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Navigating Great Power Rivalry through Maritime Cooperation

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Introduction: Framing the Argument

The South China Sea (SCS) is one of the most contested spaces in contemporary international politics. Great power rivalry, most prominently between the United States and China, has transformed the maritime domain into a site of strategic competition, with significant implications for regional stability, global trade, and the future of the rules-based order.¹ While much of the literature emphasises the risks of military escalation, the more immediate danger lies in daily encounters at sea, where ambiguous “grey zone” tactics heighten the risk of miscalculation.² This creates a critical demand for non-coercive, third party engagement focused on de-escalation and preventive diplomacy.

Against this backdrop, the European Union (EU) has sought to expand its role in the Indo-Pacific through its EU Strategy for Cooperation in the Indo-Pacific.³ Yet, this ambition faces an immediate, dual dilemma. First, any overt military involvement risks reinforcing the very logic of great power rivalry it seeks to mitigate. More critically, the EU's geopolitical bandwidth is heavily occupied by the renewed conflict and instability on its Eastern flank, meaning that the capacity and political will for robust, large-scale engagement in the Indo-Pacific are inherently limited. Therefore, Europe's contribution cannot be that of a balancer but must be that of a highly selective and focused facilitator.

Given these geopolitical realities, the EU cannot afford an ambitious, high-resource strategy in the Indo-Pacific. Its path to genuine engagement must therefore be narrow, highly targeted, and built upon the existing capacities of credible, non-aligned regional actors. This strategic necessity makes the choice of a partner paramount. It is within this framework of constrained realism that Indonesia stands out as not merely a natural partner, but an indispensable strategic necessity. Indonesia's long-standing 'free and active' foreign policy, its adherence to ASEAN centrality, and its operational maturity in maritime security offer the most potent and politically palatable leverage for a resource-limited Europe. This article contends that the EU can navigate its external and internal constraints through a pragmatic partnership with Indonesia on specific collaborative maritime preventive measures, thereby offering a realistic pathway to stability without escalating great power rivalry. By focusing on practical, non-escalatory cooperation, the EU can overcome its own institutional friction and establish a relevant role as a security contributor, rather than a security consumer, in the region.

The argument unfolds in four parts. The first section examines the evolving threat landscape in the South China Sea, emphasising the rise of grey zone tactics and the resulting demand for non-military solutions. The second analyses Indonesia's strategic significance as a partner for Europe, focusing on its diplomatic role, foreign policy tradition, and operational capacity as a counterbalance to European constraints. The third explores practical, low-cost, high-impact avenues for EU–Indonesia cooperation, particularly in joint training and communication mechanisms. The fourth discusses the significant political and operational challenges and limitations of such cooperation, before concluding with broader reflections on the realistic scope of Europe's role in mitigating great power rivalry.

¹ Robert Kaplan, *Asia's Cauldron: The South China Sea and the End of a Stable Pacific* (New York: Random House, 2014).

² Oriana Skylar Mastro, “The Stealth Superpower: How China Hid Its Global Ambitions,” *Foreign Affairs* 98, no. 1 (2019): 31–39.

³ European External Action Service, *EU Strategy for Cooperation in the Indo-Pacific* (Brussels: EEAS, 2021).

The Threat Landscape: Grey Zone Tactics and the Erosion of Order

Security dynamics in the South China Sea are increasingly defined by operations that fall below the threshold of war. China's use of coast guard vessels, maritime militia, and artificial island bases reflects a deliberate strategy of gradual assertion.⁴ These grey zone tactics operate in a space of deliberate ambiguity: vessels lack clear military insignia, harassment is calibrated to avoid triggering armed response, and the legal framework is constantly contested.

The result is a persistent environment of coercion. For example, repeated confrontations near Scarborough Shoal, where Chinese coast guard ships have used water cannons to obstruct Philippine resupply missions, illustrate how routine encounters carry high risks of escalation.⁵ Similarly, incursions into Indonesia's North Natuna Sea EEZ demonstrate how even non-claimant states are directly affected.⁶ This persistent pressure erodes sovereignty, undermines international law, and creates a climate of insecurity.

The militarisation of the Spratly and Paracel Islands compounds these risks. By equipping artificial islands with runways, missile systems, and radar facilities, China has fundamentally altered the strategic geography of the SCS.⁷ These installations provide a network of anti-access/area denial (A2/AD) capabilities that complicate any potential response and entrench Beijing's ability to sustain grey zone operations.

