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Russia-Indonesia Defence  
Cooperation in the  
Twenty-First Century

Alexey Muraviev and Colin Brown

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Strategic and Defence Studies Centre  
Australian National University  
Canberra, ACT 0200, Australia

Tel: +61 2 6125 9921  
Fax: +61 2 6125 9926  
Email: <http://rspas.anu.edu.au/sdsc>

## **Abstract**

The period 2007–2008 may be viewed as a turning point in the development of strategic relations between the Russian Federation and the Republic of Indonesia. To date, however, the evolution of Indonesia-Russia strategic cooperation, particularly in the security sphere, has not received much scholarly attention. Yet relations between Indonesia and the Soviet Union, between the former's proclamation of independence in August 1945 and the latter's collapse in December 1991, went through a number of phases, at times reaching unprecedented levels of what can be described as near-allied partnership.

The 6 September 2007 visit of then Russian President Vladimir Putin to Jakarta marked the culmination of a long and complex process of reanimating bilateral strategic ties begun in the 1990s. Indonesia intends to seek long-term military-technical cooperation with Russia. Moscow's willingness to sell Indonesia advanced military hardware on flexible terms, non-interference in Indonesia's internal affairs (particularly in relation to human rights violations), common views on international developments, and the previous history of bilateral contacts in this sphere, positions Indonesia strongly as a long-term strategic partner.

## About the Authors

**Dr Alexey Muraviev** is a strategic affairs analyst at Curtin University of Technology. He is an award-winning lecturer in International Relations and Strategic Studies in the School of Social Sciences and Asian Languages at Curtin. Dr Muraviev has over 30 publications on matters of national and international security, including two books (one co-authored) and a research monograph. He has published in both the Sea Power Centre—Australia and Canberra Papers on Strategy and Defence series (SDSC), and in a number of other publications, including *Defense Analysis*, *The Naval Herald*, *Jane's Intelligence Review*, *Asia-Pacific Defence Reporter*, *The Navy*, *Australian National Security Review*, and *Defense and Foreign Affairs Strategic Policy*. His research interests include problems of modern maritime power, contemporary defence and strategic policy, Russia's strategic and defence policy, Russia as a Pacific power, transnational terrorism, and Australian national security.

Dr Muraviev's memberships in organisations and think tanks include being a member of the Australian Member Committee, Council for Security Cooperation in the Asia-Pacific region (Aus-CSCAP); research fellow, Contemporary Europe Research Centre (University of Melbourne); member of the editorial board, Sea Power Centre—Australia (Royal Australian Navy); Co-Chair, Perth Strategy Group; reviewer of the *Military Balance*; member of the Research Network for Secure Australia, member of the Australian Institute of International Affairs (WA branch); and a member of the Royal United Services Institute of Western Australia, and other institutions and think tanks.

**Professor Colin Brown** has been Professor of Asian Studies at Curtin University of Technology, Perth, WA, since December 2003. Before that, he was for 10 years Professor of Asian Studies and Languages at Flinders University, Adelaide. He has also held teaching or research appointments at Griffith University in Brisbane, the University of Tasmania in Hobart, the Australian National University in Canberra and Gadjah Mada University in Yogyakarta, Indonesia.

Professor Brown holds a Bachelors degree in economics and a PhD in history, both awarded by the University of Queensland. He is also a qualified professional-level interpreter and translator in the Indonesian and English languages. His teaching and research interests focus on the modern history and politics of Indonesia. His most recent book, *Indonesia: The Unlikely Nation?*, was published by Allen & Unwin in 2003. He first visited Indonesia in 1972, when he undertook his doctoral fieldwork in Jakarta. Since then he has visited the country regularly, for teaching and research purposes. Professor Brown has been Vice President of the WA branch of the Australia Indonesia Business Council since 2004.

# Strategic Realignment or *Déjà vu*? Russia-Indonesia Defence Cooperation in the Twenty-First Century

Alexey Muraviev and Colin Brown

## Introduction

On 18 September 2008, Indonesia's Defence Minister Juwono Sudarsono told a press conference in Jakarta that his country was in discussions with several nations, among them the Russian Federation (later Russia), the People's Republic of China (PRC) and Australia, about acquiring much-needed advanced military technologies and cooperating in manufacturing military hardware in an attempt to reverse the declining capability of the Armed Forces of Indonesia (*Tentara Nasional Indonesia*, TNI). Russian media reported the Minister's announced plans to procure Russian-built strike platforms, including three *Sukhoi* combat aircraft and two conventional attack submarines.<sup>1</sup> The following day in Moscow, Indonesia's new Ambassador to Russia, Hamid Awaluddin, told the Russian media that his country was considering purchasing Russian amphibious tanks, and commented that Russia-Indonesia strategic relations, particularly defence links, were developing "very well."<sup>2</sup>

These events exemplified the growing re-engagement between Russia and Indonesia in the field of security and defence—a development that continues to be largely overlooked and under-examined in contemporary analyses of Russia-Indonesia bilateral political and socio-economic relationships.

To date, the evolution of Russia-Indonesia strategic cooperation, particularly in the security sphere, has not received much scholarly attention. For example, Leonard Sebastian, the author of one of the latest major works on Indonesian strategic policy, *Realpolitik Ideology*, makes only one reference to Indonesia-Soviet relations: "the Soviet Union was an important supplier of weapons through the 1960s."<sup>3</sup> In reality, relations between Indonesia and the Soviet Union (between the former's proclamation of independence in August 1945 and the latter's collapse in December 1991) went through a number of phases, at times reaching unprecedented levels of what can be described as near-allied partnership.

In this paper we seek to chart this substantial re-engagement between Russia and Indonesia, to explain why it has happened and to analyse what each party is seeking to derive from it. We conclude by speculating about the impact the new relationship could have on international affairs in and the security landscape of Southeast Asia. The paper will start, though, with a review of the major phases of Indonesia-Soviet relations up to the end of the Cold War and the break up of the Soviet Union.

## **The Beginnings: 1945–58**

The fall of Berlin to the Red Army in May 1945 and the capitulation of Nazi Germany to the allies in Europe, followed by the September surrender of Japan in the Pacific, did not just mean the end of the bloodiest civilisational conflict in world history. The end of the Second World War also brought a major strategic change to the international geopolitical environment, a change that globalised a power struggle between major actors by extending it to all major parts of the world; the new global environment also saw the emergence of new international players, among them Indonesia.

In 1945, bilateral relations between Indonesia and the Soviet Union were non-existent. The Soviets were far more concerned with recovering from the war and securing geopolitical gains in Europe and Northeast Asia, while the Indonesians were focused on the independence struggle against the Dutch.<sup>4</sup> The country's foreign policy was based firmly on the principle of being active and independent, which translated basically into not being aligned with either of the global power blocs as they were emerging.

The Indonesian Communist Party (*Partai Komunis Indonesia*, PKI) had had contacts with the Soviet Union and the *Comintern* before the Second World War, but the PKI had been eliminated as a significant domestic political force following its failed risings against the Dutch in 1926–27. By 1948, though, it had recovered sufficiently to attempt an armed revolt against the Republican Government, centred on the East Java city of Madiun (known as the Madiun Affair), but this too was readily defeated.<sup>5</sup> The Soviet Union was almost certainly not involved in the planning and execution of this revolt, but it had the effect of drawing the United States into Indonesian politics, with Washington coming off the diplomatic fence and supporting the Republican Government. In turn this led Moscow to denounce the 1949 Dutch recognition of Indonesian independence as 'not bestowing even a vestige of sovereignty upon Indonesia'.<sup>6</sup>

Relations between Moscow and Jakarta did not improve much in the early 1950s. Thus although the Soviet Union formally recognised Indonesia in January 1950, diplomatic missions were not exchanged until 1954, when the balance of power in the Indonesian Government had shifted away from the conservative Masyumi and Socialist Party to the rather more radical—or at least more independent-minded—Indonesian Nationalist Party (PNI) led by Ali Sastroamidjojo and with which Sukarno was informally aligned.

Initially, and setting a pattern which was to last for the rest of the decade, the links Indonesia developed were with countries in the Soviet bloc, rather than with the Soviet Union itself, with trade and in some cases economic aid projects being concluded with bloc members.<sup>7</sup>

Whether this was a result of a policy decision in Jakarta—or Moscow for that matter—is difficult to determine. However the move did suit Indonesia's interests in that it allowed an easing in of the relationship with the Soviet Union, still regarded by some powerful political forces, remembering the Madiun revolt, as a dangerous potential partner.

The degree of distance remaining between Jakarta and Moscow was evident in 1955 when Indonesia staged the Bandung Conference, which addressed problems of the post-Second World War anti-colonial struggle in the developing world. The conference represented the emergence of Indonesia onto the international stage, and of Sukarno as a leader of the non-aligned world.

From the Soviet viewpoint, the Conference was read as indicating that Indonesia and Sukarno could be considered as potential political allies in the Third World.<sup>8</sup> Indeed, the Soviet Union seem to have hoped that it too would be invited to the Conference, not only because of the perceived ideological synergy between Moscow and many of the Conference attendees including Indonesia but also because the Soviet Union was a major presence in the Asian region, its territory extending as far east as Vladivostok and Nakhodka.

However, the Soviet Union was not invited. Indeed, India's first Prime Minister Jawaharlal Nehru reportedly positively opposed its presence on the grounds that, despite its geographical presence in the region, it was not an Asian power.<sup>9</sup> And Ali Sastroamidjojo, by now Indonesian Prime Minister and one of the prime movers behind the Conference, does not even mention the issue of Soviet attendance in his memoirs, implying that he did not see the issue as being of any importance.<sup>10</sup>

Nonetheless, relations between the Soviet Union and Indonesia began to warm considerably from around this time, symbolised in August–September 1956 by Sukarno's first visit to the Soviet Union, during which he was widely feted by the Soviet leadership.<sup>11</sup>

Just before the start of the visit, on 12 August 1956 Indonesia and the Soviet Union signed a trade agreement in Jakarta which created favourable conditions for bilateral economic cooperation as well as for Soviet shipping passing through the strategically significant Indonesian archipelago. Moscow also opened a trade mission in Jakarta.<sup>12</sup> Then, in the communiqué issued at the conclusion of the visit, the two countries announced that agreement had been reached

on the establishment of cooperation in trade, technical and economic spheres, based on equality and mutual benefit. ... The Soviet Union will be granting a long-term credit to the republic of Indonesia, while the Republic of Indonesia will supply raw materials and other commodities to the Soviet Union.<sup>13</sup>

The loan package referred to amounted to US\$100 million.<sup>14</sup> What was not mentioned in the communiqué, but seems to have been set in train by Sukarno during his Moscow visit,<sup>15</sup> was the supply of Soviet military technology to Indonesia.

At this time, the nation was facing two significant military challenges: the campaign to recover West Irian, the western half of the island of New Guinea, from the Dutch; and the revolts against central authority emerging in both Sumatra and Sulawesi. In 1955, Jakarta had approached the United States to request between US\$6–\$7 million worth of weapons and military equipment to use against the rebels, but this request had been denied, apparently because of a fear—undoubtedly well-founded—that such weaponry would be used in the West Irian struggle.<sup>16</sup> Later, as internal revolts were emerging in other parts of the country, US Secretary of State John Foster Dulles asserted that “it did not seem wise to the United States to be in a position of supply arms to either side of that civil revolution”—a position with which the Indonesian Government could hardly have been expected to concur.<sup>17</sup> The Soviet Union had no such qualms.

## The Peak: 1959–64

Soviet strategic rapprochement with Indonesia occurred at the time when the Soviet Union was constructing its regional security networks in Europe and the Pacific. Despite the fact that the Warsaw Pact was already in existence (the alliance had been formed in 1955), the Soviet leadership was concerned about the West's possible response to such a move. Establishing a presence in Southeast Asia through aligning with a regional power such as Indonesia was a strategic imperative for the Soviet Union. Following the pattern that had been established earlier on the trade front, and fearing perhaps a negative reaction to Soviet military supplies going directly to Indonesia from both Western countries and from within Indonesia,<sup>18</sup> the initial weapons transfers between Indonesia and the Soviet Union occurred via a network of 'front-line' transit states. For example, in August 1958 MiG-15 jet trainer aircraft were sent to Indonesia from Czechoslovakia.<sup>19</sup> On Armed Forces Day (5 October) 1958, says one commentator, "the Indonesian public was electrified by the appearance over Djakarta of the first MIG-15 fighters piloted by Indonesians, who had apparently been trained in Czechoslovakia and Egypt."<sup>20</sup>

Poland, another Soviet Warsaw Pact ally, was also used for arms transfers.

However, in 1959 Moscow decided to supply the Indonesian Navy (TNI-AL) directly, rather than using its allies as transfer points. As Russian historian Alexander Pavlov notes:

In 1959, four destroyers and two submarines from the Soviet Union's Black Sea and Pacific fleets came to Surabaya. The reaction of the West was restrained. So in 1960 the USSR decided to supply armaments to Indonesia without taking roundabout routes.<sup>21</sup>

Also in 1959, in a rare display of power projection capabilities for the time, a task group of the Soviet Pacific Fleet (SOVPAC) comprising the cruiser *Admiral Senyavin* and the destroyers *Vyderzhanny* and *Vozbuzhdenny* visited Indonesia.<sup>22</sup> This deployment signified the extent to which the strategic relationship between the two nations was developing.

In February 1960, then Soviet head of state Nikita Khrushchev paid an official visit to Indonesia, during which an Agreement on Cultural Cooperation was signed on 28 February in Bogor.<sup>23</sup> The agreement specified that the two nations would develop multilateral ties based on an understanding of mutual respect and non-interference in each other internal affairs, a point that was particularly important for the Indonesians. The Soviet Union also extended a US\$250 million credit facility to Indonesia, and provided substantial aid, including a 200-bed hospital.<sup>24</sup>

As part of the Bogor agreement, the Soviet Union agreed to assist Indonesia in the defence sphere, including through the transfer of advanced military hardware. The following year, Defence Minister General A.H. Nasution undertook two arms purchasing missions to the Soviet Union. The Soviet Union agreed to supply to TNI-AL the *Sverdlov* class light cruiser *Ordzhonikidze* (later renamed *KRI Irian*), several *Whiskey* class (Project 613) diesel-electric attack submarines (SSKs) and *Riga* class (Project 50) gun frigates, other naval platforms, ammunition and spare parts for the units delivered.<sup>25</sup> Robert Lowry has argued: 'With Russian aid, the [Indonesian] fleet grew from a total of 43 vessels in 1958 to 103 combatants and 49 auxiliaries (including a cruiser, twelve submarines and sixteen destroyer/frigates) in



1965.<sup>26</sup> With Soviet assistance, the Indonesian Navy became the second most potent regional force in the Pacific, falling only behind China.<sup>27</sup>

Similar ends were achieved in other Services. For example, the Indonesian Air Force (TNI-AU) developed a long-range strike capability, enabling it to attack its close and more distant neighbours (including Australia).<sup>28</sup>

Indonesian officers and other personnel were trained in Soviet military and civilian academic institutions, whilst the Soviet Union have sent a sizeable group of naval and aviation military advisors to the country, reaching a total complement of 400 at the height of bilateral defence cooperation at the turn of the 1960s.<sup>29</sup> By the end of 1961, as Michael Leifer says, Indonesia 'had become the largest non-communist recipient of military aid from the Soviet bloc and the largest recipient of economic credits after India and Egypt'.<sup>30</sup>

The Indonesian military also incorporated elements of the Soviet command and control model into their organisational structure following Nasution's 1961 visit to the Soviet Union. As Lowry notes, after comparing British and Soviet organisational arrangements Nasution was inclined towards the Soviet model, in which 'the minister for defence was the senior service officer and exercised full responsibility for the administration and operations of the armed forces ... the chiefs of staff were deputy ministers in an integrated ministry'.<sup>31</sup>

The Soviet military-technical assistance was so substantial that it enabled the Indonesian military to achieve a major qualitative and a quantitative leap in less than eight years. However, the defence relationship might well have gone further than this.

