Early Indian Influence in Southeast Asia: Revitalizing Partnership between India and Indonesia

SONU TRIVEDI

Abstract

Southeast Asia has always been socially and culturally diverse, making accommodation easy. The indigenous people shaped adaptation and adoption of outside influences and sought out concepts and practices that enhanced rather than redirected changes already underway in their own societies. This was the result of a process that fundamentally changed the cultural composition and the indigenous traditions of the Southeast Asianists. The distinctive cultural pattern of India succeeded in striking roots in the Southeast Asian region. The result was an imposing array of architectural and other cultural marvels with indigenous interpretations. Under this background, this article studies the impact of early Indian influence on Southeast Asia. It further discovers India’s relation with one of its oldest ally—Indonesia—and proposes strategies for constructive re-engagement for revitalizing partnership.

Keywords: India, Indonesia, Indian influence, Southeast Asia, revitalizing relations

The author is a Lecturer at the Department of Political Science, Zakir Hussain College, University of Delhi, New Delhi.
Introduction

The process of extensive migration, indigenization, interaction and cultural hybridization contributed to the evolution and expansion of India’s composite, syncretistic civilizational legacy. In fact, this distinctive cultural pattern of India succeeded in striking roots in the Southeast Asian region. Southeast Asia was already socially and culturally diverse, making accommodation easy. Thus, began a process that fundamentally changed the cultural composition and the indigenous traditions of the Southeast Asianists (Hall, 1981: 12–16).

Indian culture was welcome in Southeast Asia because it came without political strings (Sardesai, 1981: 14). Furthermore, indigenous people shaped the adaptation and adoption of outside influences and sought out concepts and practices that enhanced rather than redirected changes already underway in their own societies. In the later stages of the assimilation process—particularly in the Indianized areas—local syncretism often produced exuberant variations, which, despite familiar appearances, were expressions of local genius rather than just inspired borrowings. The result was an imposing array of architectural and other cultural wonders. This was very much close to the Indian image and more original in indigenous interpretations. The seriousness and profundity with which all this activity was undertaken is clearly identifiable. According to Encyclopaedia Britannica (2007), by the seventh century A.D. Palembang in southern Sumatra was being visited by Chinese and other Buddhist devotees from throughout Asia, who came to study doctrine and to copy manuscripts in institutions that rivaled in importance to those in India itself. Later, beginning in the eighth century, temple and court complexes of surpassing grandeur and beauty were constructed in Central Java, Myanmar and Cambodia; the Borobudur of the Sailendra dynasty in Java, the myriad temples of the Burman dynastic capital of Pagan, and the monuments constructed at Angkor during the Khmer empire in Cambodia rank among the glories of the ancient world (Britannica, 2008). However, it must be emphasized that these Kingdoms did not blindly adapt, but selectively adopted suitable foreign influences. Emphasis was placed on the indigenous elements in all aspect of thought and state craft.

However, in the process of cultural assimilation, the indigenous culture never lost its identity. According to N.J. Krom, traces of these can be found in the existence of indigenous Javanese art forms: the wayang or the puppet shadow theatre, the gamelan orchestra and the batik work in textiles (quoted in Sardesai, 1981: 14). These local diversities of culture remained intact, in spite of the mottled impact of various influences on the region—Indian, Chinese and non-Asian imperialist powers (Anderson, 1998: 4–5). They also rejected some components; for example, some of the vocabulary and general theories related to the Indian notions of social hierarchy were borrowed but much of the specific practices were not, and neither Indian nor Chinese views of women were accepted as socially and legally inferior.

Under this background, this article argues that under the impact of Indian civilization on the indigenous states of Southeast Asia, there is a need for forging stronger ties with India’s one of the oldest ally—Indonesia. It also proposes strategies for constructive re-engagement and revitalizing partnership. In the words of Pranab Mukherjee, ‘based on a similar world view, we have crafted an enduring friendship found on mutual respect and cooperation. Indonesia is a country with which our relations go well back in time and where an active future

1 Dutch scholar N. Krom refers to these indigenous forms in his study of Javanese civilization before the coming of Indian influence.

beckons us all to build further on time-tested foundations’ (Mukherjee, 2007). In order to accommodate these
two underlying themes, the article has been divided into two parts. The section ‘The Early Indian Influence’
looks into the early Indian influence in Southeast Asia. It particularly gives an insight on the impact of Indian
religion and culture. The section ‘India–Indonesia Relations’ provides a background to India–Indonesia relations
and looks into the prospects for strengthening ties through revitalizing partnership.

The Early Indian Influence

So great was the impact of Indian culture upon Southeast Asia that the historian George Coedès goes so far
as to term the states, which developed under its influence as les états hindouise—Hinduized state of Southeast
Asia (Hall, 1981: 12).\(^2\) Using the concept of Hinduization, he developed a broad analysis of Southeast Asian
societies and the ideas which supported them (Legge, 1992: 9). The spread of Indian culture, he believes, came
as a result of an intensification of Indian trade with Southeast Asia early in the Christian era. According to
him, Indian influence was not manifested through conquest or colonization but through trade. This laid the
foundation for subsequent transmission of the higher culture associated with the development of the indigen-
ous kingdoms, which willingly accepted Indian conceptions of royalty, the sacred language of Sanskrit and
the prescription of Hinduism (Hall, 1981: 17; Legge, 1992: 8).

