The Australian-Indonesian Security Agreement: Issues and Implications

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The Australian-Indonesian Security Agreement:
Issues and Implications

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The announcement of the Security Agreement between Australia and the Republic of Indonesia (signed on 18 December 1995) is one of the most important recent developments in Australian foreign and defence policy. The Agreement is significant because it means that Australia - which already has formal associations with New Zealand, Papua New Guinea, Malaysia and Singapore - now has treaties or agreements with all its major near neighbours. The Agreement was also received with some controversy because it was negotiated in secret and only unveiled shortly before the time of its signing.

Indonesia's willingness to conclude the Agreement with Australia surprised many observers. Indonesia, since winning independence after armed struggle against the Netherlands, had sought to remain aloof from any formal alliances, preferring to pursue a 'free and active' foreign policy with extensive links with 'non-aligned' countries and since 1967 with its neighbours in ASEAN. However in the 1990s, the post Cold War environment in Southeast Asia has seen uncertainties about the role of the United States in regional security and some rising concern about China's role and policies, 'especially in the South China Sea. Indonesia has accordingly been revising its foreign policy priorities. While Indonesia remains very close to its ASEAN partners, its foreign policy-makers have not wanted ASEAN to be a 'golden cage' for Indonesia which might restrict its capacity to assert and defend its national interests.

Although the post Cold War environment has seen some rising regional uncertainties, in Australia-Indonesia relations by contrast there has been a steady pattern of improved communication and cooperation. Economic policy changes in both countries since the mid 1980s have led to the two economies becoming more open and also more complementary. Merchandise trade between the two countries has been increasing rapidly and Australia is now among the top ten inventors in Indonesia. Both countries cooperated extensively over the Cambodia peace process and in the development of APEC. Indonesia's relatively cool relations with the US in the 1990s - with differences over economic relations and human rights issues - have made defence cooperation with Australia of increasing relevance to Indonesia. The Agreement has been regarded by many observers as a valuable way of consolidating recent progress in Australia-Indonesia relations and of increasing confidence at the official level. It may also assist in overcoming suspicions still present in some sections of the Australian community that Indonesia is an 'aggressive' or 'expansionist' power. The Agreement has, however, been criticised by some human rights organisations in Australia as
legitimising the actions of the Indonesian government and armed forces in areas such as East Timor and Irian Jaya.

The paper examines the precise wording of the Agreement and its defence and strategic significance. The primary commitments made by the parties are to hold regular ministerial-level consultations, to 'consult' and 'consider measures which might be taken' in the event of 'adverse challenges' to either party, and to pursue 'mutually beneficial cooperative activities in the security field'. The Agreement essentially formalises the patterns of bilateral cooperation which have been developing because of the expansion of areas of common interest. The Agreement does not involve either party in any binding commitments beyond consultation. Were either party to interpret the Agreement in ways which the other found inappropriate - for instance, by trying to involve its partner in its internal security problems - there would be no obligation to do more than consult.

The Agreement is nonetheless a significant development for both countries. For Indonesia it is a substantial further step in its responses to the uncertainties of the post Cold War environment. For Australia it symbolises the progress which has been made towards developing a vital but often sensitive bilateral relationship and in winning Australia added recognition as a substantial player in the East Asian region. For Indonesia to depart from its traditional foreign policy approach and sign a bilateral security agreement with Australia can be seen as a significant achievement for Australian diplomacy.

The ongoing relevance of the Agreement will clearly depend on the continued development of bilateral Australia-Indonesia relations but it should also increase confidence about that relationship.
Introduction

In December 1995 the then Keating Labor Government announced that after some months of secret negotiations it had concluded a Security Agreement with the Republic of Indonesia. The Agreement was signed in Jakarta on 18 December 1995 by the Foreign Ministers of both countries, with Prime Minister Keating and President Suharto also present. The text of the Agreement is reproduced as Appendix A.

The agreement appears to have stemmed from initial suggestions advanced by Prime Minister Keating in June-July 1994. Consideration of the concept of an agreement proceeded but was given added impetus by President Suharto in September 1995. It is understood that President Suharto may at that time have been influenced to expedite pursuit of an agreement which could boost confidence in the relationship partly by the tensions in bilateral relations after the unsuccessful attempt to nominate retired General Mantiri as Indonesia's Ambassador to Australia, a proposal which became contentious in Australia when comment by Mantiri appearing to condone the use of force in East Timor in 1991 attracted criticism. The actual negotiations for the agreement appear to have been conducted by a small number of people from each country, with General Peter Gration (former Chief of the Defence Force) and Allan Gyngell (a senior adviser to Prime Minister Keating) and Minister of State Murdiono playing key roles for Australia and Indonesia respectively. The negotiations were kept strictly secret: for example, Indonesia did not consult in advance its co-members of ASEAN and Australia gave little advance notice to the United States. The announcement of the Agreement was accordingly greeted with surprise but also with widespread acceptance: the United States indicated its support, Singapore described the Agreement as 'positive' and Prime Minister Mahathir of Malaysia said that 'an agreement between neighbours for peace is always good'.

