The development of middle powers interaction: Australia-Indonesia bilateral relations

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Abstract: Australia and Indonesia are two middle-power neighbors with the ability to maintain more friendly bilateral relations than in the past. They also work actively to contribute to peace and stability in the region. Does the development of bilateral relations affect their status as a middle power? Can bilateral relations promote a transition from middle power to major power in the region? There is no consensus on how to define middle powers; thus, the objective of this study is not to suggest a new definition of middle power in the debate. Instead, it applies diverse interpretations of the concept in examining the feasibility of the concept of middle power transition. This notion can be used to measure the extent to which such a transition affects a middle power. Interaction between two middle powers serves as an independent variable, and the concept of middle power is the dependent variable in this study. This study uses a qualitative method to argue that Australia and Indonesia may change their middle power position, identity, and behavior due to the development of bilateral relations. The two middle powers may have some characteristics of major power. However, this does not necessarily mean that they shift to become major powers in the region. Australia and Indonesia have the potential to transform to be more powerful as influential actors in the region and an active contributor to peace and stability in the region. This bilateral case study contributes to a broader understanding of the contested concept of middle power.

Keywords: Australia, Indonesia, middle power, Australia-Indonesia bilateral relations

1. Introduction

Australia and Indonesia are both located at the center of the Indo-Pacific geopolitical construction. Australia is Indonesia’s neighbor with the longest coastline border. Indonesia’s geographical location is directly to Australia’s north, and Indonesia is Australia’s closest and largest neighbor. The geopolitical positions of these two middle powers can be the foundation for great bilateral relations. However, in the past, there were some problems in the relations. The decline in bilateral relations was caused by minimum trust between the elite and the people.

Nevertheless, bilateral cooperation has been developing significantly. Both see each other as strategic partners. The 2013 Australia Defense White Paper states that Indonesia is “our most important regional strategic relationship” (Defence White Paper 2013). The 2016 Australia Defense White Paper states that relationship with Indonesia is vital to Australia (2016 Defence White Paper, 2016). On March 4, 2019, Indonesia and Australia signed the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), a comprehensive agreement that provides for long-term win-win cooperation for easy market access, trade and investment. They see each other as partners. The defense and security relations have improved when the two governments have also signed important partnership agreements on maritime and their shared interests as maritime states. “Joint Declaration on Maritime Cooperation between The Government of Australia and the Government of the Republic of Indonesia” signed in 2017. In 2018, both middle powers signed the plan for action to conduct numerical maritime cooperation (Plan of Action for The Implementation of the Joint Declaration on Maritime Cooperation between The Government of the Republic of Indonesia and The Government of Australia, 2018).

Does this development of bilateral relations affect their status as a middle power? Can bilateral relations promote a transition from middle power to major power in the region?

This study aims at applying the diverse interpretations of the concept of middle power in examining the feasibility of the concept of middle power transition. The first section identifies the contested concept of middle power. The second section describes the up and down of Australia-Indonesia bilateral relations to demonstrate how middle powers interact with each other. The third section examines the feasibility of the concept of middle power transition. In this last part, it also identifies potential implications of the development of middle power interaction.

2. Research Method
The qualitative research methodologies used in this study were mostly based on the evaluation of theoretical frameworks, literature reviews and government documents on defense and security issues as well as bilateral relations documents. The independent variable in this study is the development of two middle-power interactions, Australia-Indonesia bilateral relations. The dependent variable is the contested concept of middle power.

At the initial stage, the study investigates literature reviews on the contested concept of middle power. The study tries to identify major elements for what constitutes a middle power. Based on empirical studies of Australia-Indonesia bilateral relations and literature related to the contested concept of middle powers, this study examines the feasibility of middle power transition. This notion is then used to measure the extent to which such a transition affects middle power status and the implications of the transition to the region.