The implications are both regional and global. For Southeast Asian states, the economic costs are immediate: harassment of energy exploration vessels in their EEZs undermines their resource sovereignty.⁸ For Indonesia, this stability is paramount, as the contested areas directly border its sovereign territory around the Natuna Islands, which contain strategically vital offshore gas reserves. The continuous secure operation of these energy and fisheries resources underpins a significant portion of Indonesia's national economy and long-term development.

For Europe, the challenge is systemic: China's disregard for the 2016 Permanent Court of Arbitration ruling threatens the authority of UNCLOS.⁹ In short, the South China Sea is not merely a site of local contestation, but a frontline in the erosion of international law. Crucially, the ambiguous nature of grey zone operations means that traditional military deterrence is often ineffective or escalatory. The most immediate need is not for more external military presence, but for enhanced operational capacity and clear communication mechanisms among regional actors to prevent miscalculation and manage daily friction. This systemic demand for non-coercive, capacity-building solutions sets the stage for a viable, albeit limited, European role.

⁴ Gregory Poling, "The Conventional Wisdom on China's Maritime Militia is Dangerously Wrong," War on the Rocks, 2020.

⁵ "China Coast Guard fires water cannon at Philippine ships in South China Sea," Nikkei Asia, 16 September 2025.

⁶ Shafiah F. Muhibat, "Nationalism, Sovereignty and Foreign Policy: Indonesia and the Disputes over the South China Sea", in Arianto Patunru, Mari Pangestu, and M. Chatib Basri (Eds), *Indonesia in the New World: Globalisation, Nationalism and Sovereignty* (Singapore: ISEAS, 2018).

⁷ Richard A. Bitzinger, "China's Militarisation of the South China Sea: Creating a Strategic Strait?" RSIS Commentary, no. 221 (September 1, 2016).

⁸ Gregory Poling, "Trouble at Vanguard Bank," Asia Maritime Transparency Initiative, Center for Strategic and International Studies, May 15, 2024

⁹ Permanent Court of Arbitration, *The South China Sea Arbitration (The Republic of Philippines v. The People's Republic of China)*, PCA Case No. 2013-19 (2016).

Indonesia's Strategic Role: Non-Alignment as an Asset for a Constrained Europe

Indonesia occupies a distinctive position in this contested maritime environment. Geographically, as an archipelagic state straddling the Indian and Pacific Oceans, it controls critical sea lines of communication.¹⁰ Politically, it is ASEAN's largest economy and most influential state, often seen as the de facto leader of the bloc. Crucially, Indonesia's ability to uphold ASEAN Centrality provides the essential multilateral framework—a framework that is necessary to legitimise any external engagement and which a geopolitical constrained Europe cannot afford the time or resources to construct on its own.¹¹

Equally important is Indonesia's foreign policy tradition of *bebas-aktif* ("free and active"), which commits the state to non-alignment while remaining engaged in global affairs.¹² For the EU, which seeks to mitigate rivalry but risks being perceived as aligned with the United States, this independent stance is invaluable. It provides Jakarta with credibility among diverse actors, from Washington to Beijing, meaning that cooperation with Indonesia can be framed not as an element of containment or great power rivalry, but as a principled defence of international law and stability. This non-aligned veneer is a strategic asset that shields the EU's limited engagement from accusations of partisanship.

Indonesia's operational capacity further enhances its value as a partner. Its navy (TNI-AL) and coast guard (BAKAMLA) are among the most capable in Southeast Asia, and its forces have practical experience confronting Chinese incursions in the North Natuna Sea.¹³ This gives Indonesia not only diplomatic weight but also technical expertise in managing grey zone challenges. This practical, regional expertise is what the EU's Indo-Pacific strategy requires to move beyond rhetoric and achieve tangible results. Combined with Europe's resources, technology, and global reach in specific high-value areas (e.g., satellite surveillance, legal training), these assets create the basis for a highly complementary, high-impact partnership.

Finally, Europe and Indonesia share substantive interests. Both seek to uphold UNCLOS, ensure freedom of navigation, and prevent maritime disputes from escalating into armed conflict. Their cooperation already extends to non-traditional security domains such as anti-piracy, illegal fishing, and disaster relief.¹⁴ Building on these foundations, the partnership can be deepened in ways that are politically viable and operationally effective. In sum, Indonesia is the only partner that offers the constrained EU the necessary combination of regional legitimacy, diplomatic impartiality, and operational relevance to fulfil its limited Indo-Pacific objectives.

¹⁰ Kresno Buntoro "Rethinking Nusantara Indonesia: Legal Approach," *Indonesian Journal of International Law*: Vol. 13: No. 4 (2016), Article 1.