Explaining the Agreement, Mr Keating said on 14 December 1995:

[It]...is not simply about external threats, it is about the whole environment of the region. It is about the foreign policy and trade policies of the countries... What we are saying here is that Australia and Indonesia have a coincidence of views and interests in the strategic outlook of the region.

The Agreement was seen widely as being both a notable and somewhat surprising development. For Australia, the conclusion of an agreement with Indonesia means that Australia - which already has treaties or arrangements with New Zealand, Papua New
Guinea, Malaysia and Singapore - now has formal agreements on cooperation with all of its immediate neighbours. The Agreement was seen as having resulted to an important degree from extensive personal diplomacy between Prime Minister Keating and President Suharto and the impact of its announcement in Australia was heightened by the timing, shortly before the calling of a Federal election. For Indonesia, the Agreement was a striking development because it is the first such security agreement concluded by a country which hitherto has had a longstanding opposition in its foreign policy to such formal associations.

The Agreement attracted support and also some immediate controversy in Australia. There was criticism from various sources in Australia of the secrecy with which it was negotiated, of the fact that a security Agreement was concluded with the regime which forcibly occupied East Timor, and of certain provisions of the Agreement, most notably of the wording of Article 2, which speaks of 'adverse challenges' to the Parties.

A number of commentators and political figures were critical of the fact that the Agreement was negotiated privately and signed without public or Parliamentary scrutiny. Some media reports went so far as to describe the agreement as being a 'secret treaty with Indonesia', although this characterisation can refer validly only to the style of its negotiation not to its present status as a public document. 'The Keating Government argued that secrecy during the negotiations was essential to those negotiations' prospects for success.

In reacting to the announcement of the Agreement, Daryl Williams QC MP, Liberal Member for the Western Australian seat of Tangney, did not object to the secrecy of the talks which had produced it, but maintained that the public should have been aware that talks were proceeding, though not the substance of the talks themselves. He stated that a Coalition Government would 'establish a joint standing Parliamentary Treaties Committee to scrutinise treaties before they are signed or ratified. Mr Williams is now Attorney-General in the Howard Coalition Government: the Coalition parties have indicated that they will initiate a process through which prior notice is provided before agreements or treaties are concluded in the future.

The then Opposition Leader (now Prime Minister), Mr Howard, gave immediate in-principle support to the Agreement on its announcement and said nothing about secrecy at that time. He did, however, raise the question of the wording of Article 2 which, as can be seen at Appendix A, refers to 'adverse challenges to either Party or to their common security interests'. His view was that *adverse challenges* should have said *external challenges* (and indeed it could be argued that it might be better formulated as *adverse external challenges*).

The issue could be seen to be important in that this phrasing determines when the Agreement can be invoked by either partner. Some might choose to argue that internal instability in one country might be interpreted by its government as an 'adverse challenge' capable of activating the Agreement's provisions. Insertion of the word *external* would, of course, remove this possibility. The then Foreign Minister (Gareth Evans MP, now Deputy
Leader of the Opposition) reportedly agreed that some such form of words might have been better, but maintained that it was not truly necessary. Indeed, given the comments made in the section in this paper below entitled Defence and Strategic Considerations, it can be argued that this phraseological question is unlikely to be of any real import.

The Foreign Minister in the new Coalition Government (Mr. Downer) has recently reaffirmed the contents of the Agreement with the Indonesian Government. He has also announced that the Government will 'build on the mutual Security Agreement' in developing further bases for cooperation with Indonesia.

This paper examines the Agreement from several perspectives:

- the international and regional context;
- implications for Australian-Indonesian relations, and;
- defence and strategic considerations.

The paper concludes with a preliminary assessment of the Agreement.

International and Regional Issues

Indonesia's foreign policy after the Cold War

Indonesia's decision to conclude a security agreement with Australia has been a notable development given Indonesia's long-standing commitment to an independent and non-aligned approach in foreign policy since the Republic's inauguration in 1948. Indonesia's interest in developing the treaty with Australia needs to be considered in the context of the country's responses to the regional and international environment after the Cold War. A series of factors has exerted pressure and encouragement on Indonesian policy makers to intensify efforts to develop a more active foreign policy. The development of interest in an agreement with Australia can be seen as one reflection of this process.

