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## **Indonesia and the South China Sea: A Two-fold Strategy**

*By Iis Gindarsah*

### **Synopsis**

*While maintaining a neutral position, Indonesia's approach to the South China Sea disputes is increasingly nuanced.*

### **Commentary**

INDONESIA'S VIEWPOINT on the South China Sea disputes has been increasingly "nuanced" in recent years. This evolving perspective is being defined by four key dimensions of the country's interests with regard to the regional disputes involving China and a number of ASEAN members.

These four factors relate to Indonesia's position as an archipelagic state; its economic interests; concern for stability on its periphery; and its aspiration for peace in the larger context of the evolving East Asian regional architecture.

### **Indonesia's multi-dimensional interests**

Firstly, the South China Sea disputes potentially pose a challenge to Indonesia's archipelagic entitlement under the United Nations Convention on the Law of the Sea (UNCLOS). One interpretation of the Chinese nine-dash line claim suggests that Beijing's extended demarcation of territory may include Jakarta's claim over the waters adjacent to the Natuna islands. Recalling Indonesia's 2010 diplomatic note to the UN Secretary General, President Joko Widodo has recently reasserted that China's infamous line "lacks legal basis in international law".

Secondly, Indonesia's concern over China's territorial claim also reflects its economic interest. In addition to rich marine resources, considerable natural gas reserves are believed to lie below the Natuna seabed. Jakarta classified offshore gas fields – including the Natuna Block D-Alpha – as a vital area for its energy security. Although Indonesia is relatively mute on China's dredging operations, concerns over destructive offshore activities on the marine ecosystem are growing domestically.

Thirdly, unresolved maritime boundaries in the South China Sea could further destabilise Indonesia's border and maritime security. According to the Ministry of Fisheries and Marine Affairs, the Natuna waters remain the most vulnerable area to illegal fishing, costing the country billions of dollars

annually. Moreover, the ReCAAP Information Sharing Centre recorded a sharp increase of incidents in the South China Sea from seven cases in 2012 to 42 in 2014.

Fourthly, prolonged tension or armed confrontation in the South China Sea is potentially likely to be disruptive to Indonesia's aspiration for geopolitical stability in East Asia. Jakarta sees the multi-party disputes as a "litmus test" for China's regional rise and its bilateral "comprehensive-strategic partnership" with Beijing. Central to its concern is the implications of the maritime disputes for regional autonomy and the ability of ASEAN to manage the evolving regional architecture.

### **Small actions with strategic implications**

The prospect of conflict in the South China Sea remains low for the foreseeable future. However, recent events have suggested that small unilateral actions can have long-term implications. These include frequent intrusions of Chinese vessels into another country's claimed waters, offshore oil and natural gas explorations, and land reclamation projects.

With growing tensions between China and ASEAN claimants, Indonesian policymakers have sought to undertake defensive measures to anticipate "strategic surprises" in the disputed maritime region. Incidents in the South China Sea, according to Robbert Haddick, a visiting research fellow at RSIS, could represent a "salami-slicing" process involving "the slow accumulation of small actions, none of which is a casus belli, but which add up over time to a major strategic change".

Recently, China has been operating large dredgers to reclaim the small features under its control in the Spratlys, with an intention to build relevant facilities for maritime monitoring. Although Southeast Asian claimants too had conducted land reclamation works, Beijing is building artificial islands out of reefs and installing aircraft runways and naval facilities.

The on-going "terraforming" activities are likely to have significant impact on the South China Sea disputes. With strategic infrastructures like airstrips, piers and surveillance systems operational in the new islands, Beijing will be capable of controlling all navigation through the Spratlys. That said, China's large-scale dredging operations represent an ambition for larger footholds and better power projection in the contested maritime area.

Unlike three years ago in Phnom Penh, ASEAN was able to issue a strong statement at its 2015 summit. Regional leaders voiced "serious concerns" that the land reclamation had "eroded trust and confidence in the South China Sea. However, they refrained from naming China as the source of the regional worry, suggesting a fear of further diplomatic escalation.

### **Two-fold strategy: Building trust while maintaining vigilance**

With broad interests in the South China Sea, the Indonesian government appears to be adopting a two-fold strategy aimed at preserving national security and regional stability.

Firstly, Indonesia has been at the forefront of the regional efforts on "confidence building" among the claimant states in the South China Sea, with mixed results. It put forward the so-called "3+1 Formula" – promoting mutual trust, preventing conflict and management of incidents, plus creating a conducive environment – as the basis for drafting a Code of Conduct in the contested maritime region. Recently, President Widodo has reasserted Indonesia's neutral position and offered to act as an "honest broker" in resolving the South China Sea dispute.

Nevertheless, the biggest challenge to Indonesia's aspirations and role is the divergent perspectives of the Southeast Asian states, each having different concerns and approaches to the South China Sea issue. The unprecedented diplomatic setback in Phnom Penh in 2012 was a valuable lesson about the delicate unity of ASEAN members when it comes to the multi-party disputes. Given ASEAN's consensus-building diplomacy, it is difficult – though not impossible – for Jakarta to ink concrete peace terms beyond a basic stance.

Secondly, amid renewed tensions between China and ASEAN claimants, Indonesian policymakers have begun to ponder defensive measures to anticipate "strategic surprises" in the South China Sea in the country's border areas close to the disputed waters. Past incidents in the Natuna area, where

Chinese coast guards subverted Indonesian attempts to capture illegal fishermen, had alarmed the policymakers in Jakarta. With the current land reclamation in Cuarteron and Fiery Cross Reefs, the Indonesian Navy is becoming increasingly aware that similar encounters between fishing fleets and patrol vessels are likely to become more prevalent in the future.

Indonesian military planners have also begun to recalibrate "low-intensity balancing" measures to mitigate the effects of unwanted escalation. The existing defence plans include troops repositioning and upgrading "forward operation bases" surrounding the Natuna islands. On arms procurement, Indonesian defence officials also seek to modernise the military logistical capabilities through selective acquisitions of amphibious assault vessels, replenishment ships, airborne early warning and refuelling systems. The idea is to enable a rapid military deployment and sustain maritime operations in distant flashpoints.

This two-fold strategy, however, does not mean a sharp division in Indonesia's strategic thinking regarding the South China Sea. The country's forward maritime presence in the Natunas is a valuable asset for its "defence diplomacy" through various naval cooperative engagements with regional partners. This way, the military is an important instrument of Indonesian foreign policy writ large.

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