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Indonesia-India Relations: It's Business as Unusual BY ENDY BAYUNI

Endy Bayuni, Visiting Fellow at the East-West Center in Washington and formerly editor-in-chief of the *Jakarta Post*, argues that the presence of Indonesian president Yudhoyono as chief guest at India's 62nd Republic Day celebrations marked the first step toward reinvigorated relations between Indonesia and India. "The growing convergence of values and interests that resulted from these major internal changes in India and Indonesia is bringing the two countries closer together once again."

The presence of Indonesia's President Susilo Bambang Yudhoyono as chief guest at the 62nd Republic Day celebrations in India in January marks a major milestone in the long history of Indonesia-India relations. This development could have repercussions beyond the two countries' immediate borders. India selects carefully whom it wants to be the chief guest each year, and the choice of which foreign leader reflects the importance New Delhi attaches to its relations with that country. By extending this year's invitation to Yudhoyono, New Delhi is clearly signaling that it wants to develop closer relations with Jakarta. In response, Yudhoyono reciprocated the gesture by gracing New Delhi with his presence. He certainly meant business, both figuratively speaking and literally, when he came with a large delegation that included many Indonesian CEOs.

Yudhoyono's visit indeed echoes how modern relations between Indonesia and India began. Indonesia's founding president Sukarno was the first chief guest in the inaugural commemoration of the Republic Day on January 26, 1950. Those were the years when relations between India and Indonesia were historically the closest. The two countries had just freed themselves from the shackles of European colonialism, were struggling to find their national bearing, and found in each other a like-minded neighbor in the early years of independence. Their contribution went beyond serving their respective national interests. Sukarno and India's first Prime Minister Jawaharlal Nehru founded the Non-Aligned Movement that provided a voice for Third World countries, refusing to be drawn into the emerging Cold War between the United States and the Soviet Union.

However, that it has taken all of 61 years for another Indonesian leader to be invited to India's Republic Day shows how far the two countries have drifted apart. In the 1960s, as India trod the path to socialism, Indonesia, under General Suharto, turned to the West for economic aid. Then, there was the Pakistan factor, and the attendant Kashmir issue, that further complicates Indonesia's relations with India. The predominantly Muslim Indonesia threw its support behind Islamabad. As a result, despite the two countries' continued engagement in the Non-Aligned Movement, relations were cordial at best.

Things began to change in the 1990s, first with the Indian economy slowly opening up to market forces and shedding its socialist brand. Meanwhile, Indonesia ushered in a new era of democracy after the collapse of the Suharto regime in 1998.

The growing convergence of values and interests that resulted from these major internal changes in India and Indonesia is bringing the two countries closer together once again. Building relations is so much easier when both countries share common values and principles—on issues such as justice, freedom, and democracy—and are in agreement regarding the future direction of their economic development.



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There is nothing to stop Indonesia and India from forging closer ties now. Relations today are nowhere as warm as during the Sukarno-Nehru years, but Yudhoyono’s visit to India has paved the way. Indonesian and Indian leaders are now comfortable with one another and know the potential that they can achieve together, not just for their own peoples but also for the region and beyond.

The foundations for closer relations have always existed. Geographically, as successive Indian ambassadors in Jakarta like to point out, the two countries are not that far apart. The westernmost tip of Sumatra is 90 nautical miles from India’s easternmost outposts of Andaman and Nicobar islands. Culturally, the two countries are closer than most care to admit, with the influence of Hinduism and Buddhism visibly apparent in Indonesia. If Indonesia is listed as the country with the world’s largest Muslim population, India comes in as a close second.

The two countries, the second- and third-largest in Asia in terms of population, face similar challenges. Both are strongly committed to secularism as a way of uniting their large and diverse populations. They may be at the early stages of economic development—with large portions of their population still mired in poverty—but as the trends of the last decade show, they are on the threshold of unleashing their economic potentials. India and Indonesia have embraced market-driven economics, and both are furthermore members of the G20.

India is providing Indonesia and the rest of the developing world with an alternative model of development to the one taken by China, thereby destroying the myth of a trade-off between economic progress and democracy. Indonesia could learn a thing or two from India on how to push for economic development without resorting to authoritarian rule, as was the case under Suharto. Progress may be slower this time, but with stronger democratic checks and balances, it will likely be more sustainable and certainly less susceptible to corruption.

The growing presence of Indian investors, managers, and professionals in Indonesia can only help push relations between the two countries to a higher level, as is Indonesians’ increasing affinity for India’s pop culture, particularly Bollywood films. In this emerging relationship, people-to-people contacts precede trade and business, which are only starting to grow after the signing of the Strategic Partnership Agreement during Yudhoyono’s previous visit in 2005.

There is reason for optimism following his latest visit, in which he saw the signing of eighteen new agreements between the two governments and between their business leaders. Two-way trade is poised to grow from an estimated \$12 billion in 2010 to \$20 billion in 2015. The visit also saw Indian companies committing to invest \$15 billion in Indonesia this year. On security, the two countries are collaborating in fighting terrorism and radicalism and patrolling the vast Indian Ocean.

Indonesia and India should be mindful that when two countries as large as theirs forge a strong alliance as they intend to do now, it will have a major impact that goes well beyond their own immediate borders or their national interests. If the collaboration between Sukarno and Nehru in the 1950s was any indication, the two largest democracies in Asia today can contribute much to the promotion of justice, peace, and prosperity in Asia and beyond.