By the early 1960s, Indonesia's campaign to bring the territory of West Irian<sup>32</sup> under its control had entered a new and more confrontational phase.

In 1962, at the height of the crisis, the Soviet Union offered direct but covert military assistance to its new strategic partner. To support Jakarta's struggle with the Dutch and in an attempt to offset US naval supremacy in the region, the Soviet Navy dispatched six submarines supported by a submarine floating base, the *Ayakhta* (all drawn from SOVPAC) to the Surabaya naval base, forming the 50th Independent Submarine Brigade. The Brigade was then redeployed to Bitung (North Sulawesi), in support of Indonesian actions in West Irian.

Details about this deployment from the Indonesian side are extremely sketchy. TNI-AL's Commander, West Irian Liberation Task Force, Admiral Sudomo, acknowledged in a 2005 article that there were six Soviet submarines, with Soviet crews, attached to the Task Force as a strategic reserve, and based at Bitung.<sup>33</sup> He says that the boats were still crewed by Soviet sailors because they had not yet been formally handed over to Indonesia. He notes that the objective of the Task Force was a combined forces operation to land an assault group consisting of army soldiers and marines on the island of Biak—the location of a major military airbase and radar station.<sup>34</sup> He recorded, though, that the Task Force lacked any close air support, and thus that 'we called the mission a *one way ticket mission*'.<sup>35</sup>

Sudomo also asserts—without indicating his sources—that US intelligence, using information collected from U-2 aircraft reconnaissance missions and by United States Navy (USN) submarines, had concluded that the Task Force was the dominant factor pushing US President John Kennedy to write to the Dutch Government on 2 April 1962, urging them to hand over the territory to Indonesia, in a process which eventually produced the New York

Agreement on 15 August 1962.<sup>36</sup> If Sudomo's story is accurately recalled, then it does seem likely that the Soviet naval presence at Bitung at the very least strengthened substantially the Indonesian position with respect to the Americans, and thus contributed to the successful (from Jakarta's perspective) conclusion of the exercise.

From the Soviet side, though, the story is slightly different, and if correct suggests a more active role in the conflict for the submarines.

According to Admiral Igor Kasatonov, former Commander-in-Chief of the Red Banner Black Sea Fleet, the Soviet submarine commanders were issued with secret orders to deter any foreign interference in the crisis and were authorised to use weapons against possible interventionists. The submarines were on patrol at sea for five days before they were ordered to return back to Bitung, where they remained on stand-by.<sup>37</sup>

In addition, Kasatonov asserts that units of the 50th Brigade also prepared for combined offensive operations with Indonesian forces. He later wrote: 'One of the submarines participated in training exercises with a detachment of Indonesian marines, who were supposed to land on one of the islands to destroy an important Dutch military installation—the radar, which supported aviation operations.'<sup>38</sup>

At the end of 1962, the Brigade returned to Surabaya, where the naval crews and technical advisors trained Indonesian counterparts to operate its platforms, weapons and equipment. Eventually, the 50th Brigade was disbanded as a Soviet naval unit, and all submarines, weapons and spare parts were transferred to the Indonesian Navy.

From the Soviet Union's viewpoint, its massive investment in Indonesia was justified in terms of the political leverage it hoped Moscow would gain in the region and the geopolitical advantages which would follow. In particular, the Soviet commitment to arm Indonesia needs to be seen in the context of the Sino-Soviet strategic rivalry, which was by this time the dominant issue in Soviet Pacific foreign and defence policy. Moscow expected that, by developing a strategic relationship with Indonesia, it would outflank China to the south, both militarily and politically.

A further geopolitical consideration was the United States—the other principal political, ideological and military rival of the Soviet Union during the Cold War. An alliance with Indonesia, even the country's continuing neutral stand globally complemented by a favourable political attitude towards Moscow, would have strengthened Soviet strategic positions at the junction of the Pacific and Indian Ocean military theatres; it would have limited or even curtailed US shipping and naval operations in the area, particularly deployments of the USN carrier battle groups and nuclear-powered ballistic missile submarines (SSBNs) from their Pacific bases to their patrol areas in the Indian Ocean.<sup>39</sup>

In this cause, the West Irian case was particularly useful, since it placed the United States in the dilemma of having to choose between supporting a NATO ally (the Netherlands) or supporting Indonesia. The Soviet support of Jakarta was used to demonstrate to the Indonesians that Moscow at least was unequivocal in its position. It may be taking matters a little too far to suggest that the Soviet Union positively encouraged the Indonesians to attack the Dutch, certain that they would suffer massive casualties and thus become even more dependent on Soviet military aid.<sup>40</sup> Yet that would almost certainly have been the result of any such precipitate military action.

But Indonesia interpreted the situation rather differently. Jakarta certainly valued the military support it was receiving from Moscow, in the absence of much by way of substantial support from the United States.

Building up its military potential was an important part of the game of bluff it was playing with the Dutch over West Irian. It is dubious whether Indonesia ever seriously thought it could force the Dutch out by military means, but it did seek to make the cost to the Dutch of defending the territory so high that political negotiations had a chance of success.<sup>41</sup> That the Soviet Union was the primary supplier of weapons to Indonesia only strengthened the latter's bargaining hand with respect to the United States.<sup>42</sup>

And indeed the crucial event which tipped the balance against the Dutch was a political one: the decision taken by the newly-elected Kennedy Administration to reverse previous US policy, and support the Indonesian position.<sup>43</sup>

And a few Indonesian political leaders were politically close to Moscow. But, for the most part, Indonesia's civilian and political leadership maintained a distance from the Soviet Union. This could be seen quite clearly in 1956 when Indonesia joined with other so-called Colombo Powers in condemning the Soviet invasion of Hungary. In the military, Nasution remained, at the very least, not attracted to Communism as an ideology, despite American concerns that his loyalties might be wavering.<sup>44</sup>

For Indonesia, then, the relationship with the Soviet Union (as it developed from the mid 1950s to the early 1960s) was pragmatic rather than political or ideological in nature. Jakarta sought access to military technology and training, and other forms of assistance, but abjured making political concessions to achieve this end.

## **The Decline: 1965–89**

This was the high point of the Soviet-Indonesia strategic relationship to date. In 1962 RAND Corporation analyst Guy Pauker said: 'Soviet advances in Indonesia are truly amazing.'<sup>45</sup> Yet, at the same time, it was also the point at which the relationship began to turn downwards.

The first clear signs of the difficulties were to be seen almost as soon as the West Irian issue had been settled in Indonesia's favour. For a variety of reasons<sup>46</sup> Sukarno and his supporters opposed the formation of Malaysia, which would unite the federation of Malaya with Singapore, Sarawak and Sabah (the latter then known as North Borneo). Soviet policymakers found themselves facing a difficult dilemma. In the case of West Irian, they could readily place the conflict in the context of an anti-colonial struggle against a Western, capitalist state. But this was much harder to do with respect to Malaysia. True, the formation of Malaysia was being supported by the British, and their allies. But there was also clearly a genuine desire for the formation of the new state on the ground too—a desire which was, at least in part, clearly also anti-colonial (Singapore, Sarawak and Sabah were still under varying degrees of British rule). Indeed, one of the reasons Britain supported the move was precisely to withdraw from its role as a colonial power in the region.

Thus, whereas the West Irian issue had presented few policy dilemmas for the Soviet Union (and indeed, as has been demonstrated, offered significant strategic and political opportunities), the Malaysia dispute did not.<sup>47</sup> As a result, the Soviet approach to Indonesia cooled. Khrushchev noted of Sukarno's Confrontation of Malaysia: 'we supported him in the press, but didn't go beyond that.'<sup>48</sup>

In Indonesia, there was also a pulling back from its relationship with the Soviet Union.

The Sino-Soviet split was beginning to weigh heavily in Indonesian political calculations by the early 1960s. The power of the PKI had been rising steadily since the national and provincial elections of 1955–57. By the early 1960s, it was a direct competitor for political power with the army, and seemingly moving closer to President Sukarno. But this was ideologically a very different PKI than the one that had embarked on the Madiun revolt. During the 1950s it had been moving closer to the kind of Marxism-Leninism followed by China; in 1963, it formally declared itself on the Chinese side of the mounting Sino-Soviet split.<sup>49</sup>

Sukarno himself was moving politically in the same direction. Indeed, it is not clear who was the leader on this issue, and who the follower. But the direction was clear. John Legge sums up the situation by observing that: 'Between 1959 and 1965 the whole balance of Indonesian policy had shifted, a westward looking orientation giving way to the alignment with Peking.'<sup>50</sup> The chance of Indonesia allying itself politically with the Soviet Union, much less taking its side in the Sino-Soviet split, was by now close to zero.

Then in 1965 Indonesia saw an attempted coup (or counter-coup: the interpretation of the events of 30 September–1 October are still subject to major debate) that overthrew Sukarno. These events caused a very cool, if not agitated reaction in Moscow. As Leo Suryadinata noted:

Because of the pro-Beijing elements in the [Indonesian Communist] party, Moscow was quite critical of PKI leadership. It accused the PKI of having abandoned Marxist-Leninist teachings and adopting Mao Zedong Thought. It also criticised the PKI for not preventing extremist officers from staging a military coup leading to 'a reign of terror' against the Communist Party and other democratic organisations.<sup>51</sup>

The early years of Suharto's rule saw the effective end of intensive Soviet-Indonesian bilateral defence cooperation. By the late 1960s, many Soviet advisors had been recalled, and stricter regulations imposed on supporting Indonesia logistically and financially. Lowry details developments during this decline:

200 Indonesians were still in the USSR and other Soviet-bloc countries completing their education and training and it was not until February 1970 that the last of them were called home. The New Order's slashing of the defence budget from 83 per cent of government spending in 1963 to its historic level of 25 per cent, together with the refusal of the Soviet Union to supply credit for spare parts, meant that the Soviet equipment quickly became unserviceable.<sup>52</sup>

Indonesia's political-military leadership was also concerned about the Soviet Union's regional security policies, aimed primarily at creating a containment circle around hostile China, and attempting to get Indonesia into the orbit of its anti-Chinese strategy. The booming bilateral

relationship with India, including in the security sphere, was viewed as a source of additional strategic concern.<sup>53</sup>

Nevertheless, the 1965 coup that brought Suharto to power did not mark a turning point in the evolution of the country's overall relations with Moscow. Suharto was keen to retain good relations with the Soviet superpower, particularly in the economic sphere.<sup>54</sup> Only towards the end of 1980s, after Mikhail Gorbachev's attempts to modernise the ageing Soviet state, did Suharto consider re-establishing closer ties, a move highlighted by his 1989 visit to Moscow.<sup>55</sup> However it was not until the 1990s, following the collapse of the Soviet Union, that relations between the two nations began to improve to any significant extent.

The level of Soviet military economic assistance to Indonesia in the 1950s and 1960s was unprecedented but failed to achieve Moscow's strategic ends, which were to bring Jakarta into the sphere of political influence of the Soviet Union. As the former Secretary of Russia's Defence Council and former First Deputy Minister of Defence, Andrei Kokoshin, acknowledged:

Indonesia, Chile, Nicaragua, Angola and Mozambique are just a few of the countries that at various times in the post-war era received tremendous infusions of Soviet resources that surely could have produced better yields if they had been used to support other objectives, even within the framework of Soviet political strategies. Not only the economic but even the pressing geopolitical interests of Russia were sacrificed just to satisfy the ideological goals of the times.<sup>56</sup>

The main achievement of the generous Soviet aid to Indonesia (often unprecedented at times), particularly in the security sphere, was the creation of a positive image of the Soviet Union/Russia in the hearts and minds of the Indonesian society and its elite. Soviet military-technical assistance combined with direct military aid and political support during the 1963 West Irian crisis was particularly appreciated by many. The remarks of the former Governor of Jakarta, Major-General (ret.) Ali Sadikin, reflected these warm memories and feelings: "We received tremendous assistance from Russia which allowed us to liberate the last remaining part of Indonesia's land occupied by the colonialists."<sup>57</sup>

## **The 1990s**

Under Suharto the United States replaced the Soviet Union as the primary supplier of equipment to the Indonesian military, Washington seeking to reinforce Indonesia's anti-Communist credentials and to bolster the American position in Southeast Asia. So long as the Cold War prevailed, the need for the United States to align with Indonesia was strong. However, the end of the Vietnam War—and then of the Cold War itself—removed this imperative from US policy. Concern for human rights now took on a much more prominent role in American policymaking, and this left the relationship with Indonesia vulnerable to degradation, given Jakarta's record on these matters. East Timor was an obvious likely crisis point. In 1991, Indonesian troops killed over 200 Timorese at the Santa Cruz cemetery in Dili. In response, the US Congress effectively banned Indonesia from receiving American military equipment, and prevented Indonesian military personnel from attending training programs in the United States. In particular, the sanctions prevented the sale of nine F-16 *Fighting Falcon* tactical aircraft to TNI-AU.

The result of these sanctions was that, by the middle of the 1990s, Indonesia's military operational capacity had been eroded substantially.

