawati Sukarnoputri to govern a new democracy which is highly unstable. But not only does she lack the force of personality to provide decisive leadership, she appears to be strongly under the influence of the Indonesian military (TNI). In the last year or so, the TNI have slowly but surely regained positions of power and influence; and they are drawn to Megawati’s more nationalist stance towards the use of military power to suppress secessionist tendencies in the archipelago.

Most Indonesians recognize that another political crisis would be national suicide. But there are deep uncertainties surrounding the country’s future. In view of these, and of the strategic implications of Indonesia’s fate for its neighbours, it is surprising that this issue has not been given more careful attention in the Western academic literature. One reason for this is the great distance that separates Indonesia from either the United States or the European Union.
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Another is that Indonesia no longer has the same salience as an anti-communist bastion that it had in the Cold War. Yet Indonesia is not only strategically important in its own right (the fourth largest country in the world and with the largest Muslim population), it stands astride strategically crucial international straits. With so many factors pulling Indonesia apart, prudent policy-makers cannot assume that effective rule from Jakarta will continue. The disintegration of Indonesia must now be assessed as a significantly high risk.

A failed state?

This is not to rule out the possibility that Indonesia may pull through. The country’s very diversity provides some protection against disintegration. It is not easy for any one individual or group to harness the energies of such a disparate nation for a major challenge to the existing leadership. In addition, while Indonesia has had its share of armed rebellions, these have involved regions asserting their own identities rather than direct action to overthrow the central government. And Indonesia is not Thailand—it does not have a history of military coups, the events of October 1965 notwithstanding.

TNI has too little support among the middle class and the students to mount a conventional coup d’état. Instead, as Singapore’s Straits Times has commented, ‘an effective strategy these days is to do nothing and let violence fester, as the recent glaring example of central Kalimantan makes clear’. The military appreciates that the longer the current turmoil continues, the more Indonesians may come to see it as the last hope for stability; so ‘the TNI is on a slow ascendancy as politicians tear at each other’s throats’.6

Moreover, it is evident that there is still a lack of depth to the opposition in Indonesia. In the end, Suharto’s regime was brought down not by his political opponents but by student demonstrations. While there is considerable anger and resentment among the general populace about the continuation of corrupt and self-serving government despite the fall of Suharto, it is likely this will continue for the time being to be expressed in violence against ethnic and religious minorities rather than in attempts to seize political power. There is no communist or similar force cynical or astute enough to take advantage of the huge economic disparities and religious/ethnic tensions to organize an uprising against the current form of government. And with the broad-minded approach of most Indonesians to Islam, even the rising popularity of Muslim movements seems unlikely to translate—at least in the short term—into a hardline Islamic insurrection against the central government.

But these factors merely suggest why a direct rebellion to replace the central administration in Jakarta is unlikely. The real challenge for Indonesia is whether Jakarta can realize in time—indeed, it may well already be too late—that it must transfer power to the provinces if it is to keep them within an Indonesian state.

Emmerson’s assessment is that ‘Indonesia … will survive. Aceh and Papua may not remain inside it, but their farewells, if they happen, are unlikely to set in motion a process that reduces the republic to the island of Java.’ The key point for policy-makers, however, is that the ‘farewells’ of Aceh or West Papua will not be clear-cut. Indeed, it now seems inevitable that the separation process will be deeply traumatic for the whole nation and perhaps for Indonesia’s neighbours too.

The world saw how the Indonesian military reacted to East Timor’s vote for independence. But the violence in East Timor will be dwarfed by what could happen in Aceh or West Papua if these provinces secede from the Indonesian state. Even in the best-case scenario—where the Indonesian parliament realizes that a federal solution is the last remaining hope—there is likely to be violent opposition from TNI. In the worst case—where the separatists in Aceh or West Papua establish their own functioning independent states—there will be civil war. In this context, one probable outcome is a military coup in Jakarta on the pretext of galvanizing the remainder of the nation to fight the rebels.

The break-up of Indonesia would seriously destabilize a significant portion of the western Pacific. As a leading Singapore minister has said in an address in Washington, ‘An Indonesia in disarray will affect the whole of South-East Asia adversely and become a strategic problem for the United States and Japan.’ This would be a major setback for regional stability. A disabled Indonesia means a disabled ASEAN. In the Cold War, while the United States sought to contain communism in Indochina, it relied on a stable, united and economically prosperous ASEAN to the south. But since the 1997 regional economic crisis ASEAN has ceased to be a balancing force in the region. If we add to this debility the political collapse of Indonesia—and the consequent panic among neighbouring states—then ASEAN would become a real strategic liability for the United States and its allies.

The Asian economic crisis also put an end to Indonesia and ASEAN as a counterweight to China’s southward influence. The lack of any effective and united opposition from ASEAN to China’s position on the disputed Spratly Islands is evidence enough of that. Moreover, China has a keen eye on the fate of its 7 million ‘overseas citizens’ in Indonesia, who are routinely targeted in vicious, orchestrated attacks with every round of political instability. A heavy-handed intervention from Beijing is a possibility if large-scale ethnic cleansing of Indonesian Chinese were to occur.