Indonesia's approach to foreign policy has been influenced heavily by the country's experiences in securing its independence from the Netherlands in an armed struggle and then needing to maintain that independence in a world of superpower competition. The new Indonesian Republic committed itself in 1948 to pursuing a 'free and active' foreign policy. Indonesia's early foreign policy concentrated on opposition to colonialism and to securing an international position apart from the prevailing Cold War competition between the United States and the Soviet Union. The hosting of the Bandung conference of non-aligned countries in 1955 and support for the Non-Aligned Movement after its inauguration...
in 1961 was a major reflection of these priorities. From the late 1950s, Indonesia's foreign policy in the era of the Sukarno government's 'guided democracy' became much more assertive with anti-colonial rhetoric increasing and an attempt made to oppose the development of the Federation of Malaysia from 1963. The period of 'Confrontation' of Malaysia raised tensions both among Indonesia's immediate neighbours and other countries in and near Southeast Asia, including Australia which deployed combat forces to support Malaysia.

After Sukarno's overthrow and replacement by the 'New Order' government of President Suharto (from 1966) a new era of Indonesian foreign policy began. Indonesia now concentrated on economic reconstruction, supported by international assistance coordinated through the Inter-Government Group on Indonesia (IGGI), established in 1967. Indonesia now generally eschewed assertive stances in foreign relations (with the major exception of its strenuous efforts to secure the end of Dutch rule in West Irian) and emphasised the rebuilding of regional cooperation through the Association of Southeast Asian Nations (ASEAN - inaugurated in August 1967). In its relations with other ASEAN members, Indonesia concentrated on the development of a consensus approach to decision-making. After the end of the war in Indochina in 1975 Indonesia led the way towards increasing ASEAN's profile by hosting the first leaders' summit in Bali (February 1976). During the long period of regional confrontation over Vietnam's presence in Cambodia after 1978, Indonesia supported ASEAN joint positions (which were heavily against Vietnam's position and tacitly in line with those of China). However Indonesia's leadership also held long term suspicions about China's regional role (particularly after the controversies over the coup against the Sukarno regime in 1965) and had considerable sympathy for Vietnam as the other major Southeast Asian country which had won its independence after an anti-colonial military struggle. Indonesia as a result maintained contact with Vietnam throughout the Cambodia conflict and was thus well placed to act as a mediator for ASEAN when negotiations became possible in the late 1980s.

From the mid 1980s, a third phase in Indonesian foreign policy has been emerging. Indonesia has retained its close focus on ASEAN relationships but has also moved to adopt a wider foreign policy role.

Indonesia's record of sustained economic growth has given its leaders increased confidence about their country's international standing (between 1980 and 1993 the country achieved average annual growth of 5.8 per cent, GDP had reached an estimated US $144.7 billion in 1994 and GDP per capita for the estimated population of 187 million is expected to reach $US 1000 by 1997). Indonesian economic policy from the mid 1980s also began to increase efforts towards deregulation and encouraging a more open involvement in the wider regional and international economy. Indonesia thus became increasingly interested in regional economic cooperation and joined the Australian-initiated Cairns Group of agricultural 'fair trading' countries in 1986 and the Asia Pacific Economic Cooperation group in 1989.
The decline and then the end of confrontation between the US and the Soviet Union from the mid 1980s has also been a major stimulus for change and development in Indonesian foreign policy in several ways. Utilising its good contacts with Vietnam and with the Cambodian factions, Indonesia took the opportunities provided by the decline of international tensions to play a major role in efforts to seek a negotiated solution to the conflict in Cambodia. Indonesia hosted informal meetings among the factions and other interested regional parties and became the Co-Chairman of the Paris Conference on Cambodia. Indonesia's efforts on Cambodia, pursued in very close cooperation with Australia, were a major reflection of its long term interest in pursuing a 'free and active' foreign policy in relation to both the major powers and its regional neighbours.

While the decline of Cold War competition has brought substantial benefits to Southeast Asia, it has also been accompanied by new uncertainties about the roles of the major powers in East Asia and about how regional security can best be sustained. Up to the late 1980s the US maintained a major role in the security of East Asia through its network of alliances and its presence in bases including those in the Philippines. The US and ASEAN were aligned closely in regional policies, including over Cambodia. The 1990s has been a more uncertain time in US relations with Southeast Asia and with Indonesia. While the US security presence is still extensive, it withdrew from its Philippines bases in 1992. The US has remained involved strongly in the security challenges of Northeast Asia but has shown relatively less interest in Southeast Asia since the end of the Cold War and the achievement of a Cambodia settlement. As a result, although US influence has remained strong, there has been uncertainty in Southeast Asia about the strength of its commitment to continue to underpin regional security along with increasing discussion about what Southeast Asian states can do to bolster their own security interests.