3. Results and Discussion

3.1. The contested concept of the middle power

The term middle power has been used by statesmen and diplomats in their speeches and government documents. It has also been conceptualized by academics, particularly international relations scholars. However, there is no consensus in defining the concept. The diverse interpretations are based on different approaches or perspectives in defining the term. There are at least three different approaches to examining middle powers. These approaches define middle powers from states’ “position,” states’ “identity,” and state’s “behavior.”

The first approach is middle powers in terms of the state’s “position.” The concept refers to states that rank middle in numerous measurable capabilities such as territorial size, resources, leadership or military powers (Emmers & Teo, 2018). It is also regarded as a state that falls below the eight countries known as great powers: the United States, China, Britain, France, Germany, Russia, Japan and India (Efstatopoulos, 2023).

The second approach is middle powers in terms of the state’s “identity.” The term refers to states that identify themselves as middle powers. Middle powers distinguish themselves from the “small state” in the international system. Australia and Canada are two examples of middle powers that have declared this self-identification (Efstatopoulos, 2023). They explicitly state that they are in different categories in contrast to the small state in the international hierarchy. These two middle powers use the notion as a category of practice (De Bhal, 2023).

The third approach is middle powers in terms of the state’s “behavior.” The concept stresses the usual behavior of the middle states in the international system. The behaviors to include using multilateral institutions to pursue their interests as well as restraining and constraining great powers through insitutions, implementing diplomacy strategies based on its main resources or “niche diplomacy,” or using soft power to pursue their national interests (Efstatopoulos, 2023).

In addition to these three approaches. The concept of middle power can be explained through power asymmetries and regional contexts. According to this perspective, the concept of middle power can be analyzed through alignment and military strategies. Based on the examination of the six middle powers cases, Australia, Brazil, Canada, Germany, India, Italy, Japan and South Korea, the findings indicate that middle powers share similar ends, means and ways of military strategies in contrast to small powers and great powers. Middle powers focus on enhancing international influence. They maintain offensive military capabilities for global projection, and they prefer multilateral operation (Edström & Westberg, 2020).

The concept of middle power can also be examined based on states’ ability to attain their preferred outcomes in the international environment. This notion is related to states’ capacities to advance and secure their interests at the international level (Efstatopoulos, 2018). The concept can also be explained through states’ ability to weaken stratification and strengthen functional differentiation. According to this interpretation, the behavior of middle states is influenced by the international structure, which generates a differentiated structure that is activated by states’ powers (Teo, 2022).

In relation to the approach of the state’s “behavior,” some studies also categorize states into the impact of their behavior, such as through the leadership role of the state. For instance, in conducting diplomacy, a middle power can be a peace initiator, a conflict mediator, a counterhegemonic, a pro-multipolarity or a supporter of international rules and institutions (Emmers & Teo, 2018).

Middle powers are also classified according to their roles as enforcers, assemblers, and advocates. Middle power, which imposes its hard powers in exercising its role, is considered an enforcer. China and Russia are examples of middle powers in this category. Middle power, which applies the neo-liberalism approach in diplomatic relations, is known as an assembler. The middle powers in this category are Brazil, India, Mexico, South Africa, and Turkey. Middle power uses its soft power in exercising its role and is known as an advocate. The middle powers in this category are Australia, Canada, and South Korea. Indonesia in the period of President Yudhyono is argued as maintaining dual middle power roles both as an assembler and an advocate in multilateral forums (Hidayatullah, 2017).

The leadership position in the region is also acknowledged by scholars and diplomats that put Indonesia in the categorization of middle power. As a natural leader in ASEAN countries, Indonesia promotes ASEAN centrality and cooperative East Asian multilateralism. In this way, Indonesia supports both institutional and normative international order in the Indo-Pacific. As a middle power, Indonesia is able to implement a hedging strategy toward China. By implementing this
strategy, Indonesia can engage closely with China while also being concerned and aware of China’s politics and intentions in the future (Anwar, 2023).