¹¹ Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*, 3rd ed. (London: Routledge, 2014).

¹² Rizal Sukma, "Indonesia's *bebas-aktif* foreign policy and the 'security agreement' with Australia," *Australian Journal of International Affairs* 51, no. 2 (1997): 233.

¹³ Damos Dumoli Agusman, "Natuna Waters: Explaining a Flashpoint between Indonesia and China," *Indonesian Journal of International Law* 20, no. 4 (2023): 535.

¹⁴ European External Action Service, *EU Strategy for Cooperation in the Indo-Pacific*. (Brussels: EEAS, 2021).

Pathways for Cooperation: Low-Profile Training and Communication for De-escalation

Given Indonesia's sensitivities regarding non-alignment and Europe's geopolitical and resource limitations, cooperation must be highly focused on measures that build trust and prevent miscalculation. The most realistic and strategically necessary avenues leverage the EU's distinctive legal and technical capacity to enhance Indonesia's independent operational ability. The approach focuses on two complementary domains: targeted joint training and enhanced communication mechanisms.

For the first domain, joint trainings should emphasise operational preparedness specific to the grey zone environment, focusing on maritime law enforcement, search and rescue (SAR), and humanitarian assistance/disaster relief (HA/DR). These areas address genuine shared concerns and, critically, avoid the political risks of combat-focused exercises.

This requires a dual focus on capacity. First, a focus on Maritime Law Enforcement and Legal Capacity is paramount. Rather than conventional naval manoeuvres, the EU should provide specialised training to assist BAKAMLA (Indonesia's Coast Guard) in the procedural and legal challenges of grey zone disputes. This includes training on evidence collection and documentation under the framework of UNCLOS Article 73, ensuring Indonesia's responses to illegal fishing and subtle incursions are robust, legally sound, and domestically justifiable. Second, establishing shared Standard Operating Procedures (SOPs) for De-escalation is necessary. Training exercises should simulate ambiguous close-quarters scenarios to foster interpersonal trust and create immediate, predictable responses among personnel. This direct investment in relational and procedural clarity is essential for reducing the spontaneous risk of escalation inherent in persistent, non-military friction.

For the second domain, communication mechanisms are equally vital to institutionalising transparency and providing the technological leverage a constrained EU can offer. The EU can achieve high impact here through low-footprint technical assistance projects.

A key mechanism is advanced Maritime Domain Awareness (MDA). The EU should deepen technical assistance through initiatives like the Critical Maritime Routes (CRIMARIO) project. By sharing its expertise in integrating disparate sensor data (satellite and VMS), the EU enables Indonesia to achieve comprehensive MDA over its vast Exclusive Economic Zone (EEZ). This is a high-value, low-footprint contribution, allowing for an effective, autonomous Indonesian response to distant grey zone incursions without demanding a permanent external operational presence.

While full-scale joint patrols may be politically sensitive for Jakarta, coordinated presence missions under the EU's Coordinated Maritime Presences (CMP) framework offer a pragmatic alternative. The CMP allows for subtle EU visibility and coordination through continuous information exchange rather than joint manoeuvring. The exchange of liaison officers between the EU's External Action Service (EEAS) and Indonesian maritime agencies can also create immediate, secure channels for clarifying intentions during rapidly unfolding incidents at sea.

By institutionalising transparency and dialogue through these low-footprint, specialised mechanisms, the EU leverages its niche legal and technological expertise to directly reduce the immediate risk of escalation inherent in persistent grey zone coercion, thereby maximising its return on constrained investment and solidifying its role as a necessary enabler of regional stability.

Challenges and Limitations: The Realist Constraints on Cooperation

The promise of EU–Indonesia maritime cooperation is tempered by several constraints, many of which are internal to the EU. Jakarta remains wary of any initiative that could be interpreted as part of a containment strategy, making the political signalling of any joint effort highly delicate. Simultaneously, Europe faces significant internal difficulties in sustaining a unified, long-term approach to the Indo-Pacific. The ongoing security crisis on the EU's Eastern flank and the resulting redirection of political and military capital mean that the Indo-Pacific Strategy will consistently operate at a lower priority level. This reality limits the duration, scale, and funding of any major EU initiative. Moreover, both sides must balance maritime cooperation with other significant strategic priorities, from trade negotiations to the urgency of climate change, ensuring that maritime security does not monopolise the relationship. Overcoming these challenges requires careful sequencing and an acknowledgment of the EU's inherent limitations. Cooperation should thus begin with low-profile, trust-building exercises in politically neutral areas that offer clear, quantifiable success. Dialogue mechanisms should be formalised to provide continuity and predictability, thereby insulating the partnership from fluctuating political will within Europe. Existing EU-funded technical initiatives (like CRIMARIO) can be leveraged to provide technical assistance without triggering security dilemmas. Above all, the partnership must be framed, both internally and externally, not as a reaction to China's rise, but as a joint, realistic defence of the operational integrity of international law.