The US has also adopted a more critical stance towards Indonesia in several policy areas including human rights issues, labour rights and protection of intellectual copyright, particularly since the killing of East Timorese in Dili in December 1991. These disputes have had some practical impact on Indonesia for example, in 1992 the US suspended Indonesian participation in military training through the International Military Education and Training (IMET) program, although it appears that this will now be re-instated in a scaled back form. The IMET suspension has caused considerable irritation in Indonesian official circles.

Some tensions in relations with the US have coincided with the rise in the prominence of China as an increasingly powerful state in East Asia. China's rapid rates of economic growth (exceeding 10 per cent per year in the 1990s) and its much greater involvement in regional and international trade have raised its profile. After many years of estrangement, Indonesia and China normalised relations in 1990 and the two countries were able to cooperate in the process of developing a settlement process for Cambodia. However China's medium term intentions in East Asia have been a source of some concern to Indonesia's leaders particularly because of its stance over the South China Sea. China is one
of six states which claim part or all of the islets and waters of the South China Sea (along with Taiwan, Vietnam, the Philippines, Brunei and Malaysia). Indonesia is not a claimant to the area but it has been concerned that territorial conflict should not develop between any of the claimants. This Indonesian interest has been reflected in the hosting of a series of non-official workshops on the South China Sea since 1990 aimed at dialogue and confidence building. While China has participated in the workshops it has not been willing to engage in any formal multilateral discussions over the area. China has also caused some concern in Indonesia by appearing to imply that its maritime claims overlapped Indonesia's own claims in the maritime areas around the Natuna islands, which may contain valuable petroleum resources.

The climate of uncertainty in Southeast Asia after the Cold War has highlighted the need to review the role of ASEAN. Indonesia has supported ASEAN's efforts to maintain momentum in its regional cooperation activities, after the settlement in Cambodia removed its major focus for regional security cooperation. Indonesia has supported ASEAN's pursuit of a Free Trade Area by early next century. Indonesia has also advocated the expansion of ASEAN to ultimately include all ten Southeast Asian countries. Vietnam's admission as ASEAN's seventh member in July 1995 was a crucial step in ASEAN's adaptation to the post Cold War environment and this occurred with the active support of Indonesia given its long-term contact with Vietnam through the period of the tensions and conflict over Cambodia.

ASEAN remains of central importance to Indonesia but there has been a concern that ASEAN should not be the sole focus for foreign relations, that in the words of Dewi Fortuna Anwar, a prominent Indonesian foreign policy analyst, ASEAN should not be a 'golden cage' for Indonesia. Accordingly, in the 1990s Indonesia has clearly wanted to widen the scope of its foreign policy both in East Asia and internationally. This has been reflected in several ways. Indonesia has taken an active interest in APEC as the premier vehicle for promotion of economic cooperation in the wider Asia Pacific. Indonesia and President Suharto took a high profile role in hosting APEC's second leaders' summit at Bogor in November 1994, where APEC's members adopted the goal of achieving free trade and economic relations by no later than 2020.

Indonesia has also taken a higher profile role in the Non Aligned Movement (NAM). In 1992 Indonesia became the chairman of the movement for the three year period from 1992 to 1995. The NAM has struggled to find a sense of ongoing direction after the end of the Cold War from which its members had sought to remain apart, but Indonesia gained benefits from its period as chairman. The tenth NAM summit was held in Indonesia in 1992 and President Suharto used his position as chairman to widen his country's contacts, for example by visiting Tokyo at the same time as the G 7 summit in Tokyo in 1993 to endeavour to advance Third World countries' positions. Indonesia has also taken an active interest in the United Nations by endorsing moves towards reform and by indicating its interest in obtaining a permanent seat on the Security Council if that body were to be
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expanded. Indonesia is currently an elected member of the Security Council for 1995-1996.

While broadening its international associations, Indonesia has maintained its traditionally strong commitment to independence from what it perceives to be international pressure or interference. Indonesia has accordingly sought to resist efforts by some Western countries to establish a linkage between international economic assistance and human rights issues. Indonesia made its position clear in 1992 when it refused to accept further economic assistance from the Netherlands after criticism from that government on political and human rights issues and Indonesia also wound up the IGGI, which the Netherlands had chaired. In 1993 the IGGI was replaced by the Coordinating Group on Indonesia chaired by the World Bank. The Indonesian government has also sought to limit the scope for criticism over its record on human rights, particularly in East Timor. One major response by the government has been to establish the National Human Rights Commission as a means of improving the country's international image in this area.

Indonesia's foreign relations have therefore been going through change and reassessment in the early post Cold War period. Indonesia has maintained a strong emphasis on regional cooperation in Southeast Asia but has not wished to be restricted in its diplomatic activities by this. Indonesia has been keen to expand its range of international associations and to bolster its image as a rapidly and successfully developing country. It has also been facing the immediate aftermath of the Cold War in East Asia in which opportunities for greater cooperation (for example between Vietnam and ASEAN) have been accompanied by uncertainty over the roles of the major powers, especially the United States and China.