The middle power concept can also be constructed by states’ autonomous commitment to international order and pursuing benefits from great powers. However, different governments of a middle power can implement the concept differently. For instance, during the era of President Yudhoyono, Indonesia as a middle power focuses on democratic promotion and engages in liberal international order (LIO), particularly in commitment to autonomy and pursuit of benefits from great powers. During the era of President Joko Widodo, Indonesia focused more on economic development and criticized the LIO (Umar, 2023).

Similar to Indonesia, Australia can also be seen as adopting a conformist middle power role in which it displays liberal internationalism, good international citizenship and multilateral activism. This good profile is due to Australia’s compliance with international law, engagement in multilateralism commitment to humanitarian issues, and respect for citizens’ rights (Abbondanza, 2021). Australia can integrate both realist and idealist perspectives at the same time, which accommodates its labor (liberal internationalism) and liberal and conservative political parties of foreign policy. Australia focuses its middle power in coalition-building rather than on mediation and crisis management. This coalition building attains balancing attributes such as maintaining strategic relations with Quad states and Australia-Japan strategic partnerships (Efstathopoulos, 2023).

Despite diverging approaches in understanding the concept of middle power, a study also indicates that the concept of middle power is a contested concept (Robertson & Carr, 2023). The opponents of the concept of middle power suggest that the term is no longer applicable to the changing international environment. According to Robertson and Carr (2023), the concept of middle power cannot be applied in identifying 6 states (Canada, Australia, South Korea, Indonesia, Turkey, and Mexico). There is a need to create a new conceptual framework to study the non great power states due to the decline of US hegemony and the rise of new technology. In contrast to great powers, which can determine the order of the system, middle powers are states that should respond to the great powers in the evolution of the international system. Therefore, the concept of middle power is not fixed and should continually be reevaluated as the international system changes.

3.2. The up and down of the two-middle power: Australia-Indonesia bilateral relations

This study uses Australia-Indonesia bilateral relations as a case study of two middle powers’ interactions. Bilateral relations are increasingly harmonious in contrast to the past. This study attempts to examine whether bilateral relations could promote a transition from a middle power to a major power in the region.

Australia and Indonesia may have similar characteristics as middle powers, but their bilateral relations have been described in contrast. It has been portrayed as an “up and down” or “roller coaster” relation. The inharmonious episode in bilateral relations could occur given that each power has its own identity and national interests.

Based on bonded and embedded theory, this bilateral relation requires trust not only among leaders but also among society. The changing political government in Australia is relatively quick and in different time cycles than that in Indonesia. This can influence bilateral relations with Indonesia (Troath, 2019). The elites from the two middle powers also affect the relations. The Australian government has less understanding of Indonesian sovereignty and culture; thus, bilateral relations in the post authoritarian Soeharto were fragile. In building relations with Indonesia in the past, Australia did not apply powerful strategic imperatives that are resilience and respect (Nabbs-Keller, 2020).

Numerous unpleasant incidents involving sensitive issues, such as sovereignty, have colored the relationship between the two countries. Among these indicents were the East Timor referendum, the Bali bombings, the instulting of Indonesia’s state symbols, and the push back policy of asylum seekers to Australia. Prime Minister Tony Abbott argued that the return of “boat people” by Operations Sovereignts Border (OSB) back to Indonesian waters was in line with the Policy for Regional Deterrence Framework to Combat People Smuggling since August 2013. During the period December 1, 2013 to January 20, 2014, Australian vessels conducting OSB violated the policy six times by entering Indonesian waters (Ritonga, 2016).

Another incident was the phone tapping by Australian intelligence on Yudhoyono, the Indonesian President and on a number of high-ranking Indonesian officials in November 2013. Indonesia took a firm stance on the wiretapping incident, recallcng the Indonesia Ambassador, Nadib Riphat Kesoema, from Canberra. The decision to recall the Ambassador was made after differences in response to the wiretapping issue. TNI Commander Moeldoko has decided on military cooperation with Australia without prior coordination. Meanwhile, the Minister of Foreign Affairs, Marty Natalegawa, withdrew the Indonesian Ambassador to Australia while waiting for further direction from President Yudhoyono. This disagreement occurred due to the lack of coordination and the lack of synergy in decision-making between the Ministry of Foreign Affairs and the Ministry of Defense (Subagyo & Ginanjar, 2020).