The collapse of the Soviet Union did not just see the demise of the second most powerful actor of Cold War international politics. In the first five years of its existence, the new Russian state and its ruling elites showed an unprecedented effort to break up with its Communist past and also to integrate itself into a community of Western liberal democracies.<sup>58</sup> At the same time, Russia's new political leadership and the emerging powerful business elite set course to expand the nation's influence and interests into areas previously denied to the Soviet Union, primarily on an ideological basis. This also resulted in a reanimation of old ties in key geopolitical areas, including in Southeast Asia. As James Moltz puts it:

The Russian Federation's policy in Asia has changed dramatically in just a few years. From a blustering, unsophisticated, and largely unwelcome 'intruder' to the Asian club, Russia has recently emerged as one of the more active and accommodative players in post-Cold War Asia.<sup>59</sup>

Southeast Asia was a particular target of the Russians, a move which (as Kanet, Kozhemiakin and Birgeron note) was welcomed by the countries of Indochina and those of the Association of Southeast Asian Nations (ASEAN) more generally.<sup>60</sup>

Securing a niche in the lucrative Southeast Asian defence market was one of the first proven successes of Russia's post-Cold War regional strategy. After two years of complex negotiations with Malaysia, on 7 June 1994 a contract was signed for the delivery of 18 MiG-29N/NUB *Fulcrum* tactical fighters worth US\$550 million.<sup>61</sup> This development intensified regional interest in Russian military technologies. Nodari Simonia comments: "Following Malaysia's example, Indonesia, Myanmar, the Philippines, Singapore and Thailand started negotiations with Russia for the purchase of various types of weaponry, military technology and military-technical cooperation."<sup>62</sup>

Indonesia was one of the first regional countries that followed Malaysia and engaged with Russia in the field of military-technological cooperation. However, the decision by Kuala Lumpur was not the sole driving factor. Russia was active in lobbying its interests in Jakarta, with the nation's embassy and particularly the Defence Attaché section making considerable efforts. While it is hard to determine how successful these efforts were in reality, it is clear that they were recognised by the Indonesian authorities.<sup>63</sup>

Preliminary work and initial formal enquiries were soon followed by high-level consultations. In early 1997, Russia's two senior bureaucrats, Boris Kuzyk (then the President's aide on military-technical cooperation) and Aleksandr Kotelkin (then head of the state-run arms supplier company *Rosvooruzhenie*) had a series of high-level close door meetings in Jakarta, including with Suharto.<sup>64</sup> These discussions continued in July when the Indonesian Minister for Research and Technology, B.J. Habibie, visited Moscow for talks with Russian Vice-Premier Jacob Urinson.<sup>65</sup> The results of these talks were announced on 5 August—Indonesia indicated its intention to acquire 12 Su-30K *Flanker* multirole tactical aircraft and eight Mi-17-1B *Hip* transport helicopters valued at US\$600 million.<sup>66</sup> The announcement was soon followed by a visit of a TNI-AU delegation to Russian Federation Air Force (RFAF) General Staff headquarters in Moscow on 28 August, where they met with the then RFAF Chief, General Pyotr Deinekin. The talks were primarily concerned with potential supply with Russian combat platforms to TNI-AU and future cooperation between the two fighting Services.<sup>67</sup>

Despite these encouraging developments, the news about Indonesia's intent to acquire Russian combat aircraft was met with a degree of caution in Moscow. In particular, one newspaper article reported about scepticism in the Kremlin, which realistically assumed that Jakarta's interest in Russian military technology was in fact a form of political bargaining with the United States aimed at pressuring Washington to reconsider its stand on arms embargo.<sup>68</sup>

Nevertheless, Russia's approach was more optimistic rather than pessimistic. Grounds for optimism increased when the Indonesian military began showing broader interest in Russian military technology. In October 1997 Russian media reported Indonesia's interest in buying an unspecified number of advanced *Yakhont* surface-to-surface missiles (SSMs) capable of destroying sizeable maritime targets. Although the report was formally denied by Russian officials, 'well-informed sources' were quoted in the media as suggesting that the Indonesian military was in fact interested in acquiring large quantities of *Yakhonts*.<sup>69</sup> Stockholm International Peace Research Institute (SIPRI) data suggest that, by the time of the 1997 Asian economic crisis, when Indonesia was forced to reconsider its defence budget and acquisitions of foreign military technology, the nation was considering spending about US\$1 billion on Russian armaments.<sup>70</sup> If this figure was correct, it seemed that the Indonesian government was prepared to turn Russia into its one of principal suppliers of military technology and expertise.

Russia's rationale for reanimating defence cooperation ties with Indonesia in the mid-1990s seems fairly clear. After the Soviet collapse Russia inherited the major portion of the once mighty Soviet military-industrial complex, amongst other things a major generator of much-needed hard currency. After 1991, Russia began losing position in the international defence market; its share dropped to a critical 11 per cent in 1992, a sharp contrast to 37 per cent mark held by the Soviet Union in 1989.<sup>71</sup> Prior to the Malaysian breakthrough Vietnam had been the only significant partner for Russian defence manufacturers in the region. Seeking to diversify its clientele base in order to secure a stable and sizeable niche of Southeast Asia's lucrative defence market, Russia responded with enthusiasm to approaches by other regional states, particularly Indonesia.

Indonesia's position is perhaps a little more complicated. Certainly it needed to upgrade its military capacity. Not only had this eroded for the reasons already mentioned; in addition, given its (self-) perception as the regional leader, it is likely that the Indonesian government was unhappy to see the Malaysians surpassing them in the military field. This fact alone would probably have inclined Jakarta to seek to upgrade their military hardware.

But there was almost certainly another factor at work here as well.

It is significant that it was Habibie, a civilian, who negotiated the purchase of the Russian aircraft rather than Defence Minister General Edy Sudradjat, Coordinating Minister for Defence and Security General Soesilo Soedarman or even Commander of the Armed Forces General Faisal Tanjung. Habibie had previously been the long-term Minister for Research and Technology; by professional training he was an aeronautical engineer with a PhD from the Technical University of Aachen in Germany, who after graduation had spent many years working in the German aeronautical industry, reaching the position of Vice President and Director of Technology at MBB (*Messerschmitt Bolkow Blohm*).<sup>72</sup>

Habibie was a long-standing protégé and ally of Suharto whose political influence by the mid-1990s was clearly high.<sup>73</sup> He had been hand-picked by Suharto to be the founding head of

the League of Indonesian Muslim Intellectuals (ICMI), the organisation that Suharto intended to represent the modernist political face of Islam.

But, most importantly for the discussion here, Habibie was Chair of the Board for the Development of Strategic Industries (BPIS), which grouped together 10 state-owned enterprises operating in a range of strategically important and/or high-technology areas. These included aircraft assembly, ship-building and repair, explosives and armaments manufacture, electronics and telecommunications equipment, and steel making.<sup>74</sup> These enterprises had a crucial role to play in Habibie's plans for Indonesia's future economic development.

Habibie proposed that, in order to maintain and to expand its level of economic prosperity in the future, Indonesia had to cease its reliance on low-wage industries to attract foreign capital and encourage local capital. Rather than low wage comparative advantage as the basis for economic growth, Habibie argued for competitive advantage, which meant targeting high value-added industries for future development.

But a major barrier to the successful application of this strategy was the generally low quality of the Indonesian workforce, compared with neighbouring countries such as Malaysia and Thailand—let alone Singapore. Improving workforce quality was thus a key goal.

This was an important factor behind the creation of Habibie's showcase industrial project, the IPTN aircraft works in Bandung.<sup>75</sup> Habibie argued that the technicians trained at IPTN were among the best in Indonesia, and that even those who were weeded out during the training process left the factory with higher levels of skills than the average workers outside the factory. Adam Schwartz summed up Habibie's position very well: 'Habibie argues that engineers and technical trained in selected areas—like aircraft manufacturing—will then spread their knowledge to other areas. In this way, the entire economy will become more technologically proficient.'<sup>76</sup>

Habibie used this argument to justify the purchase of 32 used *Boeing 737-200* aircraft from *Lufthansa* (Germany's national flag carrier) and 39 ships of the former *Volksmarine* (East German Navy), in the face of considerable opposition from their putative Indonesian operators, *Garuda* (Indonesia's national flag carrier) and TNI-AL: IPTN and PAL were allocated the contacts to upgrade and maintain the aircraft and ships acquired in this way. And it was probably also one of the factors behind his advocacy—for which he was very publicly known—of the proposal to build Indonesia's first nuclear power station by the early years of the twenty-first century.<sup>77</sup>

The purchase of sophisticated Russian military aircraft fits in well with this approach to economic development, and Habibie's own professional leanings. By purchasing these aircraft Indonesia hoped to be gaining access not just to sophisticated military equipment but also, and perhaps more importantly, to training in their maintenance and use, thereby acquiring skills that could be used in, civilian and military situations. The fact that the number of aircraft to be purchased was too small to be viable in defence terms, a criticism often levelled against the project, in this context was both true and irrelevant.

This approach is in line with a broader tendency in East Asia at this time: the acquisition of dual-use or generic technologies which Susan Willett argues were 'undermining traditional defence-industrial strategies and blurring the boundary between civilian and military production'.<sup>78</sup> At the time, Indonesia's defence capabilities seemed to be regionally strong



and growing: Willett put Indonesia on a par with Singapore, and above Malaysia, Thailand and the Philippines.<sup>79</sup> Habibie's strategy, then—presumably backed by Suharto—could be seen to be rational.

What is not clear, though, is the attitude of the Indonesian military, and in particular the Air Force, to Habibie's purchase. It is by no means certain that the TNI-AU wanted the aircraft Habibie was negotiating to buy. The equipment would be more desirable than the *Lufthansa* and *Volksmarine* purchases in that it was new, rather than second hand. On the other hand, given the cost involved, whether these particular pieces of equipment were the ones highest on the Air Force's priorities is open to question.

Moreover, the gap in technology between Indonesia's existing demonstrated capabilities through IPTN and the *Sukhoi* fighters at least was huge; far wider than was the case with the *Lufthansa* aircraft or even the *Volksmarine* units. Only a politician of Habibie's supreme confidence could have seen the Russian equipment as a logical next step on Indonesia's path to high-technology industrialisation.

However, the whole issue was put firmly on hold when the Asian financial crisis broke over Indonesia in late 1997: whether or not the military wanted this equipment, clearly it was not going to get it any time soon, because the country could no longer afford it, even on the terms Moscow was offering. The purchase was to all intents and purposes cancelled early in 1998.

A much smaller purchase, including Mi-17 helicopters, BTR-80 wheeled armoured personnel carriers (APCs) and 9,000 *Kalashnikov* assault rifles and ammunition, was announced in 2000.<sup>80</sup> Habibie's influence in this purchase is unclear; he had become President following Suharto's resignation in May 1998, but had been forced to resign by the time the package was announced, although he did retain some residual influence. It does seem clear, though, that this package fitted more readily into Indonesia's military needs. The Navy Chief of Staff, Admiral Achmad Sutjipto, announced that the helicopters would be used by the Marine Corps (KKO). Sutjipto is quoted as saying: "The Marine Corps is currently facing problems of tactical mobility. Troop dispatch to operational areas lacked maximum effectiveness because of the lack of adequate air mobility means. The four helicopters hopefully will fill in this short coming."<sup>81</sup>

As for cost, Sutjipto said that this would come from the Navy's routine budget, with no special funds allocated for the procurement of the aircraft. However, the two Mi-17s purchased in 2000 were apparently taken over by the Indonesian Army (TNI-AD), which in the following year also acquired eight Mi-2 *Hoplite* light utility helicopters from Russia; all 10 came under the Army Aviation Command, based in Semarang.<sup>82</sup>

What is clear is that, in the early part of the twenty-first century, Indonesia was undertaking a re-thinking of its foreign and defence policies. The major changes brought about within Indonesia as a result of the fall of the Suharto Government, as well as the changing international environment and in particular the rise of international terrorism, made such a re-thinking both possible and imperative.

In March 2003 the Department of Defence published a major Defence White Paper entitled *Mempertahankan Tanah Air Memasuki Abad 21* [Defending the Homeland Entering the 21<sup>st</sup> Century], which outlined the changing nature of the security challenges facing Indonesia.<sup>83</sup>

Because the era of the bipolar world divide and global competition for military hegemony had passed, the White Paper contended:

Security issues over the past decade have become more complex with the rise of terrorism, looting and piracy, smuggling, people trafficking, illegal fishing, and other transnational crimes. These types of illegal activity are increasingly complex because they are undertaken by transnational actors who are very well organised and who have high levels of technological capacity and financial backing.<sup>84</sup>

This was the new security environment within which Indonesia had to operate. The threats to its security did not come from foreign powers seeking to invade its territory. Rather,

possible threats and disturbances which Indonesia will face in the future include terrorism, separatist movements, transnational crime (smuggling, illegal fishing), polluting and destroying of the ecosystem, illegal immigration, piracy/theft, radical action, communal conflict and the effects of natural disasters.<sup>85</sup>

These potential threats are all primarily internal in nature and location, albeit some of them involved external players: Taiwan, Thailand, Vietnam and China, for instance, were frequently cited as the source countries of illegal fishers.<sup>86</sup> Indonesia's primary immediate defence needs were thus for equipment and training that could be directed to these internal threats: counter-insurgency, maritime surveillance, environmental protection.

The 2003 White Paper was followed in 2004 by a Strategic Defence Review, which identified 10 threats to Indonesian security, of which one was invasion or military aggression by a foreign power; the remaining ten were internal, mirroring those noted in the White Paper.<sup>87</sup>

Nonetheless, the fact that at the same time other Southeast Asia states were continuing the build-up of their conventional military capacity could not be ignored by Jakarta. Indonesian leaders had always assumed that their country was the natural leader of the ASEAN group, even if other members did not always share this assumption. Its position had taken a battering late in the twentieth century, as the economy collapsed, separatist movements re-emerged, terrorists struck and it was forced into a humiliating—and internationally very damaging—retreat from East Timor. The challenge in the early years of the new century was to re-build Indonesia's position regionally, and ultimately internationally. To do so required that Indonesia match the military capacity of its neighbours—or, at the very least, not be left behind in any regional arms race. For the reasons already noted, the Indonesian military in the early part of the twenty-first century was in a weakened state, with outdated equipment and low levels of maintenance and repair:<sup>88</sup> rectifying this situation was a high priority to military planners. However, the continuing financial constraints within which decision-making was located meant there would be major limitations on Indonesia's capacity to satisfy its requirements.

In September 2002, Indonesian Foreign Minister Dr Hassan Wirajuda visited Moscow—the first visit by an Indonesian Foreign Minister since the collapse of the Soviet Union—for talks with his Russian counterpart, Igor Ivanov. One senior Indonesian diplomat described this visit as marking a 'turning-point which gave birth to new commitments from both countries to raise their levels of relationships and cooperation to new and higher levels.'<sup>89</sup>

The talks produced an agreement on Bilateral Consultations between the two Foreign Ministries and laid the groundwork for an official state visit to Russia the following year by

President Megawati Sukarnoputri—by now having replaced the politically and physically ailing Abdurrahman Wahid.