The initiative for Indianizing process in Southeast Asia came from the ruling classes, who invited Brahmans
to serve at their courts as priests, astrologers and advisors. According to J.C. Van Leur, Brahmans were the
prime agent of Indianization in Southeast Asia, who had monopolized all knowledge about sacred customs,
rites and rituals. The Brahmans also helped administrative organization on the Indian pattern and introduced
laws based on Manu’s code. The process of Indianization also included the alphabetical basis of Southeast
Asian scripts; introduction of Indian epics—Ramayana and Mahabharata; and also works on variety of sub-
jects such as philosophy, astrology, medicine, mathematics, styles of art, dance, architecture and sculpture
(Sardesai, 1981: 17).

All the countries of this area fell within the political orbit of China, but while Chinese influence was intense
in the deltas of Tongking and Northern Annam, it was lesser in the remainder of the field, which adopted
Indian culture and art. The reason seems to lie in the difference of method between the Chinese and the
Indians. The Chinese proceeded by conquest and annexation: their civilization never expanded beyond their
military conquests. The Hindus, on the other hand, by no means attempted conquest or annexation in the
name of a state. No Indian power appears to have pursued an interest in controlling a Southeast Asian power
(apart from the solitary instance of invasion of the Srivijaya kingdom by the Indian king Rajendra Chola in
the eleventh century A.D.). The Indian case was, thus, of a cultural conquest by peaceful penetration: there
was no political dependence on India. While the people conquered by China had to adopt her institutions,
customs, religions, language and script, those of ‘Further India’ kept and developed their own individual cul-
tures, so that in spite of a common Hindu origin, the Khmer, Cham, Mon and Javanese civilizations were
all different.

\(^2\) George Coedès’ work is titled Les états hindouises d’Indochine et d’Indonésie, which was first published in French in 1944. Later it
was translated in English by Walter F. Vella under the title The Indianised State of Southeast Asia (Coedès, 1968).

The early centuries of Indian influence saw several royal dynasties, some Hindu and some Buddhist, rivalling each other for power and territory in Southeast Asia. Hinduism and Buddhism had cast a penetrating influence on Indonesia’s cultural life. It was through the attraction of these two great religions that the cultural relation between India and Indonesia was geared in the past.¹

The Cham established themselves in a region, which became known as Champa (approximately South Vietnam); the Khmer were their neighbours to the west, in Cambodia; further again to the west were the Mon, ruling in Thailand and southern Burma. By the eleventh century, the Mon were largely displaced by Burmese in the west and were under pressure from Thais in the region now known as Thailand. Meanwhile, similar Hindu or Buddhist monarchies had been established in the Malay Archipelago, in the Malay Peninsula itself, and in the islands of Sumatra and Java. From the ninth to the twelfth century, rulers in these territories built spectacular temple complexes in the service of one or other of the Indian religions.

The great shrine of Borobudur in Java is one of the earliest to survive. In the tradition of the Buddhist Stupa, it is a monument rather than a building. The stupa rises from the centre of a massive stepped pyramid base and is decorated with motives depicting the stages of Buddhist enlightenment. The name is said to have derived from the Sanskrit phrase Buhmian Bhara Budhara (mountain of accumulation of merits of the states). Borobudur was built on the confluence of two rivers, always considered a holy spot in India.

In Cambodia, the Khmer dynasty made its capital, from the ninth century, in the city of Angkor. A series of huge Hindu temples culminated in the great twelfth-century Angkor Wat. The temples were engulfed by the jungle after the fall of the city—first to Chams from the east (in 1177) and then to Thais from the west (in 1431). Angkor was rediscovered in the 1860s, to become one of the wonders of the world. To the west, the new Burmese dynasty had its capital from the eleventh century at Pagan on the Irrawaddy. Thousands of elaborate shrines survive there—some in the tradition of Buddhist stupas and others in the style of Hindu temples.

Warfare between the dynasties of Southeast Asia was an almost continuous process, bringing gradual changes in the size and shape of rival kingdoms. An example was the shrinking of the Khmer territory under pressure from Thais in the fifteenth century, when Angkor was abandoned in favour of a new capital further south at Phnom Penh. Both Java and Sumatra were subject to considerable cultural influence from the Indian subcontinent during the first and second millennia of this era. Many Hindu temples were built, including Prambanan near Yogyakarta, which has been designated as a world heritage site, and Hindu kingdoms flourished, of which the most important was Majapahit. Majapahit, the last kingdom of Hindus, established their suzerainty over Palembang and Pahang in Sumatra, and over Malay from Singapore to Kedah and Trenggan (Somvir, 2005). Majapahit rulers extended their power over other islands and destroyed neighbouring kingdoms. Their focus had been on controlling and gaining a larger share of the commercial trade that passed through the archipelago. Buddhism, Shaivism and Vaishnavism were all practised here and in later centuries, Majapahit became a symbol of past greatness. Hinduism finally lost its status as Java’s dominant state religion during the fifteenth and early sixteenth century, as the new sultanates expanded and the great Hindu empire

¹ Based on speech of Dr Edi Sedyawati, Director General of Culture, ‘Indonesia, Indian influence in Indonesian culture’. Retrieved 15 November 2009 from http://www.jncc.org/doc/Indan%20Influence%20In%20Indonesian%20Culture.pdf

Majapahit collapsed. Muslim traders and proselytizers began entering the region. By this time there was a new and powerful force in the region. Similar to Hinduism and Buddhism, a new religion—Islam—emerged. Once again its immediate source was India.

Islam's final push to the east derived from the strength of Muslim India. By the end of the thirteenth century Indian merchants from Gujarat, trading through the Straits of Malacca, established Muslim settlements in northern Sumatra; they were noted by Marco Polo. The wealth and sophistication of these traders brought converts to Islam, and the influence of the religion became rapidly stronger after a Muslim sultanate was established in Malacca from 1445. The threat of conquest and the benefits of trade provided two good reasons for the neighbouring communities to embrace the Muslim faith.