Two months after Australia apologized for the wiretapping incident, another incident occurred. The next incident was that Australian Navy patrols did not coordinate with the Indonesian Navy when intercepting political asylum seekers. Australia put lifeboats on refugees to send them back to Indonesian waters (Ritonga, 2016).

The withdrawal of the Ambassador, which is an example of the failure of Australian diplomacy, was also carried out by Prime Minister Tony Abbott. Ambassador Paul Grigson was recalled from Jakarta by PM Abbott as a form of protest to the
Indonesian Government over the execution of Australia drug traffickers Andrew Chan and Myuran Sukumaran in Indonesia (Alfeini, 2017). Although some unfortunate incidents did occur in the bilateral relationship between the two countries, Indonesia’s maritime defense diplomacy with Australia is considered to have been quite successful and even produces important agreements. Among the agreements that were signed were the Joint Declaration on Maritime Cooperation between The Government of Australia and The Government of the Republic of Indonesia (2017) and the Plan of Action for The Implementation of the Joint Declaration on Maritime Cooperation Between The Government of Australia and The Government of The Republic of Indonesia (2018).

This agreement is important for Indonesia, as it is currently working on implementing the vision of the global maritime fulcrum. The joint work plan stipulates 9 (nine) areas of cooperation to achieve 15 (fifteen) common goals related to maritime security. Cooperation is not just between the Ministry of Foreign Affairs and the Ministry of Defense. It is agreed that synergy among Australian and Indonesian ministries and institutions is needed (Plan of Action for The Implementation of the Joint Declaration on Maritime Cooperation between The Government of the Republic of Indonesia and The Government of Australia, 2018).

Within the framework of this cooperation, there have been various dialogs and meetings ranging from high-level officials to discuss strategic matters to the technical level among experts, joint operations and exercises, educational cooperation and other fields. Cooperation has been positively developed such that there is even a regular meeting between the Minister of Foreign Affairs and the Minister of Defense (2 + 2 Meeting).

Numerous conclusions can be drawn from the interaction between the two middle powers. First, a sequence of deteriorations in Australia-Indonesia bilateral relations demonstrates that middle powers have the capacity to clash when they lack trust in one another. In contrast, when they gain trust, they can create agreements and comprehensive strategic partnerships. As a result, they can work together as strategic partners and become more powerful middle powers in the region. Second, as neighbors, the two middle powers can resolve bilateral issues, which are primarily nonmilitary issues. There is no external intervention, including intervention by great powers, in resolving their bilateral concerns and challenges. This suggests that middle powers may address their bilateral issues independently, primarily through multiple layers of diplomacy.

3.3. Feasibility and The Impact of the Middle Power Transition

Based on the development of Australia-Indonesia’s bilateral relations, this study demonstrates that the development of bilateral relations enforces the three approaches of the concept of middle power. When a middle power interacts with another middle power, each of them has the potential to increase its position, identity, and behavior as a middle power to the next level. However, does it necessarily mean that the interaction leads them to become major powers in the region?

In the case of the development of Australia-Indonesia bilateral relations, Australia uses defense diplomacy as a means for seeking regional influence (Carr & Baldino, 2015). Similarly, Indonesia actively conducts defense diplomacy to pursue regional stability. Both of them use diplomatic approaches in contributing to regional order. The development of bilateral relations does not necessarily lead them to become major powers in the region. Instead, it leads Australia and Indonesia to acquire more power as influential actors in the region and an active contributor to peace and stability in the region.

Based on the first approach of the concept of middle power, the development of these two middle power relations, particularly defense diplomacy, could increase power. The influence may not be in quantitative measurement, such as in the metric of military powers, but it may emerge in immaterial, soft power, or influence measures. The bilateral relation is heading to generate a more solid diplomatic network. The output of the bilateral relations could drive them to possess the immaterial forces to influence other (smaller) powers in the region. Both can be a counterbalance to potential dominant players in regional political structure. These dominant players are great powers or major powers in the region who possess hard or material powers such as military and economy.