It is against this background that Indonesia's interest in consolidating its relationship with Australia through the conclusion of the security agreement needs to be considered.

Australia, Indonesia and the Security Agreement

Two Very Different Countries

There are few neighbouring countries in the world as different as Indonesia and Australia. The gulf between their history, culture, economy and politics almost guarantees that relations between the two countries are likely to be difficult and fraught with the danger of misunderstanding. Australians were amongst the earliest supporters of Indonesia's post-War independence struggle, yet in the mid-1960s soldiers of the two countries were pitted against each other in the jungles of Borneo. The establishment of President Suharto's New Order regime after 1965, however, changed the dynamic of relations between Australia and Indonesia. As the then Prime Minister, Mr Paul Keating, emphasised when the Australia-
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Indonesia Security Agreement was signed, the stabilisation of Indonesian politics after 1965 was one of the single most important developments in providing Australia with a secure regional environment, including saving Australia from much greater defence expenditure.\(^{11}\)

But while Indonesia has achieved important economic successes and relative political stability in recent years, recurrent problems of government and the economy after 1965 and into the 1970s caused the country to be regarded as a continuing potential source of instability. This was exemplified by the signing of the Five Power Defence Arrangements in 1971 (by Australia, New Zealand, UK, Malaysia and Singapore) which was mainly designed to assure Malaysia that its sovereignty would be protected against any repeat of former Indonesian President Sukarno's 'confrontation' during the mid-1960s. Even as links between Australia and Indonesia gradually strengthened during the 1980s, there were still major tensions in the relationship over issues such as East Timor, and President Suharto's affront at allegations of corruption made against members of his family in the Australian press in 1986 which led to a major diplomatic rift between the two countries. Underlying these problems has been some mutual popular ignorance and misconception, with many Australians still seeing Indonesia as a potential aggressor, and many Indonesians' perceptions of Australia being limited to media coverage of flag-burnings and myths about a continuing White Australia policy.\(^{12}\)

In the context of this difficult relationship between two very different countries, there has been important progress in developing Australia-Indonesia relations since the late 1980s. Both governments have attempted to give more substance to the relationship by building upon economic and cultural as well as security links, with regular ministerial and official-level talks between the two governments since 1989. The Timor Gap Treaty of 1989 was controversial in Australia, but gave both governments the opportunity to show clear commercial benefit from the developing connections. Progress has also been embodied in a range of other agreements on matters such as double taxation, extradition, fisheries, protection of investments, copyright protection and technical cooperation. At the level of security, defence cooperation links have expanded, the high profile example of which was the participation of Indonesian troops in the Kangaroo 95 defence exercises. Indonesia is also the second largest recipient of Australian aid, receiving various forms of development assistance totalling $129 million in 1995-96.\(^{13}\)

The impetus for closer and more sophisticated relations between Australia and Indonesia has not only come from the energy of ministerial and official meetings. The increasing connections have been grounded in some convergence of bilateral and regional economic interest between Australia and Indonesia. While there was little complementarity between the two economies even a decade ago, the opening up of the Indonesian economy to the world market in recent years has been mirrored by the increasing internationalisation of the Australian economy. Indonesia's development from an agricultural country whose foreign exchange earnings came mainly from oil, to an economy with a growing manufacturing sector, has created openings for expansion in trade and investment between the two.
countries. Australia's greater economic and political orientation towards its Asian neighbours have allowed these opportunities to be taken up. Merchandise trade between Australia and Indonesia almost tripled in the five years to 1993 and reached $3.3 billion in 1994-95, trade in services has increased substantially, particularly in tourism and education, and Australia is now one of the top ten foreign investors in Indonesia.\textsuperscript{14} In this economic sense at least, Indonesia and Australia have recently become a little less different.

Recognition of these economic links, as well as awareness of common interests in the development of economic integration in the Asia-Pacific region, facilitated the close cooperation between the Indonesian and Australian government in the development of APEC. Co-operation on APEC was important in fostering the confidence to allow the sensitive negotiations on the Security Agreement to proceed.

The Agreement and Australia-Indonesia Relations

While the economic, security and other connections between Australia and Indonesia have gradually built up since the late 1980s, there has been limited awareness of these developments amongst the people of the two countries or amongst the regional community. The Security Agreement represented an opportunity for the two governments to make a public declaration of the increasing closeness of the two neighbours and their confidence in the future of the relationship. The principal achievement of the Agreement was thus symbolic: rather than committing the parties to new arrangements it affirmed a security relationship which made sense because of developing common interests.