When the Portuguese captured the port in 1511, Islam was on the eve of its triumph in Java, with Hindu culture seeking a refuge in the island of Bali. However, with the spread of Islam in Java and among certain groups of Chams, the Hindu cults in their old form, Shaivism, Vaishnavism, Sanskrit Buddhism of the lesser vehicle and Mahayanist Buddhism, had all disappeared. On the other hand, according to Coedès, Cambodia, Siam, the Laos and Burma had all received a new infusion of Indian culture in the form of Sinhalese Buddhism, which through the missionary efforts of its monkhood had become more deeply implanted in the hearts of the common people than the older Hindu cults had ever been. In Indonesia, the bonds with Brahman India had been finally severed by Islam.

During the fifteenth and sixteenth centuries, Islam spread through the Malay Peninsula and the islands of Sumatra and Java. By the seventeenth century the Hindus, with their warrior princes, Brahman priests and caste system, were confined to the eastern tip of Java. Soon they were ousted even from there. They crossed to Bali, where they and their traditions managed to survive. By this time, the mainland regions from Burma to Cambodia had resolved centuries of indecision between Hinduism and Buddhism and finally they had chosen Buddha. The small island of Bali became, as it remains to this day, the only Hindu outpost in a Southeast Asia otherwise divided between Buddhism and Islam.

But much of the literary heritage of ancient India still survives. Throughout the whole of Indian Indo-China, Malaya and Java, the epic and legendary literature, represented by the Ramayana, the Mahabharata and the Puranas, still constitutes the theme of the classical drama, the shadow theatre, the puppet theatre and the dances. The influence of Hindu law has been also profound. Sanskrit, too, has enriched the native languages with a considerable number of words and their grammars with participles giving them a flexibility they failed to develop from their own roots. The use of the Indian script was invaluable in fixing the languages, and the common origin of the Mon, Burmese, Thai, Khmer, Javanese and Balinese scripts is still recognizable.

**India–Indonesia Relations**

**In Retrospect**

A study of the early Indian influence in Southeast Asia is a witness to the fact that as Asia's two largest and pluralistic democracies, the contacts in between the two giants of South Asia (India) and Southeast Asia (Indonesia) is centuries old. India–Indonesia had a long historical past, dating back to the remote past.
Cultural traditions inherited from India continued to be an important way of life of people in many parts of Indonesia (Roesnadi, 1975: 179). Historically, they have had trade relations and even share some common religious backgrounds (as discussed in the preceding section). Since centuries, the people of Java and Sumatra have welcomed Indians who came to the islands for trade. Furthermore, the stories of the Ramayana and the Mahabharata integrate both the countries (Somvir, 2005). Indonesian art forms derive largely from local traditional versions of the ancient epics Ramayana and Mahabharata. Leading among these are Javanese and Balinese dances and puppetry4 (Wayang, 2007). South Indian culture is bound up with the art of Java. The proof of which could be found in the dance forms and worship of the Balinese.

Indonesia absorbed the three main religions of India: Hinduism from ancient times, Buddhism in the medieval period, and Islam from the twelveth century onwards. Indian traders, mainly from Gujarat, introduced Islam into Sumatra. By the fifteenth century, Islam had spread all over Java. The sociocultural traditions have made relations between India and Indonesia unique and vigorous.

Interaction in the 1950s

India–Indonesia relations during the 1950s witnessed a gradual development of mutual co-operation between the two countries based on the goodwill for each other that was created in the last years of the colonial era. India had, in fact, initiated and made the issue of Indonesian independence a question of common concern of all Asian countries and the international community.5

In order to consolidate the bonds of friendship between the two countries, Nehru and Sukarno exchanged state visits. In March 1951, India and Indonesia signed a Treaty of Friendship stipulating a ‘perpetual peace and unalterable friendship’. Ever since 1951, trade, cultural, military and diplomatic co-operation between the two countries has been constantly increasing (Singh, 1967: 655–56). The most important factor contributing to the cordiality was India’s mobilization of international support for the cause of Indonesian independence. India had raised the Indonesian question in the United Nations’ Security Council and sought UN help to terminate the Dutch aggression. President Sukarno called upon the people of Indonesia and India to ‘intensify the cordial relations’ that had existed between the two countries ‘for more than 1,000 years’ before they had been ‘disrupted’ by colonial powers.

This was strengthened by the common outlook adopted by the two countries towards the world order and the major issues that created tension and threatened international peace and stability (Ramachandra, 1975: 145). Most significant has been their co-operation in foreign affairs. Indonesia followed India’s lead by accepting the policy of non-alignment in the Cold War. Relationship was further strengthened by the bilateral co-operation between the two countries in the field of armed forces (Ibid.). Friendship with Indonesia was also

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4 Wayang is the traditional puppetry and drama of Indonesia, which has been loved by the people of Indonesia for centuries, beginning since pre-historic times right down to the present day. Wayang, Central Java, is one of the oldest continuous traditions of storytelling in the world, and certainly among the most highly developed. Wayang developed from the ninth and tenth centuries as a media for performance of scenarios with themes from the epics Ramayana and Mahabharata, and subsequently, beginning from the middle-age scenarios with themes based on Islam were also created. The varieties of wayang have developed from age to age; until now there are more than sixty varieties of wayang, spread all over Indonesia.