The increased bilateral relations could also generate a collective posture of a solid network in mutually enhancing each other position in the region. These two middle powers could become potential major powers influencing the stability of the region. Australia can support Indonesia’s leadership in the Association of Southeast Asian Nations (ASEAN). Australia is also asked by Indonesia to support ASEAN as the epicentrum of growth. The increased dialog and partnership between Australia and ASEAN members will reach its 50th Anniversary by next year (Chairman’s Statement of the 3rd Annual ASEAN-Australia Summit Jakarta, Indonesia, 7 September 2023, 2023). Indonesia can also be a partner of Pacific Island countries that have long maintained closer and good relations with Australia. As stated by the Indonesian President Joko Widodo in the 2022 annual ASEAN-Australia Summit in Phnom Penh, Indonesia expects that Australia could serve as “a bridge to strengthen communication between ASEAN and the Pacific Islands Forum (PIF)” (Setkab.go.id, 2022). However, this development of bilateral relations does not put them in a hierarchical power position in the region. It instead drives them to broaden their network of cooperation with other middle powers and small states.

The second approach to identifying middle power is through the middle power’s identity. The development of Australia-Indonesia bilateral relations, particularly after the signing of the 2017 Agreement on Maritime Cooperation, can
enhance their identities as maritime powers in the region. The development of bilateral relations in the post-COVID-19 pandemic has also opened up possibilities for them to enhance their identity as middle power leaders. Given this new identity, Australia and Indonesia can exercise middle-power leadership in the region for numerous issues, such as public health and climate change. Although they can lead the region, these middle powers declare themselves as middle powers and not declaring themselves as hegemonic powers.

The third approach to identifying middle powers is through their middle power’s behavior. The stronger Australia-Indonesia bilateral relations thus affect their behavior in multilateral platforms. It provides increased diplomatic leverage on the international stage. As a result, these middle powers could become important actors in multilateral dialogs and negotiations.

The global partnership between Australia and Indonesia will have the potential to safeguard the international rules-based order and to achieve global goals such as addressing climate change and realizing sustainable development. However, the two need to design a better integrated strategy in achieving common domestic and international policy priorities. The strategy can be made upon existing bilateral platforms, such as the Indonesia-Australia Comprehensive Economic Partnership Agreement, the ASEAN-Australia-New Zealand Free Trade Agreement, and the Indo-Pacific Economic Framework (Drysdale & Sukma, 2023). Australia and Indonesia share similar ends, means and ways of military strategies in contrast to small powers and great powers. The behavior of the two middle powers does not challenge the existing rule-based international order. Instead, they preserve the rules-based order in their interaction with each other.

4. Final considerations

This study discovers that diverse interpretations of the concept of middle powers are useful frameworks to examine the feasibility of the concept of middle power transition. However, based on the case of Australia-Indonesia bilateral relations, increasing harmonious relations between Australia and Indonesia may change their middle power position, identity, and behavior. These two middle powers become more influential actors in the region, active contributors to peace and stability in the region.

These two middle powers have more immaterial powers due to the development of bilateral relations. This is in contrast with major powers, which are in the high rnk of hard power acquisition in the anarchic international system. As “self-declared” middle powers, Australia and Indonesia share numerous means and ways to pursue their interests, particularly using diplomatic approaches. Instead of declaring or aspiring to be hegemons, these two middle powers exercise their leadership nature to behave as a leader, a bridge between parties or a mediator in collaboration initiatives to preserve rule-based order.

This study of the concept of middle powers may limit the scope of the finding, as it only focuses on the development of Australia-Indonesia bilateral relations. Therefore, future research could employ other middle power interaction cases in examining the feasibility of the middle power transition to become a major power.

Ethical Considerations

Not Applicable.

Conflict of Interest

The authors declare no conflicts of interest.

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