This visit was the first to Moscow by an Indonesian President since Suharto in 1989. Megawati was greeted warmly by then Russian President Vladimir Putin, who emphasised that he was welcoming her not just as the head of state but also as the ‘daughter of a great father [Sukarno], who is known and remembered in Russia’.<sup>90</sup> On 21 April 2003, Megawati and Putin signed a Declaration on the Foundations of Friendship and Partnership between the Russian Federation and the Republic of Indonesia in the Twenty First Century. A senior Indonesian official characterised the agreement as signifying a ‘new phase of diplomatic relations between the two countries’.<sup>91</sup>

The Declaration covered a wide range of policy areas, including investment, tourism, science and technology. However, closer cooperation in the security sphere was identified as one of its key foundations.<sup>92</sup> This closer cooperation was exemplified by another agreement signed at the time, under the terms of which Indonesia would purchase six Russian combat aerial platforms: two fixed-wing Su-27SK and Su-30MK, and two rotary Mi-35P *Hind E* (Table 1). This purchase, worth US\$193 million, was to be 87.5 per cent financed through counter-trade in palm oil and other commodities.<sup>93</sup>

**Table 1**  
**Indonesian Aircraft Orders from Russia 1997–2004**

Year	Platform	Total	Cost (US\$m)
2000	Mi-17-1B	4	18
2001	Mi-17-1	2	12
	Mi-2	8	
2003	Su-27SK	2	192.9
	Su-30MK	2	
	Mi-35P	2	

(Source: *Nezavisimoe Voennoe Obozrenie*, vol. 1, no. 409, January 2005)

To oversee the further development of the strategic partnership, the establishment of an Indonesia-Russia Commission on Military-Technical Cooperation was foreshadowed.

But the Indonesian side was keen to ensure that military cooperation was not limited simply to the purchase of Russian equipment. Habibie might no longer have been a political force in Indonesia, but the strategic industries for which he had been responsible were still in existence. The major lesson that Jakarta had drawn from the US arms embargo was the need to diversify its sources of armaments. The purchase of weapons systems from Russia was one reflection of this; so too was developing the nation’s own production capacity. An important aspect of the collaboration with Russia was the development of the productive capacity of five of Indonesia’s strategic industries: *Dirgantara* (aircraft), PINDAD (firearms), PAL (shipbuilding and repair), *Dahana* (ammunition and explosives) and LEN (electronics).<sup>94</sup> In part, this was to make Indonesia more self-sufficient in strategic goods. But, in terms

reminiscent of Habibie, a senior Indonesian diplomat also argued that there would be 'spill-over effects' into other civilian industries from the development of capacity and skills in these industries.<sup>95</sup>

However, the weapons purchases negotiated during the Megawati visit did not go unquestioned in Jakarta. Indeed, the purchases drew quite substantial criticism, on the grounds that Indonesia could not afford the equipment being purchased; that the equipment was of the wrong sort or ill-suited to Indonesia's security needs; or that the whole deal, involving a complicated counter-trade package, was unauthorised and possibly even illegal.

Thus Rizal Ramli, former Coordinating Minister for Economic Affairs, while supporting the principle of purchasing weapons systems from Russia, nonetheless argued:

These worthwhile objectives have been used as cover for short-term interests, illegal activities, contravention of the division of authority between ministries and of fiscal procedures, misuse of food stabilization funds, waste of government money, and potential corruption, collusion and nepotism resulting in losses to the state.<sup>96</sup>

On 19 June 2003, the parliament was sufficiently concerned about the issue—or perhaps sufficiently conscious of the political points which could be levelled against the government by pursuing it—to set up a Working Party (*Panitia Kerja: Panja*) to investigate the deal. The Working Party finally recommended to the President that sanctions be put in place against the officials who negotiated the deal, including the Commander of the TNI, the Minister for Industry and Trade, the Minister for Defence and the Head of the National Logistics Bureau.<sup>97</sup>

However—and presumably to the surprise of none of the members of the Working Party—nothing resulted from the recommendation and the purchase went ahead.

The bilateral defence relationship was further enhanced between 24 and 27 November 2004 when the Russian defence industry had the largest country presence (with 19 companies exhibiting) at the *Indodefence 2004 Expo & Forum*, Indonesia's tri-Service defence exposition held in Jakarta.<sup>98</sup> The Russian pavilion attracted significant attention from the military and from senior Indonesian officials, including Indonesian President Susilo Bambang Yudhoyono. The *Sukhoi* Company's website reported that Yudhoyono, whilst visiting the company's stand, said that "Indonesia was pleased with its business relationship with Sukhoi ... and intended to continue doing business with it."<sup>99</sup> According to the representative of *Rosoboronexport* (the successor of *Rosvooruzhenie*), after visiting the Russian pavilion the then Indonesian Chief of General Staff Air Vice-Marshal Hartoyo said that his country was planning to carry out its defence modernisation with close assistance from Russia.<sup>100</sup>

## **The 2004 Tsunami**

On 26 December 2004, a massive tsunami engulfed many regions around the northern and eastern periphery of the Indian Ocean, hitting the Indonesian province of Aceh particularly hard. Ironically though, the disaster relief operation in the aftermath of the tsunami contributed to the development of closer partnership ties between Russia and Indonesia, particularly between their defence ministries.

On 5 January 2005, Yudhoyono called Putin to request emergency assistance, including direct military logistical support.<sup>101</sup> On the same day, medical and other support units of the Trans-Volga Military District and regiments of the 61st Air Army (Military-Transport Aviation) were put on full alert. By 15 January, the Russian Ministry of Defence had deployed one special-purpose medical unit (a fully autonomous field hospital) comprising 147 personnel and 30 pieces of equipment to Aceh. Between 19 January and 19 February 2005 the hospital treated 2,066 patients, including 1,656 locals; Russian epidemiologists were actively engaged in monitoring and prevention of possible epidemics.<sup>102</sup> After the end of its tour of duty, all the equipment was transferred to the Indonesian military.

If in financial terms Russia's disaster relief assistance was moderate compared to the contributions by other nations, it was significant nonetheless. At the request of the Indonesian Government, Russia concentrated its assistance on Banda Aceh, the most affected part of the province that required immediate emergency support.<sup>103</sup>

Besides humanitarian considerations, Russia's involvement in the disaster relief operation in Banda Aceh had clear political ramifications.

First, the involvement of a regular army support unit is significant. In the Russian system, the civilian Ministry of Emergencies is normally responsible for disaster relief assistance during both domestic and international crises. In this case, though, a front-line military medical unit was deployed instead—an action which required special approval of the Russian President and the Federation Council (the Senate).<sup>104</sup>

Second, Russia's willingness to send a regular army support unit to work with the Indonesian military in the area, where the latter was regularly accused of human rights violations in an attempt to suppress local separatists, aimed to prove (to Jakarta) Moscow's consistent stand on the principle of non-interference in the country's internal affairs—or, to put it more accurately, non-interference with the Indonesian Government's interpretation of the country's internal affairs.<sup>105</sup> This was in stark contrast to the positions of the United States, Australia and other Western nations, which were also involved in the post-tsunami recovery. While also providing substantial aid to the tsunami victims, these countries remained acutely aware of the possibility that their actions would be interpreted as support for the Indonesian Government—and military—in the province, and did what they could to try to counter that impression.

By showing its support for the Indonesian Government in this way, Russia aimed to strengthen its geopolitical interests in Indonesia, and to secure a commitment from Jakarta to continue developing closer bilateral defence ties. From the military-strategic viewpoint, through engaging in a paramilitary disaster relief operation in Banda Aceh, Russia was also able to demonstrate to the world its limited yet effective military strategic air lift capability—one of the first demonstrations of the restored ability to project military power globally that the nation was showing in recent years.<sup>106</sup>

Russia seems to have used its response to the tsunami to revitalise its strategic relationship with Indonesia, following the blow it sustained following the 1997–98 Asian financial crisis.

## A New Peak in Relations?

The year following the tsunami—2005—saw a clear strengthening of bilateral defence contacts, building on the goodwill that Russia had gained through its response to the disaster.

In September of that year, following the broad general agreement reached during Megawati's visit to Moscow in 2003, the first meeting of the bilateral Military-Technical Cooperation Commission (MTCC) was held in Moscow.<sup>107</sup> Once again, at these discussions Indonesia stressed the importance of securing soft loans from Russia to pay for forthcoming military equipment purchases, and its desire to arrange substantial technology transfers to Indonesian state-owned companies such as *Pindad*, PAL, *Dirgantara* and *Dahana*. One Indonesian commentator noted: "Indonesia is optimistic that Russia will fulfil these expectations which have been put to them, given that military relations between Indonesia and Russia go back such a long way."<sup>108</sup>

At the end of October, a Russian Pacific Fleet (RPF) taskforce led by Vice Admiral Sergey Avramenko, the RPF Deputy Commander, after completing a tour of duty in the Indian Ocean, made several port calls in Southeast Asian countries. On 28 October, the taskforce (comprising the RPF flagship *Slava* class guided-missile cruiser *Varyag* accompanied by the *Udaloy* class guided-missile destroyers *Admiral Panteleev* and *Admiral Tributs* and two auxiliaries) arrived in the Indonesian port of Tanjung Priok. Russian warships spent several days in Indonesia before sailing to Singapore.<sup>109</sup> Avramenko called on the commander of the Indonesian armed forces at military headquarters at Cilangkap in Jakarta; indeed, some elements of the Jakarta press reported that the visit was at the specific invitation of Admiral Slamet Soebijanto, Commander of the TNI-AL.<sup>110</sup>

Russian defence sources described the port call as 'the visit of the Pacific Fleet naval task force to Jakarta', thus signalling the importance of this event aimed at achieving high-level political outcomes.<sup>111</sup> Indeed, it is likely that the visit aimed to send a dual message to Jakarta. First, it had to show that Russia has restored some of its power projection capabilities; that it was returning to Southeast Asia and the Indian Ocean and was capable of offering assistance, including military support, to its clients and allies. Second, the visit of warships was a 'live' display of military technology and hardware, aimed at impressing potential buyers.

At the end of the year the Board of *Rosoboronexport* identified Indonesia as one of its 'prospective partners from the region of Southeast Asia' and ranked it in the same category as more established regional clients such as Malaysia and Vietnam, where Russia had been far more successful in terms of signing defence contracts and generating revenue.<sup>112</sup>

Russia's confidence in Indonesia as a lucrative defence market was also shown the following year, at the 2nd International Defence Expo in Jakarta, *Indo Defense Expo-forum 2006*. The Russian pavilion housed 18 defence companies,<sup>113</sup> a moderate increase compared to 2004.<sup>114</sup>

The consistency with which Russia approached Indonesia as an arms sales client between 1995 and 2006 seemed to be paying dividends. The Indonesian military began lobbying plans for major defence purchases of Russian armaments and equipment. In 2005, the TNI-AL submitted a proposal to the Indonesian Government to allocate US\$1.9 billion to support

the purchase of six *Kilo* class submarines from Russia.<sup>115</sup> However, due to a lack of funding the decision was delayed. Only in late October 2006 did the Indonesian Defence Department announce an intention to acquire six Russian-built SSKs: four *Kilo 636* and two *Amur-950* class.<sup>116</sup>

TNI-AU also expressed strong interest in bolstering its ageing capability, with Russia's assistance. It was reported to be hopeful of receiving some 20 tactical aircraft of the *Sukhoi* family (advanced modifications of the Su-27 *Flanker*) and 15 helicopters, including ten Mi-17 and five Mi-35.<sup>117</sup> These acquisitions would be in addition to the initial batch of six platforms that Indonesia bought from Russia in 2003. As part of the 2003 agreement, the four *Sukhois* supplied to Indonesia were unarmed. In November 2004, Indonesia signed another contract with *Rosoboronexport* for the supply of a further 12 aircraft, the aim being to form at least two combat squadrons.<sup>118</sup> The tsunami had postponed the deal, but the Indonesian military continued to express interest in acquiring up to 12 aircraft by 2010, at a rate of two platforms per year.<sup>119</sup>

In November 2006, Yudhoyono made his first official visit to Russia, calling at St. Petersburg and Moscow. In the latter city he and his Russian counterpart, Putin, signed a five-year agreement, running to 2010, covering cooperation in seven areas, including military and military-technical cooperation.<sup>120</sup> Russia also flagged the extension to Indonesia of soft loans amounting to US\$1 billion for military purposes, over a five-year period until 2010.<sup>121</sup>

## **Vladimir Putin's 2007 Visit to Jakarta**

Yudhoyono's visit to Moscow was reciprocated less than a year later, when Putin flew into Jakarta for a one-day visit on his way to an Asia-Pacific Economic Cooperation (APEC) summit in Sydney. This was the first visit to Jakarta by Russia's head of state and the second most important bilateral protocol event hosted by Indonesia since Soviet Premier Khrushchev's visit in 1960. However, this short stop in Indonesia proved to be a culmination in what was a long and complex process of reanimating bilateral strategic ties between the two countries after 1991. Following intensive talks between Putin and Yudhoyono, it became clear that both nations intended to intensify cooperation in many spheres, including energy and mining, communications and space, and certainly defence.<sup>122</sup>

As part of the comprehensive cooperation package, Putin and Yudhoyono agreed to develop two major bilateral strategic initiatives focused on space and nuclear projects.

One of these projects was the development of a joint space facility on the Indonesian island of Biak to the north of the New Guinea mainland.<sup>123</sup> Codenamed *Air Launch* [Vozdushny Start], the joint space project aimed to provide efficient and cost-effective launch services to a growing clientele in Southeast Asia and beyond.

Bilateral discussions about space cooperation began in mid-1990s. In particular, Indonesia was expected to send its first astronaut to the Russian space station *Mir*. Although these plans were terminated in 1997, probably due to the worsening financial crisis in Indonesia,<sup>124</sup> contacts were not abandoned. In 1999, Russia and Indonesia began preliminary discussions and work on the *Air Launch* project, and the final decision to develop and use the Biak space centre was taken in September 2007. The seriousness of Indonesia's intentions is

highlighted by the fact that between 1999 and 2007 it invested over US\$25 million in this initiative.<sup>125</sup> The total cost is anticipated to reach US\$120–130 million.<sup>126</sup>

The name of this project effectively explains its operational concept, based on Russian dual-use technologies.<sup>127</sup> The idea was to use the Russian-built An-124-100BS *Ruslan* strategic heavy lifter conversion model as an airborne platform to launch a converted ballistic missile from an operational altitude of 10,000 metres.<sup>128</sup> The absence of a need to develop any full-scale ground launch facility, as well as to design a new launch vehicle, were promoted as factors which would make *Air Launch* a cost-effective and a highly competitive option for commercial and state clients. According to Russian sources, the joint consortium has already issued a preliminary order for the launch of six satellites.<sup>129</sup> It was initially expected that the first satellite would be launched from Biak sometime in 2010.<sup>130</sup>

Russia has also shown a strong interest in assisting Indonesia's developing national nuclear program. The discussions about bilateral cooperation in the nuclear sphere began in the mid-1990s. In 1997, then Minister of the Russian Ministry of Nuclear Energy Viktor Mikhailov revealed details of discussions with Indonesian counterparts on the construction of a nuclear power station in Pevek: "We are drafting an intergovernmental agreement on the peaceful uses of nuclear energy, including the construction of a floating nuclear power station.... Indonesia is interested in small—100-200 megawatt—floating nuclear power stations."<sup>131</sup>

Following Putin's visit, the Russian Federal Atomic Energy Agency (*Rosatom*) announced plans to submit a tender to build the Ujung Abang 1,000 mgt nuclear facility in Central Java. With an estimated cost of US\$1.66 billion the construction is expected to commence around 2010, with a preliminary completion date in 2017. Talks were also held about the possible purchase of a Russian-built sea-borne (floating) nuclear-powered station.