The symbolic significance of the Agreement is particularly important for Australia. There have long been fears within sections of the Australian community about a threat to Australia from Indonesian expansionism, a perception which was fuelled by the Indonesian takeover of East Timor in 1975. While these perceptions had little grounding in reality, they have continued to live in the recesses of popular imagination in Australia, underscoring a degree of uneasiness amongst some Australians about their place in a region about which they have little understanding. A major benefit of the Agreement lies in its ability to assuage some of these fears by presenting Indonesia as an 'ally' rather than an 'adversary'. In a wider sense, the Agreement gave a boost to the Australian government's attempts to focus the community's attention on the importance for Australia of the Southeast Asian region. As journalist Greg Sheridan expressed it, the Agreement told 'the Australian people, and others, the truth about where our long-term national interests lie'.\textsuperscript{15}

The Agreement can also be seen as an outcome of the Australian Government's efforts to play, and be seen to play, a role in regional affairs. Following upon Australia's contribution to the Cambodian peace settlement and its important role in giving impetus to APEC, the Agreement implies not only recognition by Indonesia of the importance it accords its relationship with Australia, but also affirms Australia's presence as a significant power
linked into the web of relationships in the Southeast Asian and wider Asian region. A commentator in *Time* magazine observed that Australia's initiatives on APEC and the Security Agreement with Indonesia had 'done more to bring Australia into the regional consciousness than most observers would have thought possible a decade ago'. For Indonesia to depart from its traditional foreign policy approach and sign a bilateral security agreement with Australia can be seen as a significant achievement for the Australian Government. President Suharto was personally committed to the Agreement (which was negotiated without the knowledge of Foreign Minister Ali Alatas), a commitment which can be understood in the context of his close relationship with the then Prime Minister, Mr Paul Keating, and the support provided to President Suharto by Mr Keating on issues such as Indonesia's hosting of the 1994 APEC summit, and during Indonesia's dispute with the US over human rights issues in 1993.

From Indonesia's point of view, the Agreement is an opportunity to dispel popular Australian fears of Indonesia. The Indonesian Minister of State, Murdiono, quoted President Suharto as saying that the Agreement 'should wipe out any doubts among certain elements in Australia about Indonesia's position'. Murdiono was, however, realistic enough to add that it was impossible to eliminate 'the feeling of mistrust completely', a comment which echoed Foreign Minister Ali Alatas' plea to observers not to expect the two countries to 'suddenly ... agree sweetly on everything'. Murdiono's statement that 'the two countries have agreed not to interfere in one another's affairs' could also suggest that the Indonesian Government hopes the Agreement might place an obligation on Australia not to pressure Indonesia over issues such as East Timor and Irian Jaya. The Agreement has also cemented into place the security aspects of Indonesia's strengthening relationship with Australia and affirmed that defence cooperation activities will continue. One Indonesian strategic analyst said that the Agreement would 'neutralise Indonesian aversion' to the Five Power Defence Arrangements. The Agreement might have the additional benefit of marking a small step in fulfilling Indonesia's ambition to be recognised on the world stage as a significant player by demonstrating Indonesia's closeness to a country intimately linked into Western security networks.

The Agreement and Future Relations

Concerns have been expressed within Australia that the Agreement represents some kind of endorsement of the authoritarian character of the Indonesian Government or, more specifically, that it implies support for Indonesia's policies and practices in East Timor. Jose Ramos-Horta of the Timorese National Resistance Council called the Agreement 'a political statement which gives credibility and legitimacy to Indonesia'. It has even been suggested that the Agreement might draw Australia into internal conflicts in Indonesia. East Timorese organisations in Australia have argued that the Agreement might be invoked by the Indonesian Government to place pressure on Australia to clamp down on the activities of Timorese exiles in Australia.
It is unlikely that the Agreement would be used by Indonesia in such a blunt and direct manner, but successive Australian governments will have to cope with the risk that its close security relations with Indonesia could be a source of embarrassment. Not only are there regional conflicts in Indonesia such as East Timor, Irian Jaya and Aceh, but economic and social change is bringing new potential sources of conflicts as pressure for democratisation grows, the emerging working class pushes for trade union rights and Islamic organisations spread their influence. Since the prime function of the Indonesian military will, for the foreseeable future, remain internal security, individuals or units of the Indonesian military are liable to be accused of human rights abuses. The possibility that they might be revealed to have had training in Australia or had other links with Australia should not be ruled out.

Most commentators have concluded that Australia has gained more from the Agreement than has Indonesia. The domestic political significance for Australia is much greater because popular perceptions of Indonesia as a threat are not reciprocated in Indonesia, and Australia needs to engage with its Southeast Asian neighbours more than they need to engage with Australia. In these circumstances the political and defence establishment in Jakarta probably sees the Agreement as less significant than do their counterparts in Canberra. Public presentation of the Agreement in Indonesia has tended to emphasise those aspects covering defence cooperation activities such as joint exercises and training, rather than those parts which infer a commitment to mutual defence. The *Jakarta Post* reported Murdiono as saying that the Agreement 'will only formalise existing security cooperation programs'.

