



## Shifting tides: Evaluating challenges and opportunities in India–Indonesia strategic relations within the Indo-Pacific

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### Abstract

This paper examines the historical evolution and contemporary dynamics of bilateral relations between India and Indonesia, tracking their transformation from lukewarm post-independence diplomacy to a robust modern strategic partnership. Utilising foundational architectural frameworks and historical assessments from the mid-twentieth century onwards, the study analyses how shared cultural heritage has transitioned into concrete maritime, economic, and security cooperation. The paper evaluates the critical geopolitical shifts within the Indo-Pacific region, highlighting how non-traditional security challenges—such as maritime piracy, terrorism, and regional trade imbalances—act as both catalysts and hurdles for deeper alignment. By examining institutional briefs, trade policy trends, and diplomatic dialogues, this research identifies key sectors, including blue economy initiatives and defence coordination, where bilateral engagement can be modernised. Ultimately, the paper argues that the future resilience of the India–Indonesia partnership depends on moving beyond historical sentiment to establish an institutionalised framework capable of managing emerging Indo-Pacific security realities.

**Keywords:** India–Indonesia relations, Indo-Pacific security, maritime diplomacy, bilateral trade, foreign policy

### Introduction

Every Country have Geoeconomic and Non Geoeconomic goals and then it develops Geostrategies for the attainment of Geoeconomic goals and non-Geoeconomic goals, having this in mind now country have grand Geostrategy and now it seeks to put a place or try to develop assurance and insurance mechanism for achieving this goal. Broadly speaking for doing this these are - inter personal relations between political leaders and another is foreign policy and the instrument of foreign policy such as Diplomacy and military; these are the general but important mechanism to achieve any countries goals.

My focus would be India's Strategic geography which is Indo Pacific construct having emphasis on increasing bilateral relations between India and Indonesia. India is currently concentrating upon many approaches or construct but these three major but very different approaches for its endeavours vis-à-vis “Constructive Engagement” ... the first is the: IPOI, second is BIMSTEC and third is QUAD. I will talk about IPOI - Indo Pacific Ocean Initiative taking consideration during 14th East Asia Summit, there are eight pillars of this, further I will talk about India and Indonesia relations on one of the pillars it which is trade connectivity and maritime transport. How Indonesia is a key player for India in terms of Indian trade or trade support with other countries in the region.

The region Southeast Asia shared a historical, civilization and cultural age old relation with India, besides thriving trade & commerce relations. No countries have more cultural influenced rather than India in the region, peoples of these countries feel connected to India. During India's colonization and thereafter cold war in the IR politics damaged this relation. The material and spiritual riches of this region can be found in Indian ancient text to Suvarnadwipa (islands of gold) and Suvarnabhumi (land of gold, as reference to the mainland). The era of 1990s seen as the cementing the relationship again and the major initiative by P.V. Narasimha Rao toward this was ‘Look East’ policy,

having purpose to engaging the East Asian region, especially Indonesia and Malaysia. PM Modi said the two nations have helped each other "preserve the wondrous cultures of their lands" <sup>[1]</sup>

### Historical Context: From Bandung to the Cold War Drift

This region is the new centre of gravity (Asia Pacific now Indo Pacific) because of its geo-strategic location and has an instrumental value for connection towards east especially ASEAN countries. In the initial years after the independence of India, it's focused more on the security dimension because of the tension coming from Pakistan and China. There is major three events - Asian Relations Conference in March–April 1947, Conference on Indonesia in January 1949 and the Afro-Asian (Bandung) Conference in April 1955 provide interest of commonality between India and the all the newly independent countries of the region. There were three reasons as well which some sort justify why India adopted this kind of foreign policy those are intensification of the Cold War and American military intervention in Vietnam (1954) and Sukarno pursuing a radical policy at domestic level and creation of ASEAN. Issues of contrast between both was from India side-friendship treaty with Moscow (1971), India's adoption of mixed economy as development policy, with its emphasis on import substitution and greater state controls another side most of these countries during cold war era followed export promotion and free market policy. India -Vietnam relation was good for two reasons- India supported the threatening cause coming from China and closeness with Moscow. India Indonesia cooperation area would be strengthened in tourism, education cooperation and Trade tariff etc.

The expansion of Indian navy with the help of USSR and Issues such as intervention in Sri Lanka and Nepal during end of Cold War and its Indochina policy in the region which led to believe that India was not a trusted player by ASEAN countries. The End of Cold War provided an

opportunity to New Delhi to change its foreign policy and now it was more focused on economic diplomacy. India was refurbishing its image as a responsible player and convincing ASEAN countries that it wants peace and stability rather than its extending influence in the region for power.