One of the reasons for this is Russia's strategic approach to link cooperation with other areas to close links in the sphere of security and defence. As Indonesian Air Force Marshal Joko Suyanto noted: "They [the Russians] invest here, get resources here, but they can pay for it with military equipment."<sup>132</sup>

There is little doubt that the main outcome of Putin's visit to Jakarta was the signing of a bilateral agreement under which Russia would provide Indonesia with a US\$1 billion loan to purchase a set defence package between 2008 and 2010 (Table 2). The 10-year loan, provided by the state bank responsible for overseas operations, *Vneshekonombank*, offers Jakarta much needed flexibility and ease.<sup>133</sup> All acquisitions of Russian military hardware will be undertaken under the 2006 soft loan agreement.<sup>134</sup>

**Table 2**  
**The 2010 defence package**

Platform	Type	Total	Recipient
Diesel-electric attack submarines	<i>Kilo</i> class 636	2	Navy
Multi-role assault (gun) helicopters	Mi-35P	5	Army
Multi-role transport helicopters	Mi-17	10	
Amphibious armoured vehicles	BMP-3F	20	Marines

(Source: *Voенно-Promyshlenny Kurier*, vol. 35, no. 201, September 2007)



It is quite possible that the 2007 credit was a revised defence package that Russia and Indonesia were working on in the wake of 1997–98 Asian financial crisis. As one defence reporter noted, ‘the ... deal had been in the works for a decade, delayed by financial crisis and natural disasters’.<sup>135</sup> However, it seems that this time bilateral defence cooperation is not extended by just the 2010 defence package. In October 2007, the Russian media claimed that Indonesia intended to spend as much as US\$3 billion on Russian armaments and equipment. Apart from those items listed for the 2010 defence package, other plans were said to include acquisitions of 20 Su-27/30 modifications, four SSKs (*Kilos* and *Amurs*), several corvettes and patrol craft, and air defence systems.<sup>136</sup> However, it is likely that these contracts will be introduced in slower progression, compared to the ones arranged under the 2010 defence package.

The defence agreement has already accelerated the development of much closer bilateral ties between the fighting Services of both nations. For example, in early December 2007, an RFAF delegation headed by the Service Chief, Colonel-General Aleksandr Zelin, visited Indonesia. Russian defence officials inspected two air bases and held talks with Sudarsono and Chief of Air Force Staff Air Marshal Herman Prayitno. According to Zelin, one of the main aims of the visit was the establishment of close partnership ties, particularly in the context of growing bilateral defence cooperation.<sup>137</sup>

From the Indonesian perspective, though, perhaps the most important outcome of the Ministerial discussions was the announcement by Sudarsono that henceforth all Indonesian arms purchases from Russia would be negotiated directly between the two ministries, without the involvement of intermediaries.<sup>138</sup> This was a clear reference to the difficulties experienced by the Indonesian Government in its purchase of the initial batch of *Sukhoi* aircraft (and for that matter the Mi-17 helicopters as well).<sup>139</sup> The use of intermediaries had added considerably to the cost of the purchases, and probably allowed considerable sums of money to be siphoned off into private local and foreign pockets.

By the end of December 2007, on the back of the 2006 agreement, Russia had supplied Indonesia with armaments and equipment for the first four *Sukhoi* aircraft purchased back in 2003.<sup>140</sup> The supply of the aircraft armaments package would allow TNI-AU to bring the *Sukhois* into full operational condition.

However, in keeping with recent history there was a substantial gap between the plans mooted for additional equipment purchases, and the reality of decision-making. In December 2007, Prayitno said that, until the end of 2009, the Air Force’s focus would be on increasing the weaponry available to its existing aircraft rather than buying any new types.<sup>141</sup> The only exception would be the purchase of an additional six *Sukhois*. The acquisition of these aircraft would take at least 18 months (that is, until mid-2009), so as to avoid ‘creating problems in the future’.<sup>142</sup>

Despite optimistic outcomes in 2007, the following year questions were raised about whether the September deal might actually collapse. One reason for concern was the February 2008 announcement of plans by the Indonesian Government to cut its defence budget by as much as 15 per cent, a move that would hurt, on part with other matters, its procurement programs.<sup>143</sup> The second reason was the change of leadership in the Kremlin after the 2 March Presidential elections, which brought Dmitry Medvedev to power. It was reported that discussions between the finance ministries were suspended soon after the Russia elections. Also, Sudarsono stated to local media that “a change in the Russian government will likely

affect the decision and agreement on the state credit offered to Indonesia.”<sup>144</sup> So far, these pessimistic prognoses have not eventuated.

On 3 July 2008, Russian heavy lifters landed in Surabaya bringing the first three of six Mi-17-B5 transport helicopters.<sup>145</sup> The US\$30 million contract was signed in 2005 as part of Indonesia’s plans to create three composite helicopter squadrons equipped with Mi-17s, Mi-35s and IPTN/Bell 412SP platforms. By early August the delivery was complete.<sup>146</sup> The Indonesian military was also expecting to receive six Mi-35s by November, thus bringing the total number to eight by 2009.<sup>147</sup>

In late August 2008, Jakarta hosted a 15-staff strong delegation of Russian defence officials and representatives of the national military-industrial complex.<sup>148</sup> The reason for the visit was a meeting of the joint MTCC held between 19 and 22 August. While the meeting received little coverage in local or international media, its implications were significant.

On 24 August 2008, Air Force Chief of Staff Air Marshal Soebandrio announced that the Indonesian military and the Finance Ministry had agreed to proceed with a US\$300 million loan to purchase three Su-27SKM and three Su-30MK2 aircraft in September.<sup>149</sup> According to Soebandrio, the *Sukhois* will replace the ageing A-4E *Skyhawk* aircraft of the 11th Squadron based at the Hasanuddin airbase in Makassar, South Sulawesi.<sup>150</sup>

Three days later, on 27 August, Russian information agencies announced that Indonesia and Russia had signed a contract worth US\$40 million for the purchase of 20 BMP-3Fs (navalised) under the 2010 defence package. The delivery is scheduled for 2010.<sup>151</sup>

It is likely that these announcements were the result of the August joint MTCC meeting in Jakarta. Whether this trend will continue in the future will largely depend on a range of contributing factors, such as economic considerations (particularly on the part of Indonesia), and the political will of the ruling elites in both nations.

Whilst speaking in Jakarta on 18 September, Sudarsono noted that “we [Indonesia] don’t feel that we are engaged in an arms race, certainly not in the strike force field.”<sup>152</sup> Perhaps, the Minister is reflecting a general feeling within Indonesia’s political and military elite. Indeed, compared to the large-scale modernisation programs of Malaysia and Singapore, Indonesia’s procurement plans and achievements may look moderate. At the same time, it is clear that the initiated national defence modernisation program based primarily on close cooperation with foreign providers of military technology and expertise (and particularly the acceleration of Russia-Indonesia cooperation in this field) may affect the regional balance of power. As Table 3 shows, with Russia’s military-technical assistance the TNI will be able to upgrade naval and airborne surveillance and strike capabilities, and to deploy weapons systems with multi-role combat functions and longer reach.

**Table 3**  
**Major Indonesian Defence Acquisitions from Russia post-1991**

Service	Platform	Operational in 2008	Anticipating by 2010	Further Planned
Air Force	Su-27SK	2	3*	14
	Su-30MK	2	3*	
Navy	<i>Kilo</i> 636	-	2	4
	<i>Amur</i> -950	-	-	2
	Mi-2	8	-	-
Marines	BMP-3F	-	20*	Unknown
Army	Mi-35	2	6*	Unknown
	Mi-17-B5	10	6*	Unknown
	BMP-2	11	-	-

Note: \* – orders confirmed as of 1 November 2008.  
 (Sources: *The Military Balance 2008*, IISS: Routledge, 2008; *Voенно-Промышленный Курьер*, 35 (201), September 2007; *Jane’s Defence Weekly*, 12 September 2007.

The overall package would allow the Indonesian Navy to strengthen its littoral warfare and surveillance capabilities as well as to gain improved amphibious assault capability. The successful acquisition of the two *Kilos* with four additional submarines to follow would provide it with a sea-denial sub-surface strike capability. A study produced by the US Office of Naval Intelligence points out that ‘even a nation having a few relatively unsophisticated submarines can conduct sea denial and exert regional influence’.<sup>153</sup> However, TNI-AL may have more far-reaching plans. According to open Russian sources, by 2024 it plans to acquire a total of 12 conventional submarines (an equivalent of two submarine brigades) from Russia.<sup>154</sup> While it is yet to be seen whether these plans will come to fruition, deploying even a quarter of this projected force may affect the regional balance of naval power.<sup>155</sup>

If Indonesia proceeds with the purchase of several surface combat platforms from Russia (likely to be export versions of new series of ships currently under construction), its littoral warfare and coastal surveillance capability will also be enhanced.<sup>156</sup> In addition, the amphibious forces will be provided with a more potent landing attack and ground combat capability through the acquisition of 20 BMP-3F amphibious tracked infantry fighting vehicles, possibly as the gradual replacement of the obsolete Soviet-made BTR-50 APCs and PT-76 amphibious light tanks.<sup>157</sup>

In late October 2008, TNI-AL’s Chief, Fleet Admiral Tedjo Edhy Purdijatno, visited Russia. As he said to the media: “The main purpose of my visit is to study Russia’s shipbuilding capacity, both in terms of surface ships and submarines.”<sup>158</sup> Purdijatno spoke in favour of expanding cooperation with the Russian Navy, including through the training of Indonesian personnel in Russia and joint exercises, and he expressed hope that the Indonesian purchase of *Yakhont* SSMs would proceed.<sup>159</sup>

TNI-AU is another major beneficiary of the 2010 package. In late September, Indonesia's Ministry of Finance approved a US\$300 million loan from French bank *Natixis* to pay for the six *Sukhoi* aircraft acquired in August 2007.<sup>160</sup> In early October, the 1st Commission of the Parliament, responsible for defence matters, approved the loan, thus opening the way for the purchase.<sup>161</sup> The completed supply of the armaments suite for the four operational *Sukhois*, and the announced decision to proceed with the purchase of another six modifications, would enable the Indonesian military to form its first combat squadron (11 Squadron) fully equipped with Russian-made aircraft. If Indonesia commits to the acquisition of an additional 14 aircraft, TNI-AU will have three combat squadrons equipped with Su-27/30 multi-role aircraft in its order of battle.

By acquiring Mi-17/35 multi-role helicopters from Russia, in addition to the twelve operational units purchased between 2000 and 2003, TNI-AD will be able to further upgrade its tactical airlift and ground support capability. Another benefit has come from receiving professional training and military education in Russia. Already, a group of Indonesian army engineers have been sent to Russian military educational establishments<sup>162</sup>—a trend which can be expected to grow with the anticipated expansion of defence links.

Unlike the sporadic deals of the 1990s, in the new millennium Indonesia is committing itself, at least for now, to substantial arms purchases from Russia in an effort to re-equip whole tactical units (squadrons and battalions). To accommodate these new systems, TNI will have to reconsider applications of certain weapons systems at least at the tactical, and perhaps operational, levels. Indonesian military personnel will have to undergo training in Russia or in-residence under the guidance of Russian instructors; some elements of TNI's logistical base will have to be adjusted to service and support Russian military technology. Finally, once purchased, combat systems designed by a particular military technical school will have to be eventually replaced by the next generation coming from same provider. These factors mean that Indonesia will have to bring itself even closer into the orbit of Russia's military-technical sphere.

There are clear military-strategic advantages for the Indonesian military to undertake this path. Russia is offering Indonesia one of its best and proven weapons systems and other military equipment at highly competitive terms. The ongoing, anticipated and further planned acquisitions will allow TNI to assert more potent influence over the regional littoral, particularly through:

- an improved capacity to exercise limited sea control, especially around critical 'choke points' and longer-range sea denial;
- an upgraded air strike and air defence capability; and
- an improved response capability within the archipelago.

This power status can only be achieved on three conditions: (1) that the Indonesian political elite supports the military's requests and follow through with purchases; (2) that the military develops appropriate skills and has sufficient hands-on experience to operate Russian-made systems effectively; and (3) that Indonesia's political and economic situation remains sufficiently stable to avoid a repetition of the 1997–98 Asian financial crisis. If these safeguards are in place, with Russia's support and assistance Indonesia may develop a capacity to respond more effectively to political and military challenges, including those caused by the ongoing modernisation programs of its regional neighbours, notably Malaysia, Singapore and Australia.

## Conclusion

After about 50 years of stagnation, the Russia-Indonesia strategic partnership is on the rise once again, with growing defence ties playing a significant, and perhaps central, role in the foreign defence policies of the two countries. So, what are the contributing factors that have brought the two nations together again?

As a potential partner in meeting Indonesia's perceived defence equipment needs, Russia offers a number of advantages compared with other potential suppliers, such as the United States, China and even India.

**First**, there is a history of Russia's being an arms provider to Indonesia, in its previous form as the Soviet Union. This history might have become rather romanticised over time, but nevertheless, when Indonesia's conventional military strength was at its height, it was based on Russian weapons supplies. Many senior Indonesian military officers had personal experience of working with Russian counter-parts, equipment and training programs.

**Second**, as a potential supplier of much of the military hardware Indonesia wanted, Russia has proved much more accommodating than its primary competitor, the United States. It was willing to engage in counter-trade deals and state defence loan schemes which obviated the need for Indonesia to spend large amounts of hard currency to acquire the equipment ordered. There were of course limits to this flexibility, and on Indonesia's capacity to pay even a proportion of the cost of equipment in hard currency. But these arrangements were still more favourable than the terms offered by the United States.

This was an issue of ongoing significance for Indonesia. The 1997–98 Asian financial crisis certainly substantially reduced its financial strength. But by regional standards the Indonesia military had historically been under-funded from the state budget. Historically Indonesia has allocated around one per cent of its Gross Domestic Product to defence; other Southeast Asian nations typically allocate four to five per cent.<sup>163</sup> Under Suharto, only about one third of the defence budget was paid directly by the state;<sup>164</sup> the rest came primarily from military-owned businesses. All governments since the fall of Suharto have pledged to eliminate these latter businesses; but such policies will place an additional burden on the state budget to fund arms purchases, and thus increase the significance of efforts to negotiate any future military purchases on favourable terms.

**Third**, Russia was distant from Indonesia: not just in the obvious geographical sense, but also politically. Russia made it clear that it had no intention to link any trade deals, including those involving military equipment, to Indonesian domestic political issues. There would, in other words, be no likelihood of Russia cutting off the supply of weapons, spare parts or training because of human rights abuses perpetrated by the Indonesian Government, or prohibiting the use of the equipment in certain theatres, such as Aceh. In the view of senior Indonesian officials, Russia's assurances that human rights considerations will not affect defence cooperation allows Indonesia to initiate a long-term modernisation of all its armed Services.