5 The issue of Indonesian independence was raised at the Asian Relations Conference in 1947 and also at the United Nations. To deepen this cause, a Conference on Indonesia was also held in New Delhi on 20 January 1949 (Ramachandran, 1975: 137–38).

valuable to India to isolate Pakistan (Singh, 1967: 656). There was a reasonable hope that the bonds between the two countries would be further strengthened in the following years. But the sixties saw a deterioration in India–Indonesia interactions.

Growing Tension in the 1960s

The changing perceptions of national priorities in India and Indonesia were critical factors that led to lessening of India–Indonesia interactions. Indian–Indonesian friendship did not remain ‘unalterable’ for long. Within a decade, serious differences began to affect each other’s vital—or at least emotional—interests. The emergence of differing views in India and Indonesia towards Communist China and the consequent divergence in each other’s relations with Beijing has been a prime factor in deteriorating New Delhi–Jakarta relations. In due course, China and Indonesia developed a complementarity of interest (Ramachandran, 1975: 151). These domestic and external factors led to a cooling off in India–Indonesia relations.

The boundary dispute between India and China, the Tibetan uprising of 1959 and India’s moral support to Tibetans made it public that all was not well with Sino-Indian relations. But to Indonesian leadership, Beijing remained an anti-imperialist progressive power with whom it was worth co-operating. The differing images of China began to cause serious misunderstanding between India and Indonesia. The relations were at an all-time low when China attacked India in 1962. Jakarta used the Sino-Indian conflict to improve its standing with Beijing.

The main effect of the Sino-Indian tension was a growing friendship between India’s main adversaries—China and Pakistan. The deteriorating Indian–Indonesian relations and growing Sino-Indonesian and Sino-Pakistani ententes produced yet another international marriage of convenience: ‘the Beijing–Jakarta–Rawalpindi axis’ (Singh, 1967: 659–60). From mid-1964 onwards the deterioration in relations between the two countries also came to be reflected in Indonesia’s attitude towards Indo-Pakistan dispute over Kashmir. Indonesia, which had maintained a neutral posture in Indo-Pak dispute till then, tilted in favour of Pakistan.

India–Indonesia Relations under Suharto

The anti-India sentiment in Indonesia was, however, cut short by the internal changes in the country following the failure of the September coup (Ramachandran, 1975: 165). The coup of 1965 and the subsequent transfer of nearly all authority to army leader General Suharto marked a ‘U’ turn in India–Indonesia relations. In an effort to rehabilitate Indonesia’s shattered economy and foundering international prestige, the new leadership decided to call off the ‘Konfrontasi’ (confrontation) and to restore friendly relations with the countries of the West to attract badly needed foreign economic aid. The Beijing–Jakarta axis was demolished because of the alleged complicity of Communist Party of Indonesia (PKI) in the 30 September coup and their subsequent protection by the Chinese authority. China showing solidarity with the PKI cadres outraged Indonesia, and this led to breaking up of all ties with China in 1967. The stage was now set for improved relations with those countries that had been declared enemies during the Sukarno period. Friendly ties were re-established between

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6 Intimacy with Indonesia (and the UAR) provided a proof that India’s frictions with Pakistan did not arise from her hostility to a Muslim country as such.
the two countries of India and Indonesia (Singh, 1967: 659–60). They found themselves once again sharing a common world outlook that was sufficient to rebuild the edifice of their shattered friendship.

Subsequently, leaders of the two countries exchanged visits—Adam Malik, Indonesia’s Foreign Minister, visiting India in September 1966 and a credit agreement being signed between the two countries. Mrs Indira Gandhi’s visit to Indonesia in June–July 1969 marked the building up of a renewed solid foundation for the establishment of close interaction between the two countries. But, the dynamics of Cold War politics did not allow the two countries to come closer to each other (Jha, 1996: 392). During this period, there were two significant issues that created strain in the relations—India’s stand on the Cambodian conflict and Indonesia’s support for the ‘domino theory’ in the wake of the Vietnam War. This was the time when Vietnam War was at its peak and India was worried about this prolonged war in Southeast Asia. Furthermore, India’s recognition to the Heng Samrin regime in Cambodia in 1980 against the collectivist strategy of Indonesia added to the resentment. It has been alleged that New Delhi’s support for socialist regimes in Southeast Asia was considered by Jakarta as contrary to Asia-Pacific stability (Ibid.) Indonesia’s membership of the Association of Southeast Asian Nations (ASEAN) further created apprehensions in the mind of Indian leadership. ASEAN was considered to be an extension of Southeast Asia Treaty Organisation (SEATO) as an anti-communist grouping (Sundararaman, 2007: 426).

After the end of the Vietnam War, Indonesia began to look out for strategies to cope with the new emerging power balance in the region (Jha, 1995: 244). Subsequently, trade relations were formulated under a Trade Agreement signed in June 1978, committing both the countries to take all appropriate measures to facilitate, strengthen and diversify bilateral trade (for details see FICCI, 2007). Successive agreements were also signed in the areas of agricultural, scientific and technical co-operation in 1982 (Embassy of India, 2007a).

Rationale for Re-engagement

India’s focus on a strengthened and multi-faceted relationship with ASEAN is an outcome of the significant changes in the world’s political and economic scenario since the early 1990s and India’s own march towards economic liberalization. Its search for ‘economic space’ has resulted in ‘Look East policy’ (MEA, 2005a). It is a means to reach out to ‘civilizational neighbours’ in that region. Situated in the backyard of ASEAN, India considered linkages with Southeast Asian countries as a gateway in its endeavour of playing constructive role in the Asia-Pacific (Jha, 2009: 136). It was hoped that strategic and economic linkages with ASEAN would pave the way for co-operation and integration with the eastern neighbours. It sought to end the political neglect of Southeast Asia in the preceding decades and gain from economic miracle that transformed the region during the late 1970s and 1980s (Rajamohan, 2003a: 211). India’s Look East policy was also driven, at least in part, by China factor. Rising China was considered as a threat to the regional balance of power. China’s self-perceived role of being a predominant Asian power and its traditional collective nationalistic and assertive mindset has been a constant source of threat to the region (Dixit, 2001: 123). Under this background, it was hoped that closer ties with India could contribute to a stable balance of power in the region.

