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e-ISSN: 2798-4427

# JGSS

## Journal of Global Strategic Studies

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Vol. 05 No. 01 June 2025

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## **The Global South in a Multipolar World Order: The Impact of the Indonesia-China Strategic Partnership**

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*This research examines the dynamics of relations between Indonesia and China in the context of the Global South, with particular emphasis on economic cooperation, diplomacy, and geopolitical influence. It primarily examines the impact of the Indonesia-China strategic partnership on the economic development of Indonesia and the ASEAN region, as evidenced by initiatives such as the Belt and Road Initiative (BRI). It also explores the potential for economic interdependence and geopolitical conflict in the South China Sea and the implications of this cooperation for developing countries. The study concludes that the Indonesia-China partnership can be a model of South-South collaboration that contributes to a more equitable multipolar global order. However, it requires strategic balance to prevent over-dependence. This conclusion is derived through a qualitative approach.*

**Keywords:** *Indonesia-China, Global South, Belt and Road Initiative, Multipolarity*

### **Introduction**

The Global South as a concept primarily refers to the developing countries of the Southern Hemisphere (Latin America, Asia, Africa, and Oceania), which are today important actors in the geopolitical landscape (Dados & Connell, 2012). The term is not limited to a geographical scope. The concept of the Global South includes a political discourse that has evolved over time. Most Southern countries were colonized nations in the past and represent two-thirds of the world's population, who struggled for independence and went through subsequent stages of decolonization. They were originally labeled Third World countries by Alfred Sauvy in 1952. This referred to the political alignments during the Cold War between the Soviet Union and the United States. According to Vijay Prashad (2007), the Third World is a political project in Asia, Africa, and Latin America with the main demands centered on principles such as peace

and freedom. Undoubtedly, they created many organizations or associations to call for national liberation and build solidarity, including the Asian-African Conference, the Non-Aligned Movement, and GANEFO.

The global political landscape has changed substantially since the Cold War, transitioning from a bipolar world with the United States and the Soviet Union as the dominant powers to a more multipolar structure. During this transition, the emergence of new powers, particularly from the South, has challenged the traditional hegemony of Western countries. Countries in the South have become more prominent and influential in this multipolar world. China, India, Brazil, and South Africa have become significant participants in global affairs, influencing security dynamics, diplomatic negotiations, and economic trends. These changes have enabled countries of the South to assert their interests and perspectives more effectively on the global stage.

It is important to understand the historical context of these transitions to comprehend the dynamics of the Global South today. The legacy of colonialism has influenced these countries' political identities and aspirations, their struggle for independence, and their efforts to avoid entanglement with a single state. As a result of the transition to multipolarity, the South has been given new opportunities to pursue its goals of global justice, development, and sovereignty.

There are many obstacles that countries in the South must face, such as political instability, economic underdevelopment, social inequality, and environmental vulnerability. Despite these challenges, the region has great potential for growth and development. A growing young population, rapid urbanization, technological advancement, and abundant natural resources characterize the region. In addition, global trade and investment patterns are being transformed by the increasing influence of emerging market economies in the Global South (Haibin, 2023).

However, to take full advantage of these opportunities, the South must overcome its internal barriers and navigate the intricacies of the international political economy. This requires policies that prioritize equitable participation in global governance structures, sustainable development, and good governance. In this context, regional powers such as China and Indonesia are crucial, as their economic and diplomatic engagement can serve as models of cooperation and solidarity among Southern countries.

This research aims to investigate the dynamics of the Global South, with a particular emphasis on the strategic partnership between China and Indonesia. The

research seeks to comprehensively understand the cooperation between the two countries as a model for Southern countries to emulate in building strategic partnerships with each other by analyzing the historical context, current developments, and future prospects of the relationship.