In contrast, the issue of possible political strings on arms sales continues to cloud Indonesia's relations with the United States and other Western nations. The effect of the US embargo announced after the Santa Cruz massacre has already been noted, and has been a constant thread running through Indonesian debates on arms purchases since 1991. The

United States Administration did determine, on 22 November 2005, to go against Congressional opinion and lift the arms embargo on Indonesia, citing national security interests.<sup>165</sup> On a visit to Indonesia in February 2008, US Secretary of Defense Robert M. Gates noted that there was still a belief in some circles in Indonesia that the embargo remained in place. He assured his audience that this was not so, but asserted:

Full normalization of military-to-military ties occurred in November 2005—and the arms embargo ended at that time. There are, however, statutory guidelines that sometimes impede our efforts to follow through on military sales—something that happens with many other nations and a problem we are working to fix. Delays also occur due to bureaucratic inertia. As many have learned, dealing with an entity as cumbersome as the United States government is not a mission for either the impatient or the faint of heart.<sup>166</sup>

Even allowing for these intricacies of US governmental culture, problems remain. As one unnamed Indonesian defence official remarked at the time of Gates' visit to Jakarta: "How can we be sure they [Americans] won't impose another embargo? The Russians seem to be more reliable, especially during difficult times for our country."<sup>167</sup>

The Russians needed no qualifications on their policies: weapons were available for purchase by Indonesia without political or bureaucratic limits. On the contrary, it has demonstrated sufficient flexibility in not linking transfers of advanced military technology to its client state's internal affairs, including human rights problems, a factor that continues to cloud Indonesia's relations with the United States and other Western nations, particularly in the sphere of defence cooperation. For example, in February 2008 Washington engaged in talks with Jakarta in an attempt to re-establish defence links. In particular, discussions were held on the purchase of six F-16 aircraft and the refit of four in service with TNI-AU.<sup>168</sup> However, after talks between Gates and Yudhoyono, at least one source suggested that the Indonesian side was 'reportedly extremely unhappy with the visit'.<sup>169</sup> A possible reason of tensions was the US hard-line position on Indonesia's internal security policies.

With Russia's comprehensive assistance, Indonesia would be able to complete a much needed capability upgrade whilst having a degree of financial flexibility and without worrying about delicate aspects concerning the nation's controversial internal policies. In late 2007 and early 2008 the Indonesian military had several incidents involving older military hardware.<sup>170</sup> In February 2008, Yudhoyono ordered the TNI to remove all ageing equipment from active service and to acquire new foreign military technology through export credit arrangements.<sup>171</sup>

**Fourth**, Russia was a useful counter-balance to the established regional power, the United States and the emerging superpower, China. Indonesia wanted—and indeed needed—good relations with these latter two powers.<sup>172</sup> But it certainly did not want to be dependent on either of them, not least because both were physically present in the local region, with the capacity to exert considerable overt or covert military and political pressure, should they choose to do so.

Adding to that, related projects such as *Air Launch* potentially provide the nation with a strategic option of securing access to near space, thus increasing its geopolitical weight in Southeast Asia.

**Fifth**, the defence relationship with Russia—clearly seen by Jakarta as something which Moscow was interested in and thus potentially a lever for it to use—was an adjunct to closer financial relations, and in particular to accessing Russian investment capital. According to Ambassador Hamid Awaluddin, in recent years the amount of Russian investment in Indonesian economy has reached US\$4 billion.<sup>173</sup> Adding to that, in the past seven years bilateral trade has increased considerably, from US\$210 million in 2001 to US\$904 million in 2007.<sup>174</sup> Tourism is another sector where Indonesia hopes to get major benefits from being close with Russia.<sup>175</sup>

Infrastructure was a pressing need for Indonesia by the early twenty-first century: there had been virtually no new infrastructural investment from 1997 onwards. A particularly pressing need was for the expansion of electricity generation capacity, in Java and Bali. Both islands were suffering from periodic brown out or black outs by 2003. Many in Indonesia—not just those associated with Habibie—saw nuclear power as Indonesia’s best long-term option, given that the country’s reserves of oil were running out, and its natural gas and coal were more valuable as exports. How realistic these plans are remains to be seen.

**Finally**, there were considerable political similarities between Indonesia and Russia. They were states undergoing the same kind of transition, from an authoritarian regime to a more democratic one via an uncertain and often difficult evolutionary path rather than a revolutionary one. In both countries the new political elites were in many ways hardly different from the old ones. Putin had been a KGB officer during the Soviet era; Yudhoyono had been a general under the military-backed regime led by Suharto. Both countries faced similar internal threats, from separatist regimes and Islamist terrorism. And both seemed to believe that their countries had pasts which promised—and perhaps even mandated—a future greater than the present.

Russia’s consistency in pursuing close strategic cooperation with Indonesia is driven by equally important considerations. Soviet strategic rapprochement with Indonesia between the 1950s and 1970s, including a highly intensive but short six-year period of bilateral defence cooperation, reflected the turbulent dynamics of the Cold War geopolitical rivalry as well as Soviet political-military ambitions in the Third World, including in Southeast Asia. The Soviet Union’s desperate efforts to achieve strategic *status quo* with the United States and its allies in Europe and the Asia-Pacific region, while seeking opportunities to expand political influence into every significant geopolitical area (particularly in times of growing anti-colonial and anti-Western movements), changed the strategic behaviour of the Soviet state considerably. As, Kokoshin notes, a radical departure in the Soviet post-Second World War foreign policy compared to approaches practiced by the leadership of the Russian Empire: “The Soviet Union’s efforts ... were largely focused on regions and countries that never crossed the minds of even the most ardent champions of Russia’s expanding influence in pre-revolutionary times.”<sup>176</sup>

By re-building partner relations with Indonesia, including through close bilateral defence cooperation, Russia aims to strengthen its position as an active player in Southeast Asia and indeed in the wider Asia-Pacific region—an area of growing importance to Russia. Contrary to Soviet strategies of the early 1960s, Russia applies a multi-vectored approach, with many ends being rather longer-term than immediate.

First, and most obviously, Russia wants to firm up its position in the Southeast Asian arms market, which currently generates 15 to 20 per cent of all Russian earnings in the sphere of military-technological cooperation.<sup>177</sup> Defence cooperation with Indonesia complements

existing ties with Malaysia, Thailand and Vietnam; links with the Myanmar, Philippines and Singapore also position Russia as one of the principal providers of military and dual-use technologies to regional clientele. The existing legal framework and special preferences given to the Indonesian Government create the strong possibility that Russia may become the principal provider of defence-related technologies to the TNI.

Russia's impressive persistence in securing a significant niche of the regional defence market is also driven by the pragmatic desire to diversify its globalised arms supply chain, currently involving 81 client-states,<sup>178</sup> particularly in the light of the reduction in Russian defence exports to China, problems with some Indian contracts (the *Admiral Gorshkov* and Il-38 modernisation programs) and scandals with the Algerian MiG-29s. Emerging new markets (such as Indonesia in Southeast Asia or Venezuela in South America) would not merely provide extra cash flows; they would also compensate for losses incurred in more established places.

Likewise, the same approach applies to other fields of cooperation such as space. If, in the case of Indonesia, the *Air Launch* is a chance to attract foreign investment, secure access to near space, and to increase its geopolitical value within the Southeast Asian community, Russia's strategic ends are far more ambitious. The project strengthens Russia's claim for a leadership role in the commercial use of space and future space exploration and exploitation—a long-term strategy adopted recently by the Kremlin. The *Air Launch* will help to further strengthen Russia-Indonesia cooperation in the security and economic sphere and will open up Southeast, South and possibly East Asian markets to *Roskosmos*, the Russian Space Agency. The collapse of discussions with Australia to build a ground space port on Christmas Island in the Indian Ocean failed to cool Russia's interest to export space technologies and services to the southeast corner of the Pacific, where Russia is already engaged in pursuing joint initiatives with Malaysia.

Second, Russia's strategic investment in Indonesia is driven by longer-term geopolitical considerations. Its close relationship with Indonesia, the world's largest Muslim nation, similarly to good relations with Malaysia and Middle Eastern states, improves Russia's image in the eyes of global Islamic community, and strengthens socio-economic and political links with the Muslim world.

Russia's comeback as a Pacific power is warranted by economic imperatives as well as geopolitical concerns. For Russia, Indonesia is an important economic partner, an arena of long-term capital investment, and an additional source of energy resources.<sup>179</sup> Also, Indonesia's strategic geography (the country sits at the junction of the two strategic theatres—the Pacific and the Indian Ocean) makes it pivotal in Russia's regional great power game in the near to medium-term future against the United States, and in the longer run possibly against China. By being strategically close to Indonesia, Russia hopes to ensure a favourable security regime around the archipelago, a matter of growing importance for the nation's economy and the accelerating export potential, particularly in the energy sector.

From the military-strategic viewpoint, ideally, the Russians would like to have the capacity to use Indonesia's ground infrastructure such as ports and air bases in support of its out-of-area deployments, and to be able to pressure 'choke points' in times of crisis. However, it is highly unlikely that the ruling elites in Jakarta and Indonesian public opinion would welcome such a possibility. A different option concerns dual-use commercial installations such as the future aerospace facility in Biak. Russia will gain access to a fully developed airstrip and other elements of ground infrastructure sufficient enough to accommodate all types of aircraft,



including transcontinental heavy lifters such as An-124 *Condor*, a backbone of the nation's strategic airlift capability (the bulk of Russia's fleet of *Condor* aircraft is under the command of the 61st Air Army).<sup>180</sup>

## **Strategic Re-Alignment or *Déjà Vu*?**

Are we seeing a significant strategic realignment in Southeast Asia, in which Russia-Indonesia relations will play a more prominent role than at any time since the early 1960s? Or will the grand plans of at least some officials in Moscow and Jakarta ultimately come to nothing, as have so many other such plans involving Indonesia in the recent past?

It would be a mistake to suggest that the developing cooperation in the sphere of defence and security makes Russia the principal strategic partner for Indonesia. Over the past 30 years Jakarta has shown great skill in maintaining relationships with many great powers, which were often geopolitical rivals to each other. There are no indications that this policy may be reviewed. The same approach applies to defence cooperation with foreign states.

Moscow certainly seems committed to making the relationship work, putting political and economic weight behind it. Such a relationship accords with Russia's worldview, and its understanding of its own place in the new emerging political constellation, both regionally and more widely. Moreover, there seems to be a clear decision-making process in Moscow where, once decisions are made, they are adhered to; the change from Putin to Medvedev has in fact brought little discernible change, at least in terms of the Russia-Indonesia relationship.

But in Indonesia, the situation is rather different. Decision-making is diffused throughout the political (and military) systems. Plans for weapons purchases, made by various civil or military officials, are highly contingent: no such plans should be considered final until the equipment is actually delivered into Indonesian hands.<sup>181</sup> And it would be a brave observer who would predict that the plans for a Russian-supplied nuclear-powered electricity generating station being set up in Indonesia would be realised any time soon; and the same goes for the *Biak Air Launch* facility.

Few political or military leaders in Indonesia want to be dependent once more on the United States as their principal technology supplier, in either the military or civilian contexts, and in this context the relationship with Russia is very useful, and will be supported. But, by the same token, few of those same political or military leaders want to replace dependence on the United States with dependence on Russia.

Indonesia continues to show a strong desire to retain a diversified arms supply network. As an illustration, on 7 November 2007 it signed a defence agreement with China and expressed a willingness to acquire Chinese military hardware.<sup>182</sup> In September 2008, *Dirgantara Indonesia* (the successor company to IPTN) signed an agreement with Spain's EADS-CASA to jointly produce C-212-400 military transport aircraft, thus signalling an interest in maintaining the relationship with European defence industries.<sup>183</sup> Indonesia is also seeking military cooperation from Australia.<sup>184</sup>

However, the strategic relationship with Russia, including in the defence sphere, has strong potential. On the practical level Russia is willing to offer Indonesia a complete suite of

weapons systems, ranging from light firearms to theatre-level defensive and offensive systems such as attack submarines, long-range aircraft (including upcoming fifth generation platforms), and air defence complexes on highly competitive terms. On a strategic level, Russia's growing geopolitical and economic weight may appeal to Indonesia in its power game against regional and global giants, among them the United States and China. Moscow has offered Jakarta its hand with a smile. Sooner or later Indonesia will have to decide whether it wants to relive the honeymoon of the early 1960s by realigning strategically with Russia or instead choose friendly pragmatism.

## Notes

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- 4 For the Soviet perspective on this period, see Alexei D. Bogaturov, *Velikie Derzhavy na Tikhom Okeane. Istoriya i Teoriya Mezhdunarodnykh Otnosheniy v Vostochnoi Azii posle Vtoroi Mirovoi Voiny (1945–1995)* [Great Powers in the Pacific. Theory and History of International Relations in East Asia since the Second World War (1945–1995)], Moskva: MONF, 1997, pp. 80–2. The standard histories of the Indonesian revolution are George McTurnan Kahin, *Nationalism and Revolution in Indonesia*, Cornell University Press, Ithaca, 1952; and Anthony Reid, *Indonesian National Revolution 1945–1950*, Longman, Hawthorn, 1974.
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- 6 Alastair M. Taylor, *The United Nations and Indonesian Independence*, Stevens, London, 1960, p. 389.
- 7 See Russell H. Fifield, *The Diplomacy of Southeast Asia: 1945–1958*, Archon Books, Hamden, 1958, p. 145. See also Donald Hindley, 'Foreign Aid to Indonesia and Its Political Implications', *Pacific Affairs*, vol. 36, no. 2, Summer 1963, pp. 107–8. Indonesia's bloc partners during this period included Bulgaria, Czechoslovakia, East Germany, Poland and Romania.
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- 12 Gromyko, Kovalyev, Sevostyanov, and Tikhivinskiy (eds), *Diplomatičeskij Slovar'*, Vol. III, p. 167.
- 13 Communiqué signed by A. Gromyko and R. Abdulgani, Moscow, 11 September 1956, reproduced in Harsono, *Recollections of an Indonesian Diplomat in the Sukarno Era*, pp. 151–52.
- 14 The Indonesian Parliament, however, refused to ratify the agreement until February 1958. See Guy Pauker, 'The Soviet Challenge in Indonesia', *Foreign Affairs*, vol. 40, July 1962, p. 613.
- 15 See Michael Leifer, *Indonesia's Foreign Policy*, George Allen & Unwin for the Royal Institute of International Affairs, London, 1983, p. 62.
- 16 See Howard Jones, *Indonesia: The Possible Dream*, Harcourt Brace Jovanovich, New York, 1971, p. 122; and Robert Lowry, *The Armed Forces of Indonesia*, Allen & Unwin, St. Leonard's, NSW, 1996, p. 104.
- 17 Cited in Jones, *Indonesia*, p. 122.
- 18 Cited in Alexander Pavlov, 'Cruiser for Indonesia', *Military Parade*, No. 30, November-December 1998, available at <<http://milparade.udm.ru/security/30/070x.htm>>, accessed 2 October 2007; see also V. Balashov, 'Mezhdunarodnoe Voennoe Sotrudnichestvo VMF. Istoriya i Perspektivy' [The Navy's International Military Cooperation. History and Perspectives], *Morskoi Sbornik* [Naval Herald], No. 2, 2007, p. 23.