The influence of geopolitics in the Cold War era made it impossible for New Delhi to reach out beyond the Indian subcontinent and develop all-round relations with ASEAN. With the end of Cold War in the early 1990s and the growing influence of China in Southeast Asia, India realized ASEAN’s importance in terms of
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politics, economy and diplomacy, and consequently launched its 'Look East' policy, the focus of which was how to become actively engaged in Southeast Asian affairs in the changing post–Cold War era (Dutt, 2007: 210). India's 'Look East policy' went through two distinct phases (Rajamohan, 2003a: 211). During its first phase, India's Look East policy was implemented with the purpose of rebuilding its economic relations with Southeast Asia so as to diversify trade away from its main trading partners in North America and Europe. The second phase of India's Look East policy saw greater efforts in forging links with the states of Cambodia, Laos, Myanmar and Vietnam (CLMV) and marshalling support for India to hold a summit level meeting with ASEAN (The Washington Post, 2005, 17 January). In June 1997, under New Delhi's aegis, a sub-regional grouping called BISTEC (later, BIMSTEC to include Myanmar) comprising three South Asian countries (India, Bangladesh and Sri Lanka) and two Southeast Asian countries (Thailand and Myanmar) was formed with the aim of creating a free trade zone among member countries before 2017. In 2000, sponsored by India, the 'Mekong–Ganges River Cooperation Project' between India and five ASEAN member countries (Vietnam, Laos, Cambodia, Myanmar and Thailand) was initiated to promote co-operation in tourism, culture and education in this sub-region (Ibid.). The Look East policy in phase two has opened the door for the first time since Independence to break out of the political confines of the subcontinent that have severely limited India's grand strategic options. The Look East policy has allowed India to break the artificial political barriers between the subcontinent and Southeast Asia (Rajamohan, 2003b).

As a validation of a conscious adoption of a 'Look East' policy, India became a full Dialogue Partner of the ASEAN and participated for the first time at the Post Ministerial Conference (PMC) of ASEAN in Jakarta in July 1996. India also participated for the first time in the meeting of the ASEAN Regional Forum (ARF), which deliberates on the security and political concerns of the Asia-Pacific region and became a summit-level partner (on par with China, Japan and Korea) in 2002. Thus, India has been actively engaged with the ARF and has been having annual summits (India–ASEAN) since 2002. India also participated in the East Asia Summits held in Kuala Lumpur and Cebu in December 2005 and January 2007, respectively. Indonesia is today India's third largest trade partner in the ASEAN.

Strengthening Partnership

Being desirous of strengthening the friendship traditionally existing between them, and for promoting close economic and commercial relations, the Government of India and the Government of the Republic of Indonesia signed a Trade Agreement on 28 December 1966 to facilitate for the import/export of commodities and promote close economic and commercial relations between their countries. Formal trade relations developed between the two countries with the signing of Trade Agreement in June 1978. This committed both countries to take all appropriate measures to facilitate, strengthen and diversify bilateral trade. Periodic discussions have taken place at the ministerial and official levels to strengthen economic and commercial ties within the framework of this agreement. Joint Business Council and business-level meetings have also been convened periodically, particularly in conjunction with high-level visits.

Recognizing the centuries old cultural linkages between India and Indonesia, and with a view of its further promotion, the two countries signed a formal Cultural Agreement in 1955. Since then, formal exchanges of artistes and troupes between the two countries have continued. Again, in December 1996, India and Indonesia...
signed a Cultural Exchange Programme for the year 1997–99 under the aegis of the India–Indonesia Cultural Agreement, with a view to promote further understanding and closer co-operation in the field of culture and education.

For the promotion of Indian culture, Jawaharlal Nehru Indian Cultural Centre (JNICC), Jakarta, has been functioning since 1989 and provides regular classes in yoga, dance and tabla. JNICC participates in cultural activities and major festivals in Indonesia and organizes performances of Indian cultural troupes. Its primary objective is to promote, disseminate and exchange Indian culture in its widest sense in Indonesia. A Bali branch of this centre has been set up in October 2004 and has become an integral part of Bali cultural scene.

Indian investments in Indonesia stand at about US$ 800 million. According to the Indian Embassy in Jakarta, there are currently at least fourteen Indian joint ventures operating in Indonesia. Indian joint ventures in Indonesia include Ispat Indo, INDO RAMA Synthetics (India) Ltd, Five Star Industries Ltd, Indo-Bharat Rayon, Elegant Textile Industry, Sunrise Bumi Textile Industries, Gokak Indonesia, Jaykay Files Indonesia, South Pacific Viscose, Lotus Indah Textile Industries, Bitratex Industrial Corporation, Kewalram Indonesia, Essar Dhananjaya and Indoliberty Textiles. Unlike other international ventures, none left Indonesia during the crisis. Some of them even expanded their operations in Indonesia, including Indo-Bharat Rayon.