In a further complication, it cannot be assumed that regional states would act together to cope with an Indonesia in disarray. The recent experience of East Timor shows this clearly. Australia was the only regional nation willing and able to lead a UN force at short notice to counter the destruction of East Timor by

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7 Emmerson, ‘Will Indonesia survive?’, p. 106.
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TNI. Its long-term ally New Zealand also contributed forces quickly, and assistance was also forthcoming from Thailand and the Philippines. Malaysia, however, deliberately sought to exploit the situation. It offered token support only, and its prime minister prominently questioned the wisdom of Australia leading the UN mission, even demanding that Australian forces stop treating the militia forces—responsible for creating the mayhem in East Timor—‘so roughly’. Vietnam and Burma contributed nothing and Japan found itself unable to provide any sort of direct military support.

A popular opinion in Australia is that Indonesia will be less of a potential military threat if it is split up. This is a wrong-headed view. In strategic terms—as already argued—it is advantageous to Australia that a stable, democratic and unified Indonesia stands astride Australia’s vulnerable northern approaches. Splitting up Indonesia will not provide any comparable protection for Australia. What it will do is increase the number of independent states Australia has to deal with in the archipelago. It may well be that good relations with one will necessarily involve troublesome relations with another, as Australia’s relations with an independent East Timor and Indonesia have already demonstrated. So the source of possible problems that Australian security planners have to consider can only increase with any break-up of Indonesia. In addition, the defence burden carried by Australia has greatly increased with its de facto obligation to provide military protection for East Timor. Australia would be hard pressed to also provide a defence shield for, say, an independent West Papua against a resentful Jakarta.

Quite apart from the misery it would cause to millions of Indonesians, the wholesale political disintegration of the archipelago could have serious repercussions for the international community. The collapse of authority in Indonesia would inevitably threaten the fledgling state of East Timor. East Timor has a global significance out of all proportion to its size. There is enormous world sympathy for the newly independent East Timorese nation. The United Nations and the world community in general have made a considerable investment in this new state. It would not be possible to stand by and let this be squandered. Across Indonesia gross human rights abuses would occur, on a larger and more organized scale than we have already witnessed. If the international community can act to save the Kosovars, the world will ask why it cannot stop ethnic cleansing in Indonesia. As noted above, Indonesia’s neighbours, Malaysia, Singapore and Australia, fear waves of refugees if there is general political turmoil across the archipelago. Australia already has trouble coping with the few thousand refugees who land on its northern shores as result of people-smuggling rackets. But many times more could arrive were the Indonesian state to collapse. Tiny Singapore is perennially beset by the fear of being overwhelmed by a tidal wave of refugees, and in Malaysia, where racial tension has been well managed but nevertheless simmers beneath the surface, the sudden arrival of a horde of refugees from Indonesia could destroy the fabric of society.

Were Indonesia to break up, it is unlikely that clear-cut new states would be carved from the archipelago and acknowledged as such: on the contrary, there
would most probably be ongoing armed conflict between such states and the
government in Jakarta. The opportunities for unwanted external influence and
interference would be considerable. Moreover, there is no guarantee that these
new states would be liberally inclined democracies with benign external
policies. Especially if, as now seems inevitable, the new leaders of such states had
had to engage in protracted armed struggles to assert their independence, they
might not be keen to set up functioning democracies where their positions
could be readily challenged at the ballot box.

The religious and cultural dimensions of Indonesia’s domestic turmoil, too,
have real potential for global ramifications. Much of the current domestic
violence in Indonesia has a strong religious as well as ethnic aspect. Savage
Muslim/Christian conflict has already occurred across the archipelago. The
Islamic world will take sides in any break-up of Indonesia and the religious and
ethnic struggle that will ensue. Indonesia has a long tradition of moderate Islam,
now under threat from a more extreme movement. The West has a strong
interest in encouraging the more moderate Indonesian Islamic elements to build
stable and democratic political institutions.

Conclusions

The situation in Indonesia will probably worsen considerably before it gets better.
How much worse it becomes will depend on the ability of the current political
groupings in Indonesia to manage the transition to a new democracy. As the
example of Russia all too clearly shows, such a historic process is fraught with
danger. In Indonesia the transition is not going well. The failure of democracy
in Indonesia could result in an authoritarian and xenophobic regime, as under
President Sukarno in the early 1960s. The security of Australia is at risk here.
While Australia has—to put it bluntly—a strategic paranoia about Indonesia, a
return to the type of aggressive nationalism displayed by Sukarno’s Indonesia
could pose a genuine threat to Australia. As events unfold, Australia will be
reluctant to exert direct pressure on Jakarta, except as a last resort, aware that it
faces a risk of provoking serious friction or even armed conflict with so close a
neighbour if it goes too far in seeking to directly influence Jakarta’s policies.

Referring to Indonesia in his Senate confirmation hearing, Secretary of State
Colin Powell said that the United States would ‘let our ally, Australia, take the
lead, as they have done so well in that troubled country’. But the United
States too should realize the substantial danger to regional stability and security
posed by the situation in Indonesia. Washington must make it clear that it sup-
ports the territorial integrity and economic recovery of a democratic Indonesia.
The US also needs to recognize—as does Australia, its closest ally in the
region—that Indonesia is the key to South-East Asia’s security.