- 19 Lowry, *The Armed Forces of Indonesia*, p. 104.
- 20 Pauker, 'The Soviet Challenge in Indonesia', p. 614.
- 21 Pavlov, 'Cruiser for Indonesia'. The destroyers were the *Scoryn* class (Project 30bis) gun destroyers, a class supplied to a number of navies of Soviet allies and client-states. Balashov, 'Mezhdunarodnoe Voennoe Sotrudnichestvo VMF', p. 23.
- 22 This was the second post-1945 out-of-area deployment of Soviet naval forces in the Pacific, a fact that highlights the political significance of this action. The ships were in Surabaya between 17 and 21 November 1959.
- 23 Gromyko, Kovalyev, Sevostyanov, and Tikhivinskiy (eds), *Diplomaticheskii Slovar'*, Vol. III, p. 167.
- 24 See Leifer, *Indonesia's Foreign Policy*, p. 63.
- 25 Pavlov, 'Cruiser for Indonesia'; and Balashov, 'Mezhdunarodnoe Voennoe Sotrudnichestvo VMF', p. 23.
- 26 Lowry, *The Armed Forces of Indonesia*, pp. 97–8.
- 27 'Indoneziya Reshila Zakupit v Rossii Disel'nye Podlodki' [Indonesia has Decided to Buy up Diesel Submarines in Russia], *RIA Novosti*, 23 October 2006. Note: the combat potential of the United States and Soviet naval presence in the Pacific in the 1960s is not factored in.
- 28 The air strike capability was based on several squadrons of Tu-16 *Badger* intermediate-range bombers. (See Norman Friedman, 'Maritime Challenges', *Asia-Pacific Defence Reporter*, vol. 33, no. 10, December 2007/January 2008, p. 19.) It was largely in response to this development that the Australian Government ordered 24 F-111 strike aircraft from the United States—platforms giving the Australian military strategic reach and strike capability to attack key targets in Indonesia and elsewhere.
- 29 Lowry, *The Armed Forces of Indonesia*, p. 105.
- 30 Leifer, *Indonesia's Foreign Policy*, p. 63.
- 31 Lowry, *The Armed Forces of Indonesia*, p. 49.
- 32 The terminology used to describe the western half of the island of New Guinea is varied and politically charged. Here we use the term 'West Irian' for simplicity, but without any specific political implications.
- 33 See 'Perebutan Irian Barat. Di Balik Konflik RI-Belanda 1962' [Seizing West Irian. Behind the Indonesian-Dutch Conflict of 1962], parts 1 and 2, *Suara Pembaruan*, 11 and 12 August 2005, available at <<http://www.suarapembaruan.com/News/2005/08/11/index.html>> and at <<http://www.suarapembaruan.com/News/2005/08/12/index.html>>, accessed 15 October 2008. In his authorised biography of Sudomo, Julius Pour also records the presence of the six reserve submarines, but does not mention the nationality of their crews. Julius Pour, *Laksamana Sudomo: Mengatasi Gelombang Kehidupan* [Admiral Sudomo: Overcoming the Waves of Life], Gramedia Widiasarana Indonesia, Jakarta, 1997, p. 134.
- 34 Julius Pour notes two missions undertaken by the four Indonesian submarines based at Bitung as part of the Task Force. See Pour, *Laksamana Sudomo*, pp. 136–37.
- 35 'Perebutan Irian Barat. Di Balik Konflik RI-Belanda 1962' part 1. Italics in original text.
- 36 'Perebutan Irian Barat. Di Balik Konflik RI-Belanda 1962' part 1.
- 37 Igor Kasatonov, *Flot Vyshel v Okean* [The Navy Entered the Ocean], Moskva: Andreevskiy Flag, 1996, p. 361. In his *Memoirs*, when referring to the submarines, Khrushchev said that they were commanded by Soviet officers because there were no Indonesians able to do so. Khrushchev, *Memoirs of Nikita Khrushchev. Vol 3*, p. 790. Khrushchev also noted that the submarines 'were not outdated, but we had withdrawn them from production'. Khrushchev, *Memoirs. Vol 3*, p. 789.
- 38 Kasatonov, *Flot Vyshel v Okean*, p. 361. A report of these developments also appeared in the Dutch newspaper *De Volkskrant*, based on interviews with three of the Soviet personnel involved, including two submarine officers. See Bart Rijs, 'Moskou beraamde in '62 aanval op Nieuw-Guinea', [In '62 Moscow Planned Attack on New Guinea], *De Volkskrant*, 10 February 1999.
- 39 For further analysis of Soviet perceptions of the significance of sea-based threats posed by US SSBNs and strike aircraft carriers, see Alexey D. Muraviev, *The Russian Pacific Fleet. From the Crimean War to Perestroika*, Papers in Australian Maritime Affairs, no. 20, Department of Defence, Canberra, 2007, p. 30.
- 40 See Pauker, 'The Soviet Challenge in Indonesia', p. 616.
- 41 Arend Lijphart, however, asserts that Soviet (and Western) military aid to Indonesia produced a degree of moral indignation in the Netherlands that 'strengthened the Dutch resolve to continue the task in New Guinea'. Arend Lijphart, *The Trauma of Decolonization: The Dutch and West New Guinea*, Yale University Press, New Haven, 1966, p. 193.
- 42 For a discussion of the so-called 'Soviet card' as used by Indonesia in the West Irian and Malaysia disputes, see Timo Kivimaki, *US-Indonesian Hegemonic Bargaining: Strength of Weakness*, Ashgate, Aldershot, 2003.
- 43 For an account of these events by an American diplomat who participated in them, see Jones, *Indonesia*, pp. 202–15.
- 44 See Greg Poulgrain, *The Genesis of Konfrontasi, Malaysia, Brunei, Indonesia, 1945–1965*, Crawford House, Bathurst, 1998, p. 190. Khrushchev, though, said of Nasution that 'unfortunately he was drawn more towards the Americans [than the USSR]'. Khrushchev, *Memoirs of Nikita Khrushchev. Vol 3*, p. 789.

- 45 Pauker, 'The Soviet Challenge in Indonesia', p. 612.
- 46 For an exhaustive account, see J.A.C. Mackie, *Konfrontasi. The Indonesia-Malaysia Dispute 1963-1966*, Oxford University Press for the Australian Institute of International Affairs, Kuala Lumpur, 1974, especially pp. 111–39.
- 47 A useful elaboration of the differences between the West Irian and Malaysia disputes from the Soviet perspective can be found in Nadia Derkach, 'The Soviet Policy towards Indonesia in the West Irian and the Malaysian Disputes', *Asian Survey*, vol. 5, no. 11, November 1965, pp. 566–71.
- 48 Khrushchev, *Memoirs of Nikita Khrushchev. Vol 3*, p. 793.
- 49 For a statement of the Party's reasoning, see D.N. Aidit, 'The Struggle of the Peoples of Asia, Africa and Latin America' in Herbert Feith and Lance Castles, *Indonesian Political Thinking 1945–1965*, Cornell University Press, Ithaca, 1970, pp. 266–70.
- 50 John David Legge, *Sukarno: a Political Biography*, Allen Lane, London, 1972, p. 382.
- 51 Suryadinata, 'Indonesia-Russia Relations', p. 29.
- 52 Lowry, *The Armed Forces of Indonesia*, pp. 105–6.
- 53 Suryadinata, 'Indonesia-Russia Relations: The Jakarta Perspective', p. 30.
- 54 Thus, under Suharto, Indonesia and the Soviet Union signed and ratified several bilateral economic agreements, including in 1974 and 1984. See Gromyko, Kovalyev, Sevostyanov, and Tikhivinskiy (eds), *Diplomatičeskiy Slovar'*, Vol. III, p. 167; also see Suryadinata, 'Indonesia-Russia Relations', pp. 30–1.
- 55 'Putin Pre-APEC Visit to Jakarta seen as Reviving Old Soviet-Indonesian Military-Strategic Ties', *Weekly Global Report*, 17 September 2007, p. 4; and Suryadinata, 'Indonesia-Russia Relations', p. 31.
- 56 Andrei I. Kokoshin, *Soviet Strategic Thought, 1917–91*, MIT Press, Cambridge, London, 1998, p. 4.
- 57 'Indoneziya Reshila Zakupit v Rossii Disel'nye Podlodki'. This is an extract from the interview that General Sadikin gave to *RIA Novosti*.
- 58 For example, see Nicolai N. Petro, Alvin Z. Rubinstein, *Russian Foreign Policy. From Empire to Nation-State*, Longman, New York, 1997, pp. 302–3.
- 59 James Clay Moltz, 'Russia in Asia in 1997: Moving beyond the 'Strategic Partnership'', *Asian Survey*, vol. 38, no. 1, January 1998, p. 91.
- 60 Roger E. Kanet, Alexander V. Kozhemiakin and Susanne M. Birgeron, 'The Third World in Russian Foreign Policy', in Roger E. Kanet and Alexander V. Kozhemiakin (eds), *The Foreign Policy of the Russian Federation*, MacMillan Press, London, 1997, p. 183.
- 61 Gennady Chufrin (ed.), *Russia and Asia. The Emerging Security Agenda*, Oxford University Press, SIPRI, Oxford, 1999, pp. 69 and 501.
- 62 Nodari Simonia, 'Domestic Developments in Russia' in Chufrin (ed.), *Russia and Asia*, p. 69; also see Kanet, Kozhemiakin and Birgeron, 'The Third World in Russian Foreign Policy', p. 182.
- 63 Thus, Russia's Chief of the Defence Attaché Section in Jakarta from 1993 to 1996, Captain 1st Rank Vladimir Izgordin, was awarded the Order of *Yudha Darma Naraya* for his contribution to the re-establishment of bilateral defence ties. 'Military News Bulletin', *RIA Novosti*, issue 9, 10, September 1997, available at <<http://www.ria-novosti.com/products/military/1997/09/26.htm>>, accessed 16 October 1997. The fact that this event was reported by Russian defence media only (and not wider Russian news media) signifies its importance for the Russians.
- 64 Dmitriy Gornostayev and Igor Korotchenko, 'Dzhakarta Khochet Kupit' Su-30K' [Jakarta Wants to Buy Su-30K], *Nezavisimaya Gazeta* [The Independent], 6 August 1997, p. 1.
- 65 'Indonesia not Reluctant to Buy Russian Combat Planes', *RIA Novosti*, issue 48, 9 July 1997.
- 66 Chufrin (ed.), *Russia and Asia*, p. 504; 'Indonesian Government to Buy Russian Weapons', *Ria Novosti*, 5 August 1997, Issue 3. See also 'Panglima TNI Beberkan Kronologi Pembelian Sukhoi' [TNI Commander Sets Our Sukhoi Purchase Chronology], *Angkasa* No. 9, June 2003, available at <<http://www.angkasa-online.com/13/09/breaking/break21.htm>>, accessed 28 August 2008
- 67 'Military News Bulletin', *RIA Novosti*, 9 (10), September 1997, available at <<http://www.ria-novosti.com/products/military/1997/09/26.htm>>, accessed 16 October 1997.
- 68 Gornostayev and Korotchenko, 'Dzhakarta Khochet Kupit' Su-30K', p. 1.
- 69 'Russia: Indonesia Said Considering Buying Russian Yakhont Missiles', *FBIS-UMA-97-034*, 31 October 1997.
- 70 *SIPRI Yearbook 1998. Armaments, Disarmament and International Security*, SIPRI, Oxford University Press, 1998, p. 299.
- 71 Gennady Chufrin, 'Weapon Sales in Moscow's Foreign Policy' in Derek da Cunha (ed.), *The Evolving Pacific Power Structure*, Institute of Southeast Asian Studies, Singapore, 1996, p. 225.
- 72 Adam Schwartz provides a good discussion of Habibie and his ideas in Schwartz, *A Nation in Waiting*, Allen & Unwin, Sydney, 1999, pp. 85–97.
- 73 One American commentator wrote of him: 'Mr. Habibie's influence is so great that few Indonesians are willing to criticize his policies publicly. He is a close friend of President Suharto.' See Philip Shenon, 'Hidden