A large number of Indian companies have been involved in supplying equipment to and undertaking projects in Indonesia. These include WAPCOS, IRCON, RITES, STUP Consultancy India Ltd, TCIL, Punj Lloyd Ltd, KEC International, TELK Ltd and Bharat Heavy Plates & Vessels Ltd. NIIT/APTECH/LCC Infotech have established IT education centres in Indonesia. IRCON has successfully completed a Toll Road Construction Project in Indonesia and exploring Railway Rehabilitation and Construction Projects as well as prospects for leasing locomotives to Indonesian railway company PT. Kereta Api Indonesia (KAI).7

IRCON, a major Indian public sector company, is carrying out a road construction project in Indonesia and is actively seeking railway projects. Meanwhile, in the oil and gas sector, the Hindustan Petroleum Corporation Ltd has shown interest in entering the Indonesian market. NIIT, LCC Infotech and APTECH have established computer education centres in Indonesia and plan to extend their networks, as others look ready to follow. Presence of more Indian companies in Indonesia will improve trade and investment relations between the two countries.

However, in spite of these closer ties, the India–Indonesia bilateral trade does not seem to be too promising. The total value of bilateral trade has just gone up from US$ 1.6 billion in 2001–02 to US$ 4.4 billion in 2005–06. During the visit of President Susilo Bambang Yudhoyono to India in November 2005, the two leaders agreed on almost tripling of bilateral trade to US$ 10 billion by 2010. A look at the commodity composition of India’s export to Indonesia shows that Indonesia has been an attractive destination for primary products, iron and steel manufactures and electrical machineries. India is the Indonesia’s largest importer of vegetable oil, crude and processed mining, petroleum, pulp and paper and plastic and rubber products.

A ‘New Strategic Partnership’ was called upon by President Susilo Bambang Yudhoyono and Prime Minister Manmohan Singh during the state visit of the former to India in November 2005. The Joint Declaration between the two countries states (MEA, 2005b)8:

7 Based on the information from Embassy of India (2007b), Jakarta.
8 Based on the Joint Declaration between the Republic of India and the Republic of Indonesia—23 November 2005.

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... Through this visit the head of the States of the two countries noted that Asia is emerging as a leading growth centre of an increasingly interdependent globalised economy. This trend offers both countries new opportunities for enhanced economic engagement for mutual benefit. This New Strategic Partnership, therefore, calls for closer diplomatic coordination, stronger defense relations, enhanced economic relations especially in trade and investment, greater technological cooperation, as well as intensified cultural ties, educational linkages and people-to-people contacts. This Partnership also compels both countries to harness the unbounded opportunities that lie ahead and to draw from each other's strength.

Recognizing the role of Comprehensive Economic Cooperation Agreement in accelerating overall economic development of their respective countries and desiring to further expand and develop bilateral relations and cooperation in the fields of trade, industry, investment and other economic fields, the Government of the Republic of India and the Government of the Republic of Indonesia signed a Memorandum of Understanding (MoU) on the Establishment of a Joint Study Group to examine the feasibility of Comprehensive Economic Cooperation Agreement (CECA).

Considering the existing common desire for friendly co-operation and enhanced relations between the two countries, the Ministry of Agriculture of the Republic of India and the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia entered into an MoU to set up a framework for the enhancement of co-operation in the field of marine fisheries.

Again, with a desire to strengthen the existing friendly bilateral relations through closer co-operation in the field of training, the Ministry of External Affairs of the Republic of India and the Department of Foreign Affairs of the Republic of Indonesia have entered into an MoU for Training Co-operation for exchanging experiences that contribute to the strengthening of training activities for diplomatic personnel and of diplomatic studies.

9 The objectives of CECA could be to
1. broaden and deepen co-operation in all economic fields;
2. encourage trade and investment flows, bilaterally and regionally;
3. contribute to trade and investment facilitation through minimizing tariff and non-tariff obstacles, reducing any administrative costs;
4. improve business climate in two countries;
5. promote transparency of regulation through co-operation among relevant institutions.

10 The following areas of co-operation were identified:
1. aquaculture development;
2. exchange of information and data;
3. education, training and sharing of expertise;
4. prevention, combating and elimination of IUU (Illegal, Unreported and Unregulated) fishing activities;
5. Post-harvest development and food safety (including processing, distribution and fishery trade);
6. coastal fisheries management;
7. marine capture fisheries.

11 All the above-mentioned three MoUs were signed in India during the visit of Indonesian President Yudhoyono on 23 November 2005.
The centrepiece of bilateral S&T co-operation is a Tracking, Telemetry and Control Ground Station, jointly maintained by Indian Space Research Organisation (ISRO) and its counterpart National Institute of Aeronautics and Space of Indonesia (LAPAN) at Biak in Papua for Satellites and Geosynchronous Satellite Launch Vehicle (GSLV). The existing facility is being expanded with the addition of a second Ground Station at Biak.

Both countries are aware of the problems, and the militaries of the two countries are working together through various exchange programmes such as joint naval patrol. India has already consulted Indonesia about its decision to undertake joint patrolling of the Malacca straits with US.

Both India and Indonesia grapple with an array of security threats including those from transnational terrorism. These matters are being discussed not only in the bilateral forums but also in other regional forums. The common desire to fight terrorism could be the imperative that would establish foundations for mutually beneficial partnerships both in their economic and security relations. Indonesia is the largest Islamic nation in the world. Its endorsement of the principles of democracy, tolerance and pluralism and condemnation of terrorism can seriously discourage the rise of extremism not only within Indonesia but also in major geographical zones across the globe. Both could leverage their mutual expertise to deal with the threat decisively. The Joint Working Group (JWG) on counter-terrorism with Indonesia has started functioning. It was established under an MoU in July 2004.