The Agreement does have the important practical result of creating an impetus for future cooperation between the two countries and in providing a framework in which cooperation can develop, in particular by providing for regular ministerial consultation on security matters. During his visit to Jakarta in April 1996, the Minister for Foreign Affairs, Mr Alexander Downer, said that he and his Indonesian counterpart, Mr Ali Alatas, had discussed their common desire to 'build on the mutual Security Agreement' and that there was 'substantial scope for further cooperation in the area of security'. The Minister for Defence, Mr Ian McLachlan, has also said that the Agreement will be a useful framework for the discussion of bilateral issues with Indonesia.

**Defence and Strategic Considerations**

**Regular Consultation and Cooperation**

Article 1 of the Agreement provides for regular Ministerial level consultations and for the development of cooperation 'that would benefit [the Parties'] own security and that of the region'.
These provisions are in large part self-explanatory. The provision for regular meetings between Ministers is new, that on cooperation more a recognition of a trend which has been developing ever since Australian-Indonesian security relations returned to an even keel after the *Sydney Morning Herald* article affair a decade ago. It has yet to be made clear whether the consultations will involve both sides' Defence and Foreign Ministers, or only one Minister from each country.

The significance of these provisions lies less in real security gains for either party than in the formalisation and recognition of conditions already in place. Nevertheless, regular dialogue at Ministerial level on security matters can only be considered a positive development.

Formal security treaties have been uncommon events in recent times. The best known one to which Australia is party is undoubtedly the 1951 ANZUS Treaty with the US and New Zealand. Though the latter country has not been actively involved for ten years the treaty, as between Australia and the United States, remains operative. Another well-known security treaty is the North Atlantic Treaty (NATO) signed in Washington in 1949.

The NATO Treaty is strongly worded. Article 5 declares that:

...an armed attack against one or more of [the parties]...shall be considered an attack against them all; and consequently they agree that, if such an attack occurs, each of them...will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force...27

By contrast, the ANZUS Treaty of 1951 contains no such strong words. In particular, it does not say that an armed attack against one party would be considered an attack against all, nor is there any reference to the use of armed force. Instead, Articles III and IV of the ANZUS treaty state:

III. The parties will consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the parties is threatened in the Pacific.

IV. Each party recognises that an armed attack in the Pacific area on any of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.28

Thus the ANZUS Treaty obliges the parties to do no more than consult if one or more of them is attacked. This is not to say that more might not be done; but the treaty of itself imposes no obligation to do more.

In this context the recent Indonesian Agreement more closely resembles ANZUS than NATO. Article 2 obliges the parties to 'consult' and 'consider measures which might be taken' in the event of 'adverse challenges'. It is fully open to either party, or both, once having consulted, to do nothing at all if that is what is judged to be in the national interest.
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This being so, the debate about the use of the term "adverse challenges" can be put into context. Were either party to interpret this phrase in ways which the other found inappropriate - for instance, by trying to involve its partner in its internal security problems - there would be no obligation to do more than consult. A reply could then be made to the effect that, in the particular case, it was not felt that any action should be taken; and this would be wholly consistent with the Agreement's provisions.

Cooperative security activities

The third Article of the Agreement provides for 'mutually beneficial cooperative activities in the security field' in areas to be identified.

This really represents no more than a statement of what has been going on for some years, with Indonesian forces visiting Australia for training or exercises and vice-versa. The Australian and Indonesian navies have been conducting exercises on an opportunity basis - so-called PASEXs, where ships which encounter each other in the normal run of events will conduct a suitable small-scale drill or exercise - for several years. Recently Indonesian elements participated in the 1995 iteration of Australia's major military exercise, the KANGAROO series. Nevertheless, the formalisation which the Agreement provides affirms the success of previous activities and suggests that (funds being available) some expansion may be possible. The provision that cooperative security activities are to take place in areas identified by the parties refers less to geographical areas than to types of activities which both countries might agree to conduct in cooperation.

Given that Indonesia's powerful Minister for Science and Technology, Dr B.J. Habibie, was reportedly 'impressed by the sophistication of military hardware he saw during a visit to Australia' in 1994, one type of cooperation which may be sought by Indonesia under the Agreement is likely to be in the field of defence science.29

The Article is strictly limited in its application, however, by the rider that all activities will be 'in accordance with the policies and priorities of each [partner]'. This provides both countries with an escape hatch, permitting either to reject any proposed activity - eg, one which might involve a sensitive technology transfer - without in any way violating the Agreement.