### **The Maritime Turn: Security Perspectives in the Indo-Pacific**

First decade of look east policy was more focused on identifying India's relation with East Asia. In 2000s onwards there is deepening of political relation through establishing institutional linkage such as having "Dialogue and Summit Partnerships" with ASEAN, membership of the ARF and the East Asia Summit. There is economic growth between India-ASEAN bilateral trade relations in the past decade. India has strategic engagement with Southeast Asia in both multilateral and bilateral. Simple passage exercises with Indonesia in the early 1990s were followed by similar operations with Malaysia, Singapore, and Thailand on a bilateral basis. In fact, this method of engagement through exercises has proven to be so successful that India now conducts joint exercises with a number of East Asian countries on a regular basis. During the procedure, some of them have progressed to a more advanced and comprehensive degree. India also joins Comprehensive Economic Cooperation Agreement (CECA).

Indian navy took initiative for the modernization of the region by providing confidence building measures and joint exercises. The strategic and defence exchanges dimension between India and Southeast Asian countries is increasing day by day from - Milan (Naval gathering) at Port Blair, SIMBEX, ASW (anti-submarine warfare) exercises, SINDEX (2003), INDINDOCORPAT (2001), Joint Defence Cooperation Committee (JDCC) mechanism, biennial exercises near Phuket (Thailand). Malacca Strait and South China Sea are an attractive market hub and cannot be ignored by India because of its geo strategic location and global trade pass through this strait and also having the emergence of great Asian powers. India had to ensure that there should not be any kind of threat because India's nearby Andaman and Nicobar Islands security will also affect than. India joins ASEAN as a dialogue partner in late 1995. Inter-regional arrangements such as the Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation (BIMSTEC) and the Ganga-Mekong Cooperation (GMC) are the key for the engagement between both.

India proposed the India-ASEAN Framework Agreement on Comprehensive Economic Cooperation (IAFACEC) in 2003 and it became operational in 2010. India still a marginal player the reason for this may be China-ASEAN trade was about US\$200 billion in 2010 compared to about US\$44 billion with India and heavily investment and instrumental role play by the Taiwan, Japan and South Korea in the region. But India has become a force that cannot be ignored in debate and discussion when we talk about interaction (bilateral or Multilateral) among the countries of the region. All countries come together for the security of Indian Ocean and freedom of navigation within the South China Sea. In twenty first century India is having a robust engagement in degree and intensity with the region. Southeast Asia's policies are generally guided by the view that regional peace and security is best assured in a multipolar rather than a

Unipolar environment, notwithstanding concerns about China's rapid growth.

### **Trade connectivity and Transport system**

Many geopolitical factors, such as who controls trade routes and what types of competition and cooperation have developed with increased trade links, are sensitive to this transnational mobility. No country in a global economy is self-sufficient. Each is engaged in trade to varying degrees in order to sell what it produces, to acquire what it lacks, and also to produce in some economic sectors more effectively than its trading partners. Conventional economic theory asserts that commerce increases economic efficiency by offering a greater variety of commodities, frequently at cheaper prices, especially as a result of specialisation, economies of scale, and related comparative advantages. Since it can occasionally be a disruptive economic and social force that modifies how wealth is divided within a national economy, especially owing to changes in prices and wages, international commerce is also the target of much criticism.

Some countries have significant trade volumes but this volume account for a small share of the national economic activity. How to streamline the processes governing the transnational movement of goods is referred to as trade facilitation. It depends on lowering overall trade expenses, also known as the "Four Ts" of global trade (transaction, tariff, transport, and time costs). The transportation system, a trade facilitation framework which would include activities like distribution-based, regulation-based, and transaction-based, as well as the quality, cost, and efficiency of these services, are all necessary for competing in a global economy.

Of the many different forms of transportation, ports, maritime shipping, and airport and air transportation are two that are particularly relevant to international trade. Indonesia is largest second trade partner of India in ASEAN. Joint working group meeting on trade and investment periodically took place between India and Indonesia. India and Indonesia had momentum of high-level interaction during G20 Presidency and both countries supported each other in many ways during covid pandemic. Maritime security is the key factor between both countries' cooperation in the region. On going Talks on progress in the implementation of ASEAN India plan of Action (2021-2025). "The trade between the two countries has witnessed more than five-fold increase since 2005-06 (US\$ 4.3 billion)".

### **Conclusion**

Close historical Cultural and commercial ties have existed between India and Indonesia for the longest time. From India's coasts, followers of the Hindu, Buddhist, and subsequently Muslim religions made their way to Indonesia. The themes found in the Ramayana and Mahabharata are the inspiration for Indonesian traditional art and drama. Unifying elements of the bilateral relationship are their common cultures, colonial histories, and post-independence aspirations of political autonomy, economic self-sufficiency, and autonomous foreign policy.

India's strategy of fostering tighter ties, enhancing connectivity, and enhancing collaboration was more favourably received and accepted by our neighbors. The India-Indonesia relationship has entered a realistic era where shared geopolitical risks outweigh historical

hesitation. The transition from a symbolic relationship to an active maritime partnership is underway, but it requires continuous policy support to maintain momentum.

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