Regular exchange of students for proliferation of knowledge and information are a distinctive feature of academia of both the countries. A proposal to establish Chairs in Universities on a reciprocal basis was mooted in April 2002 and remains under active consideration. An ICCR (Indian Council for Cultural Relations) expert in Sanskrit and Vedic Civilization has been seconded to Udhayana University, Bali, since March 1999. A Vocational Training Centre for the Construction Sector has been set up in Jakarta under the ITEC (Indian Technical and Economic Cooperation) programme. This Rs 3.08 crore (US$ 675,000) project was inaugurated in May 2005. Both sides have also agreed to enhance technical co-operation and co-operation in education through the granting of scholarships to students of both countries.12

Revitalizing Relations

Relations between India and Indonesia are endowed with unique characteristics. Perhaps, there is no other country with which India shares so much in common in terms of geography, size, diversity, historical and civilization ties as Indonesia. Indonesia is a key strategic partner of India in the ASEAN and in the context of our ‘Look East’ policy. The two countries should move forward for realization of a strategic partnership taking advantage of the synergies that exist between the two countries.

In this perspective, the promising areas for re-engagement includes: the energy sector like coal mining, oil and gas (both upstream and downstream), manpower and engineering consultancy services for the petroleum industry, power generation, mining industry, non-conventional energy plantation (particularly crude palm oil), IT, toll roads, ports and railways, telecommunications, pharmaceuticals and health care services (Embassy of India, 2007b).

12 This decision was taken at the third Joint Commission between India and Indonesia. The meeting was held on 18 June 2007.
The meeting of the Third Joint Commission between Indonesia and India identified new fields of cooperation, such as Special Economic Zone cooperation, development of alternative energy sources, the conclusion of a Mutual Legal Assistance Treaty (MLAT) in Criminal Matters and Extradition Treaty, cooperation in health and pharmaceuticals, oil and gas, and mining, biotechnology and women's empowerment.\textsuperscript{13} The two countries have also emphasized on strengthening of cooperation in information technology, nuclear technology, biotechnology, tele-education, tele-health and strengthening cooperation in space technology, especially after the successful establishment of the second Telemetry Tracking and Command Centre in Biak by ISRO and the recent piggy back launch of the LAPAN-TUBSAT Micro Satellite by India in January 2007. The meeting also recognized the significance of increase in the exchange of visits between members of parliament, government and military officials, trade missions, academicians and 'people to people' exchanges from both countries over the past few years (MEA, 2007).

Indonesia can provide natural gas from Aceh, and copper and nickel from Irian Jaya to India. Building on their common intellectual foundation on nation building, India and Indonesia are looking at cooperation in the sphere of energy. India is studying the possibility of acquiring natural gas from Indonesia across an under-sea pipeline from Aceh to the Nicobar Islands (The Hindu, 2002).

Tourism is one of the most important sectors where cooperation should be enhanced. The age-old India–Indonesia linkages have been about the people mingling and interacting with each other. This dimension has been given a renewed thrust with the impressive growth of connectivity and the ever-increasing flows of tourism between India and Indonesia. This should, however, remain a priority area of cooperation and, in fact, be given even further impetus.

Education can be another important area for cooperation. Indian education is a low-cost and high-standard affair. The educational institutions and think-tanks in both countries can also play a vital role in promoting public and private sector initiatives aimed at strengthening the economic partnership between India and Indonesia in the dynamic global market economy. Multiple-level contacts between various segments of civil society and policy dialogues in the two areas can be encouraged.

Other areas that need to be preserved and enhanced are strengthened bilateral cooperation in science and technology, research and development and environment cooperation. Both Indian and Indonesian companies need to explore setting up of global trading joint ventures for tapping the more dynamic markets in the world. Strengthening two-way investment relations between India and Indonesia offers a key opportunity for forging a sustained economic partnership for mutual benefit in the global economy. Indonesia and India can also regularly share their respective experiences at regional economic cooperation and integration.

The cultural ties can be revived between the two countries and reinvigorated. The two epics—\textit{Ramayana} and \textit{Mahabharata}—are very popular both in India and Indonesia. They could be used as a bridge to make our relations, especially in the cultural field, closer. These two epics are two of the many connections that could be used to deepen relations between Indonesia and India (Junaidi, 2007). These epics in Indonesia have carried universal values, such as humanity and spirituality, instead of just the Hindu messages contained in

\textsuperscript{13} The meeting was held on 18 June 2007.
the Indian versions. Furthermore, through culture and art, including the epics, dance and music, Indonesia and India can develop a better understanding of each other.

Indian diaspora has been an important factor in India's relation with other countries. Indian diaspora in Indonesia can be a major facilitator in promoting the cultural ties between the two countries. Because of their increasing economic strength, members of Indian diaspora are also well suited to play a pivotal role in energizing and augmenting bilateral trade, investments, transfer of technology and tourism. Recognizing their common history, people-to-people links through improved visa and consular services should be strengthened between both the regions.

Co-operation in international fora such as the United Nations, the WTO and the G-77 could further strengthen the ties between these two developing countries of the world, since they share common problems and confront similar challenges in the post–Cold War global order. Being founders of the Non-Aligned Movement (NAM), both India and Indonesia can play an important role in re-orienting NAM to post–Cold War realities. Non-alignment could be recognized as a force in the matters of development to minimize the gap between the rich and poor nations. They can and should cooperate more closely on global issues such as international terrorism, HIV/AIDS, human rights, disaster mitigation, environmental degradation and sustainable development.