Conclusion

The Indonesia-Australia Agreement on Security is a product of the increasingly close relations between the governments of the two countries and of the development of substantial common interests in trade, investment and regional security. Indonesia's decision
to break with tradition and sign a bilateral security agreement should be understood in the context of its efforts in recent years to develop a wider and more active foreign policy. While ASEAN remains Indonesia's prime focus, a new confidence born of the country's economic success, combined with emerging regional and international uncertainties in the post-Cold War world, has induced the Indonesian government under President Suharto's leadership to enlarge its network of relationships. These developments have dovetailed with the increasing internationalisation of the Australian economy and with Australia's push to develop closer relations with the countries of Southeast Asia.

For Australia, the Agreement symbolises the progress the Australian Government has made in developing one of the country's most important but most difficult bilateral relationships, and in winning recognition as a significant player in regional affairs. The Agreement will also assist in assuaging community fears about Indonesian intentions towards Australia. For Indonesia, the Agreement formalises the defence cooperation relationship with Australia, and contributes towards its long-term goals of winning recognition as a stable, rapidly developing country with substantial international connections, including with Western democracies.

It is important to emphasise, however, that the terms of the Agreement are largely symbolic. This is not to downplay its importance; symbolic statements are central to the conduct of international affairs. Rather, it means that the Agreement does not commit either party to the defence of the other or draw them into any kind of binding pact. The elements of the Agreement which deal with defence cooperation have only the effect of formalising activities which already exist. The main potential problem in the Agreement from the Australian Government's point of view might come from the perception that the Agreement gives legitimacy to the internal security activities of the Indonesian military, particularly in East Timor and Irian Jaya. Suggestions that the Agreement might be invoked by Indonesia to place pressure on Australia, or to involve Australia in internal Indonesia conflicts seem far-fetched, but as defence cooperation between the two countries is expanded, the Australian Government will have to act with care to ensure that it is not embarrassed by being linked to possible human rights abuses by the Indonesian military. Such considerations apart, however, the Indonesian-Australia Security Agreement highlights the progress which has been made in Australia-Indonesia relations in recent years, in the field of security and in the wider arena. The Agreement also provides impetus for future cooperation between the two countries and creates a framework in which cooperation can develop.
Endnotes

3 Transcript of the Prime Minister, the Hon. P.J. Keating, MP, Interview with Kerry O'Brien, ABC TV 7:30 Report, 14 December 1995, p.1. (Issued by Prime Minister's Office).
5 Keating wrong on secrecy for Indonesia treaty, News Release from D. Williams, 19 December 1995.
7 Asia Yearbook 1996, p 14, 140.
10 ibid, p 155-160.
11 Statement by the Prime Minister, Hon. P.J. Keating,
12 For a study of some Australians' attitudes to Indonesia see Rob Goodfellow, 'Ignorant and Hostile: Australian Perceptions of Indonesia', Inside Indonesia, Sept 1993, pp.4-6
16 Roff Smith, Time, 26 February 1996, pp.32-37
23 See for example Alan Wrigley, Australian, 15 December 1995, p.5.


28 Text of the ANZUS Treaty from Grenville, p.338.

Appendix A

THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (hereafter referred to as 'the Parties'),

DESIRING to strengthen the existing friendship between them;

RECOGNISING their common interest in the peace and stability of the region;

DESIRING to contribute to regional security and stability in order to ensure circumstances in which their aspirations can best be realised for the economic development and prosperity of their own countries and the region;

REAFFIRMING their respect for the sovereignty, political independence and territorial integrity of all countries;

REAFFIRMING their commitment to the settlement of all international disputes by peaceful means in accordance with the Charter of the United Nations and international law;

RECOGNISING that each Party has primary responsibility for its own security;

MINDFUL of the contribution that would be made to their own security and that of the region by cooperating in the development of effective national capabilities in the defence field and hence their national resilience and self-reliance;

NOTING that nothing in this Agreement affects in any way the existing international commitments of either Party;

THEREFORE AGREE as follows:

1. The Parties undertake to consult at ministerial level on a regular basis about matters affecting their common security and to develop such cooperation as would benefit their own security and the region.

2. The Parties undertake to consult each other in the case of adverse challenges to either party or to their common security interests and, if appropriate, consider measures which might be taken either individually or jointly and in accordance with the processes of each Party.

3. The Parties agree to promote - in accordance with the policies and priorities of each - mutually beneficial cooperative activities in the security field in areas to be identified by the two Parties.

4. This Agreement shall enter into force on the date of the later notification by either Government of the fulfilment of its requirements for entry into force of this Agreement.
IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

[Signed by Senator Evans for Australia and Mr Ali Alatas for Indonesia on 18 December 1995].