- Giant—A Special Report; Indonesia Improves Life for Many But the Political Shadows Remain', *New York Times*, 27 August 1993.
- 74 BPIS was formed in 1990, and consists of 10 companies (four previously under the Department of Industry (IPTN, *Barata Indonesia*, *Boma Bisma Indra* and *Krakatau Steel*), three formerly controlled by the Department of Defence and Security (PAL, *Pindad*, *Dahana*), and one each from the Departments of Tourism, Posts and Telegraph (Inti), and Communications (Inka), and the State Secretariat (LEN)).
- 75 On IPTN, see McKendrik, David, 'Obstacles to 'Catch-Up': the Case of the Indonesian Aircraft Industry', *Bulletin of Indonesian Economic Studies*, vol. 28, no. 1, April 1992, pp. 39–66.
- 76 Schwartz, *A Nation in Waiting*, p. 86.
- 77 A good summary of the development of thinking about nuclear energy in Indonesia to 1997 by an insider is Soedyartomo Soentono, 'Nuclear Power Development in Indonesia', International Symposia on Energy Future in the Asia/Pacific Region: Research & Education for Nuclear Energy, Sponsored by Tokai University Education System, Japan and the Department of Nuclear Engineering, University of California, Berkeley, Berkeley, 1997, available at <[http://taun.nuc.berkeley.edu/asia/1997/97ILP\\_Soentono.pdf](http://taun.nuc.berkeley.edu/asia/1997/97ILP_Soentono.pdf)>, accessed 26 May 2008. See also August Schlapfer, *Reactors on the Ring of Fire: Implications for Indonesia's Nuclear Program*, Working Paper no. 65, Asia Research Centre, Murdoch University, Perth, July 1996.
- 78 Susan Willett, 'East Asia's Changing Defence Industry', *Survival*, vol. 39, no. 3, 1997, p. 108.
- 79 See Willett, 'East Asia's Changing Defence Industry', p. 116. Willett also acknowledges that Indonesia's success in transferring skills from the defence industries to civilian ones was very limited, because of quality limitations in the civilian sector. (pp. 114–15). This is, of course, the point that Habibie was pursuing.
- 80 'Do Kontsa Goda Rossiya Mozhet Prodats' Indonezii 8 Istrelitilei Su-30' [Russia Could Sell 8 Su-30 Fighters before the End of the Year', *TS VPK* information agency, 25 October 2004, available at <[http://ia.vpk.ru/cgi-bin/access/8/ch.pl?file=/news/news/49\\_04/5\\_151822.htm](http://ia.vpk.ru/cgi-bin/access/8/ch.pl?file=/news/news/49_04/5_151822.htm)>, accessed 29 October 2004. See also David Isenberg, 'Indonesia, Russia Cozy [sic] up over Arms Sales', *Asia Times*, 2 December 2004, available at <[http://www.atimes.com/atimes/Southeast\\_Asia/FLO2Ae02.html](http://www.atimes.com/atimes/Southeast_Asia/FLO2Ae02.html)>, accessed on 27 May 2008.
- 81 'Indonesia to buy Russian Mi-17 Choppers', *Angkasa*, 1, October 2000, available at <<http://angkasa-online.com/11/01/english/english3.htm>>, accessed 26 May 2008.
- 82 Sebastian, *Realpolitik Ideology*, p. 247.
- 83 *Mempertahankan Tanah Air Memasuki Abad 21*, Department of Defence, Jakarta, 2003, unpaginated. This working paper does not discuss the political implications of the paper, which was criticised by many as representing a retreat from the process of reforming the military, and in particular efforts to extract the military from internal security issues. For a brief review of the issues, see Anak Agung Banyu Perwita, 'Security Sector Reform in Indonesia: The Case of Indonesia's Defence White Paper 2003', *Journal of Security Sector Management*, vol. 2, no. 4, December 2004, pp. 1–9; and Sebastian, *Realpolitik Ideology*, pp. 150–2.
- 84 Executive Summary, *Mempertahankan Tanah Air*.
- 85 *Mempertahankan Tanah Air*.
- 86 See Dewi Fortuna Anwar, 'Resource Issues and Ocean Governance in Asia Pacific: An Indonesian Perspective', *Contemporary Southeast Asia*, vol. 28, no. 3, 2006, pp. 472–73. Indonesian financial losses from illegal fishing have been estimated to be as high as A\$3.5 billion—not much less than the State budget of the Department of Defence for 2008 (A\$4.3 billion). See Akhmad Solikin, 'Mendanai Modernisasi Alutsista TNI AL', [Funding the Modernisation of the Navy's Primary Weapons Systems] *RepublikaOnline*, 5 March 2008, available at <[http://www.republika.co.id/kolom.asp?kat\\_id=16](http://www.republika.co.id/kolom.asp?kat_id=16)>, accessed 5 March 2008. Rp1 trillion = A\$117.6 million. Another expert in 2006 put the figure at least A\$2 billion annually. See 'Illegal fishing costs Indonesia \$2-billion a year: expert', *The World Today*, ABC Radio, 12 May 2006, available at <[www.abc.net.au/worldtoday/content/2006/s1637120.htm](http://www.abc.net.au/worldtoday/content/2006/s1637120.htm)>, accessed 30 April 2008.
- 87 *Kaji Ulang Strategis Sistem Pertahanan Tahun 2004*, [Review of Strategic Defence Systems, 2004] Department of Defence, Jakarta, 2004. The authors have not sighted the original document: the material in this working paper draws on a brief summary of the Review in Makmur Meliat et al, *Pengelolaan dan Pengawasan Sumber Daya Pertahanan Indonesia*, [Management and Supervision of Indonesian Defence Resources] Working Group on Security Sector Reform, ProPatria Institute, Jakarta, 2007, especially p. 4.
- 88 The military itself acknowledged that the readiness level of the Indonesian Air Force's transport squadrons in 2005 was 45 per cent, its helicopter squadrons was 40 per cent and its combat squadrons was 30 per cent. See *Pengelolaan dan Pengawasan*, Table 2, p. 6.
- 89 See Hazairin Pohan, 'Indonesian—Russian Strategic Partnership Relations in the 21st Century', paper presented to a seminar on 'Prospek Hubungan Bilateral Indonesia—Rusia' [Prospects for Bilateral Relations between Indonesia and Russia] at the Centre for Political Studies, Indonesian Institute of Sciences, Jakarta, 2006, p. 4.
- 90 Na Novy Uroven' Bzaimootnosheni' [Onto a New Level of Relationships], *Krasnaya Zvezda* [The Red Star], 22 April 2003, p. 1. Sukarno had made the only other two Indonesian presidential visits to Moscow, in 1956 and in 1964.

- 91 Hazairin Pohan, 'Strategic Friendly and Partnership Relations in the 21st century: Hubungan Indonesia-Rusia di Era Baru', [Strategic Friendly and Partnership Relations in the 21st century: Indonesia-Russia Relations in the New Era], Paper presented to a seminar on 'Upaya Peningkatan Hubungan Bilateral Antara Indonesia-Rusia dalam Bidang Ekonomi, Politik, Perdagangan dan Sosial Budaya' at Pajajaran University, Bandung, 2003, unpaginated (para 1.1), available at <<http://www.indonesianembassy.pl/images/site/File/Articles%20in%20Ambassador's%20Blog/16-RussianDayUnpad.pdf>>, accessed 30 May 2008.
- 92 'Na Novy Uroven' Bzaimootnosheny', p. 1.
- 93 See 'Southeast Asian Fighter Purchases', *Strategic Comments*, vol. 9, no. 6, 2003, pp. 1–2.
- 94 See Hazairin Pohan, 'Indonesian–Russian Strategic Partnership Relations in the 21st Century', especially pp. 12–13.
- 95 Hazairin Pohan, 'Indonesian–Russian Strategic Partnership Relations in the 21st Century', p. 11.
- 96 See 'Sukhoi deal is betrayal of 'reformasi'', *Jakarta Post*, 25 July 2003, available at <<http://www.thejakartapost.com/news/2003/07/25/sukhoi-deal-betrayal-039reformasi039.html>>, accessed 22 May 2008.
- 97 See 'Rekomendasi Panja Sukhoi Keluarkan Sanksi' [Sukhoi Working Party Recommends Sanctions], *Sinar Harapan*, 5 September 2003, available at <<http://www.sinarharapan.co.id/berita/0309/05/nas03.html>>, accessed 29 August 2008.
- 98 Vladislav Kramar, 'Tsunami Prokatilos' po Oruzheinomy Eksporty' [The Tsunami has Rolled Over Arms Exports], *Nezavisimoe Voennoe Obozrenie* [Independent Military Review], N 1 (409), 14–20 January 2005, p. 1. See also Isenberg, 'Indonesia, Russia Cozy up over Arms Sales'.
- 99 'Indodefence Expo Forum 2004 International Air Show', *Sukhoi Company (JSC)—Exhibitions*, available at <<http://www.sukhoi.org/eng/exhibitions/indodefence/>>, accessed 18 March 2008.
- 100 Olga Semenova, Mikhail Tsyganov, 'Indoneziya Khotela by Osyshchestvlyat' Svoye Voennoe Stroitel'stvo s Pomoshchiyu Rossii' [Indonesia Would Like to Undertake its Military Development with Russia's Assistance', *RIA Novosti*, 29 October 2004.
- 101 Vladimir Mukhin, 'Minoborony RF Vtyagivaetsya v Novy Regional'ny Konflikt' [Russian Ministry of Defence is Getting Involved in a New Regional Conflict], *Nezavisimoe Voennoe Obozrenie*, vol. 1, no. 409, January 2005, p. 1. The Trans-Volga Military District is responsible for operations in the Asian strategic theatre.
- 102 Igor Bykov, 'Meditsina Katastrof' [Critical Emergency Medical Service], *Voennno-Promyshlenny Kuryer*, vol. 22, no. 89, June 2005, available at <[http://www.vpk-news.ru/print.asp?pr\\_sign=archive.2005.89.articles.army\\_01](http://www.vpk-news.ru/print.asp?pr_sign=archive.2005.89.articles.army_01)>, accessed 23 November 2007.
- 103 Bykov, 'Meditsina Katastrof' [Critical Emergency Medical Service], *Voennno-Promyshlenny Kuryer*, vol. 22, no. 89, June 2005, available at <[http://www.vpk-news.ru/print.asp?pr\\_sign=archive.2005.89.articles.army\\_01](http://www.vpk-news.ru/print.asp?pr_sign=archive.2005.89.articles.army_01)>, accessed 23 November 2007.
- 104 Mukhin, 'Minoborony RF Vtyagivaetsya v Novy Regional'ny Konflikt', p. 2. The military medical unit sent to Indonesia carried the status of a 'unit of constant combat readiness', which is applied only to front-line combat and support units ready to be deployed to a theatre of operations within 48 hours.
- 105 Whilst there is no confirmation, it is reasonable to assume that Russian military personnel provided medical assistance to the Indonesian military (about 410, which is the balance remaining of the total figure of 2066 that were treated in the hospital between 19 January and 19 February 2005).
- 106 Within days the RFAF mounted a transcontinental airlift operation involving six Il-76MF *Candid* and An-124 *Condor* heavy lifters, that performed 14 sorties transferring 200 personnel, over 20 pieces of equipment and 450 tonnes of cargo. See Aleksandr Babakin, 'Redeiut Ryady Vozdushnykh Izvozchikov' [The Ranks of Air Drivers Are Thinning out], *Nezavisimoe Voennoe Obozrenie*, vol. 24, no. 433, July 2005, p. 3.
- 107 'Indonesia, Russia will Establish Military Technical Commission; Russia to Supply Additional Sukhois, Submarine, Missiles', *Defense & Foreign Affairs Special Analysis*, vol. XXIII, no. 95, 30 September 2005, p. 5. The initial co-chairs of the MTCC were Air Vice-Marshal Wattimena (then Director-General for Defence Facilities, Indonesian Department of Defence) and Lieutenant-General Aleksandr V. Denisov (then Deputy Managing Director of the Russian Federal Service for Military-Technical Cooperation).
- 108 Bambang H, 'Indonesia Mempererat Hubungan Militer Dengan Rusia' [Indonesian Strengthens Military Relations with Russia], *PolitikIndonesia.com*, 19 September 2005, available at <<http://www.politikindonesia.com/readhead.php?id=677>>, accessed 20 October 2008.
- 109 See 'Rusia Diharapkan Bantu Transformasi Teknologi' [Hopes Russia to Assist in Technological Transformation], *Suara Karya*, 1 November 2005, available at <<http://www.suarakarya-online.com/news.html?id=125903>>, accessed 3 September 2008.
- 110 See 'Rusia Diharapkan Bantu Transformasi Teknologi' [Hopes Russia to Assist in Technological Transformation], *Suara Karya*, 1 November 2005.
- 111 Captain 3rd Rank T. Gainutdinov, 'Za Semyiu Moryami' [Beyond Seven Seas], *Morskoi Sbornik*, No. 4, 2006, p. 40.
- 112 *Rossiiskoe Voennoe Obozrenie* [Russian Military Review], No. 3 (27), March 2006, p. 53.

- 113 *Rossiiskoe Voennoe Obozrenie*, No. 1 (36), January 2007, p. 61.
- 114 *Rossiiskoe Voennoe Obozrenie*, No. 1 (36), January 2007, p. 61.
- 115 'Do 2024 Goda Indoneziya Namerena Zakupit v Rossii 12 Podvodnykh Lodok' [By 2024 Indonesia intends to buy 12 Submarines from Russia], *Promexport World Group Systems*, 24 January 2006, available at <[http://ia.vpk.ru/cgi-bin/access/8/ch.pl?file=/news/news/5\\_06/3\\_094925.htm](http://ia.vpk.ru/cgi-bin/access/8/ch.pl?file=/news/news/5_06/3_094925.htm)>, accessed 27 January 2006.
- 116 'Indoneziya Reshila Zakupit v Rossii Disel'nye Podlodki'.
- 117 'Indoneziya Zakupit Rossiiskogo Oruzhiya na Tri Milliarda Dollarov' [Indonesia to Purchase Russian Armaments worth of Three Billion Dollars], *Lenta.Ru*, 28 October 2007, available at <[http://www.lenta.ru/news/2007/10/26/indo/\\_Printed.htm](http://www.lenta.ru/news/2007/10/26/indo/_Printed.htm)>, accessed 29 October 2007.
- 118 'Indoneziya Planiruet Zakupit u Rossii 12 Samoletov 'Su' [Indonesia Plans to Buy up 12 Su Aircraft from Russia], *ITAR-TASS*, 27 June 2005.
- 119 'Indoneziya Namerena do 2009 Goda Ezhegodno Priobretat u RF po Dva 'Su' [Indonesia Intends to Purchase 2 Su's from the Russian Federation annually until 2009], *RIA Novosti*, 30 March 2006.
- 120 'Indoneziya i Rossiya Podgotovili Soglashenie o Razvitii VTS na Period do 2010 goda' [Indonesia and Russia prepared an Agreement Concerning the Development of Military-Technological Cooperation until 2010], *ITAR-TASS*, 28 November 2006; 'SBY Putin Menandatangani Nota Kesepahaman' [SBY, Putin Sign Memorandum of Understanding], *Liputan6.com*, 2 December 2006, available at <<http://www.liputan6.com/luar negeri/?id=133458>>, accessed 21 October 2008. Other aspects of Russia-Indonesia strategic partnership in the security and defence sphere include cooperation in counterterrorism, exploration of space and assistance in civil emergencies.
- 121 Amongst the military equipment Indonesia proposed to purchase using this loan facility were 6 more *Sukhoi* fighters, 10 Mi-17B-5 transport helicopters, 5 Mi-35P attack helicopters, two *Kilo* class submarines and 20 BMP-3F amphibious tanks. See 'Pembelian Enam Sukhoi Selesai 2008' [Purchase of Six Sukhoi to be Concluded 2008], Department of Defence citing *Antara*, available at <<http://www.dephan.go.id/modules.php?name=News&file=article&sid=7297>>, accessed 21 October 2008. Note however that, despite Indonesia's Department of Defence listing these acquisitions as one defence package, the agreement concerning six *Sukhois* was signed in August 2007 in Moscow, independently of the loan agreement which Putin and Yudhoyono discussed in November 2006 and approved in September 2007.
- 122 'Oruzhie v Kredit' [Weaponry on Credit], *Voенно-Promyshlenny Kurier*, vol. 35, no. 201, 12–18 September 2007, p. 2.
- 123 Dmitriy Litovkin, 'Rossiya Stroit Vozdushny Kosmodrom' [Russia is Building an Airborne Spaceport], *Izvestiya*, 2 October 2007, available at <<http://www.izvestia.ru/obshestvo/article3108869/index.html>>, accessed 4 October 2007. The Biak facility would be third Russian space launch centre outside the country, the other two located in Kazakhstan (the *Baikonur* multi-role space complex) and French Guiana (the joint Russian-European Space Agency *Kourou* launch complex).
- 124 *Vladivostok*, 30 December 1997, p. 5.
- 125 Litovkin, 'Rossiya Stroit Vozdushny Kosmodrom'. We have not been able to confirm this figure from Indonesian sources.
- 126 Andrei Kislyakov, 'Vozdushny Start—Novaya Perspektiva na Puti v Kosmos' [The Air Launch—a New Perspective on the Way to Space], *RIA Novosti*, 25 September 2008.
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