Indian ignorance is part of the problem in restoring the richness of our shared cultural heritage with Indonesia. In this regard, Ministry of External Affairs' public diplomacy drive may play an important role in forging common partnership and creating a greater sense of awareness and participation among the people of the two regions. Its significance lies in terms of the more direct impact of foreign policy matters on the people of the two countries. This would be catered through public–private partnership and interactions between MEA representatives and civil societies. The representatives of civil societies would include academicians, businessmen, the media and leading citizens from the region. Inauguration of such an initiative would give an opportunity to the people of the region to air their views and put forward suggestions for New Delhi to incorporate while framing strategic policies regarding country's foreign policy.

Evolving Relationship and its Impact in the Region

As India demonstrates its economic and technological capacities to compete in the twenty-first century, it is becoming an important player in shaping the future political and security environment in Asia. Resilience and stability of India's political institutions and harmony between its decentralized economic and political arrangements has the potential to contribute to India's competitive strength (Sen et al., 2004). As a rising power in Asia, India has been projected as a wing of ASEAN—ASEAN plus one, and Korea, Japan and China being the other wing—ASEAN plus three (Jha, 2009: 150). Prime Minister of Singapore, Goh Chok Tong, has explained this with the help of analogy where he considers ASEAN as a jet plane. 'The northeast Asians are one wing, and India has to be the other wing'. Since no aircraft can fly with one wing, therefore, a balance needs to be created by strategically engaging closely all major neighbours (quoted in Severino, 2006: 204). It is also hoped that a prosperous and self-confident India is also going to be a stabilizing factor in the geo-strategic
landscape of Asia (Suryanarayana, 2008). There was an expectation in Southeast Asia that economically vibrant India could contribute to a stable balance of power in the region (Rajamohan, 2003a: 213).

Indonesia's historical role and attempt to re-establish as a regional leader; to salvage ASEAN’s reputation, particularly its principle of non-interference in context of its impotency to solve the impasse in Myanmar, and help dictate terms of India China's involvement in Southeast Asia offers immense potential and opportunities. Indonesia can play a proactive role in this regard, in the regional dynamics (Polk, 2008: 68–75). Myanmar is considered as a diplomatic embarrassment that needs to be handled through careful pressure and persuasion (International Herald Tribune, 2007). Indonesia's aspiration to restore its role as ASEAN leader grows from the country's political and geographic size and stature. Further its role in founding the organization and Suharto's role over three decades makes its claim more legitimate and offers it undisputed status (Katanyuu, 2006: 836–37). In view of the regime transition and leadership change in Indonesia, ASEAN's Secretary General, Rodolfo C. Severino, observed in August 1999 at a conference:

Indonesia, indeed, has been and continues to be important to ASEAN…. not in the superficial sense of Indonesia being ASEAN's leader because of its size and the qualities of its leader…. If Indonesia had kept to its narrowly nationalistic posture toward the world and retained its suspiciousness toward its neighbors, the level of mutual trust and regional identity that are the key to ASEAN's success could not have been attained. (Severino, 1999)

The Indonesian concept of national and regional resilience and the close linkages between political stability and economic development at both the national and regional levels has made it a dominant power in Southeast Asia. In terms of style and approach, the Indonesian insistence on mushawarah (consultation) and mufakat (consensus) firmed up the preference of the other Southeast Asians for consultation and consensus as the mode for regional decision making. This has paved the way for ASEAN's robust viability and Indonesia's leadership role in it. Adoption of the ASEAN Charter on 15 December 2008 has created another crucial opportunity for Indonesia. It is expected now to play a significant role in protection of human rights abuse, rule of law, good governance and democracy in the region (International Herald Tribune, 2008).

India and Indonesia, bound together by linkages of art and architecture, culture, linguistic similarities and a common traditional heritage, are significant powers in their respective regions—South Asia and Southeast Asia—and offer immense potentialities. There remains vast untapped potential for further growth. These unexploited resources can attract foreign investments and offer immense opportunities. In order to harness this potential, the two countries must build trust and confidence in each other and co-operate on an inter-regional as well as bilateral basis. Given the historical legacy and common cultural and religious background, the two countries may explore the interlinkages and inter-dependence and could go a long way in revitalizing partnership. In recent years, India as a rising power in the subcontinent and Indonesia's role in ASEAN can abate the Chinese ambition for the 'string of pearls'. Thus, as the dominant powers both India and Indonesia with their revitalized friendship can be partners in promoting security, trust and confidence in the region.

14 This argument was put forward by American defence contractor Booz Allen Hamilton in an internal report of the Pentagon in 2005 (The Washington Post, 2005). The 'String of Pearls' describes the manifestation of China's rising geopolitical influence through efforts to increase access to ports and airfields, develop special diplomatic relationships and modernize military forces that extend from...
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the South China Sea through the Strait of Malacca, across the Indian Ocean, and on to the Arabian Gulf. Each ‘pearl’ in the ‘String of Pearls’ is a nexus of Chinese geopolitical influence or military presence. Hainan Island, with recently upgraded military facilities, is a pearl’. An upgraded airstrip on Woody island, located in the Paracel archipelago 300 nautical miles east of Vietnam, is a pearl’. A container shipping facility in Chittagong, Bangladesh, is a pearl’. Construction of a deep water port in Sittwe, Myanmar, is a pearl’, as is the construction of a navy base in Gwadar, Pakistan. Port and airfield construction projects, diplomatic ties, and force modernization form the essence of China’s ‘String of Pearls’. The ‘pearls’ extend from the coast of mainland China through the littorals of the South China Sea, the Strait of Malacca, across the Indian Ocean, and on to the littorals of the Arabian Sea and Persian Gulf. China is building strategic relationships and developing a capability to establish a forward presence along the sea lines of communications (SLOCs) that connect China to the Middle East (Pherson, 2006).

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Early Indian Influence in Southeast Asia