Alternatively, working with individual European states is a way to go. The existing cooperation frameworks with partners like the European Union (EU) often fail to move beyond declaratory statements due to internal EU policy divisions and varying member-state priorities. A more viable path forward lies in leveraging the specific capabilities and historical relationships of individual European countries. This approach can bypass internal EU difficulties and eventually pave the way for more established EU policies.

Specifically, the involvement of states like France, Germany, and the Netherlands is pivotal due to their distinct strategic profiles. France is the only EU member state considered a "resident power" in the Indo-Pacific, possessing overseas territories (like New Caledonia, Réunion, and French Polynesia) and a permanent military presence of over 7,000 personnel.¹⁵ Its naval capabilities are the most robust among EU members (including a nuclear-powered aircraft carrier), lending it unique credibility for defence and security cooperation. Its risk perception is immediate, as the security of its sovereign territory and second-largest Exclusive Economic Zone (EEZ) in the world directly depends on regional stability.

Germany, on the other hand is the trading power. Germany's primary driver is economic interest and upholding the rules-based order. Its risk perception is tied to its status as a major trading nation; nearly 40% of its trade outside the EU is conducted in the Indo-Pacific, making the security of Sea Lines of Communication (SLOCs) its utmost priority.¹⁶ Its contribution is diplomatic and, increasingly,

¹⁵ Ministère de l'Europe et des Affaires étrangères, "France's Indo Pacific Strategy" (2025), https://www.diplomatie.gouv.fr/IMG/pdf/france_s_indo-pacific_strategy_2025_cle04bb17.pdf

¹⁶ Auswärtiges Amt, "Policy guidelines for the Indo-Pacific" (2000), <https://www.auswaertiges-amt.de/resource/blob/2380514/f9784f7e3b3fa1bd7c5446d274a4169e/200901-indo-pazifik-leitlinien--1--data.pdf>

military—demonstrated by the recurring deployment of naval assets (like the frigate Bayern and later vessels) to participate in regional exercises and uphold the freedom of navigation.

The Netherlands its historical ties (especially with Indonesia) and its role as a leading global trading nation. Its strategy emphasises a value-laden approach aimed at providing a non-aligned third partner between major powers. Its capabilities are often focused on niche maritime security cooperation and digital connectivity, complementing its naval deployments. Its risk perception is centred on the disruption of global supply chains and the importance of preventing the region from becoming "a plaything between the great powers."¹⁷

By engaging in targeted, bottom-up maritime security initiatives with these capable states, ASEAN can access sophisticated capacity-building and credible naval diplomacy without waiting for the slow consensus-driven mechanism of the full EU apparatus.

¹⁷ Indo-Pacific: Guidelines for strengthening Dutch and EU cooperation with partners in Asia (A non-paper released by the Dutch government, November 2020).

Conclusion: Beyond Containment toward Pragmatic Preventive Diplomacy

The South China Sea epitomises the dangers of great power rivalry in the twenty-first century. Yet the most immediate risks stem not from open war but from the daily frictions of grey zone operations. Europe, as an external stakeholder committed to a rules-based order, has a vital, albeit constrained, role to play in mitigating these risks. As demonstrated, this role cannot be one of military balancing due to political choice and geopolitical necessity; it must instead be one of pragmatic preventive diplomacy that leverages European technical niche strength.

It is this geopolitical constraint that makes Indonesia an indispensable partner in this endeavour. Its geographic position, diplomatic weight, and unique operational experience in grey zone encounters make it uniquely suited to help build mechanisms of de-escalation that the EU needs to legitimise its Indo-Pacific presence. By investing in highly focused, low-footprint joint training and communication measures, the EU and Indonesia can create a partnership that maximises regional security impact while strictly respecting Jakarta's non-aligned stance and the EU's domestic limitations on resources and attention.

In doing so, Europe and Indonesia would demonstrate that the future of the Indo-Pacific is not solely dictated by great power rivalry. Instead, highly selective and realist partnerships between middle powers and constrained external actors can shape an order based not on zero-sum competition, but on shared principles of peace, stability, and the operational integrity of international law. This model of constrained engagement offers a blueprint for how Europe can remain a credible, geopolitical actor without compromising its focus on its core security periphery.

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