Indonesia and China, as leading members of the Global South, maintain an outstanding partnership that epitomizes the principles of South-South and non-aligned cooperation, as well as the ethos of the Bandung Conference. Their bilateral relationship has grown substantially over the years, as evidenced by the development of strategic partnerships, diplomatic engagements, and economic connections. The potential of Indonesia-China relations to become a model of cooperation and solidarity among developing countries underscores its importance to the South. Economic collaboration between China and Indonesia, characterized by large trade volumes and investment flows, can provide valuable insights for enhancing economic partnerships to promote mutual development. In addition, their diplomatic coordination in regional and international forums, including the United Nations and ASEAN, demonstrates the potential for collective negotiation and representation of the interests of the Global South (Fitriani, 2021).

Moreover, Indonesia and China's agreement on key global issues, including climate change, sustainable development, and multilateralism, emphasizes the potential to bring together voices from the South in setting the global agenda. Their collaboration has the potential to motivate other countries in the South to build strategic alliances that transcend conventional geopolitical divisions and advocate for a more just and inclusive global order.

### **Scope and Methodology**

This study explores the evolution of Indonesia-China relations, tracing their historical foundations and examining how the partnership has developed in response to shifting domestic priorities and global geopolitical pressures. The research aims to identify key patterns and challenges in the bilateral relationship, with a particular focus on how both countries engage in cooperative efforts across economic, diplomatic, and strategic dimensions. The ultimate objective is to propose a framework for strengthening future collaboration between Indonesia and other countries in the Global South.

To achieve this, the research adopts a qualitative approach, using case studies as the primary method of inquiry. This allows for a detailed examination of selected

instances of Indonesia-China cooperation, particularly in areas such as investment, trade, foreign policy, and regional diplomacy. Data is drawn from a combination of official documents—such as reports from Indonesia’s Ministry of Investment and Ministry of Foreign Affairs—and a range of secondary sources, including academic literature, news articles, and online media. These materials offer valuable insights into both the opportunities and the tensions that characterize the relationship.

The study also engages with theoretical frameworks from international relations, especially neorealism, to better understand the motivations and strategies behind each country’s foreign policy. In this context, the Indonesia-China relationship is viewed not simply as a bilateral exchange but as part of a broader effort to navigate and reshape the global order. This includes efforts to build trust, maintain balance,<sup>54</sup> and pursue common interests within a multipolar world, particularly in the context of ASEAN and the wider Global South.

## **Theoretical Overview**

### **The Global South and Multipolarity**

The transition of the world system from one era to another has been discussed in the background. The bipolar world system is a term used to describe the Cold War era, which was characterized by the dominance of two great powers—the United States and the Soviet Union. Since the collapse of the Soviet Union, the United States has been the sole dominant entity in terms of economic, military, and political power. This is referred to as the unipolar world system.

Today, however, the dynamics and structure of international politics are transitioning toward multipolarity. This term denotes a global system that includes multiple centers of influence in international relations (Agashe, 2021). The United States' status as the sole superpower is currently being challenged and facing significant resistance. Various alliances have been formed in different regions of the world, significantly impacting the evolution of international geopolitics. For example, the alliance formed by China, Russia, and various other developing countries is known as BRICS (Brazil, Russia, India, China, and South Africa). The alliance is committed to promoting dialogue and cooperation among developing countries in a gradual, proactive, pragmatic, open, and transparent manner, contributing to the establishment of a harmonious world with shared prosperity and lasting peace (Anonymous, 2024).

BRICS is concrete evidence of the transition from a unipolar to a multipolar world. As a new economic alliance, the number of actors involved in it is increasing. It demonstrates the decentralization of power with the main foundation of economic and military capabilities. BRICS provides evidence of the neorealist approach, which posits that power is a combined capability distributed across states that will help define structure and change in the international system (Waltz, 1990). In this context, it challenges the monopoly of power of superpowers, such as the United States, by forming alliances with Southern countries.

The spread of power also encourages many countries to compete to improve their position in the regional and global spheres. According to neorealists, this impacts the race of countries to enhance their capabilities to balance others or achieve power balancing. This can be seen in the strategic competition between India and China for influence in the Asian region. India is particularly wary of the expansion of the BRI project across the region, which threatens its security. This demonstrates an important neorealist thesis: that the primary concern of states is not power but their security (Waltz, 1990).

The multipolar system, according to the neorealist approach, also has other implications, particularly regarding the dynamic and shifting nature of alliances or cooperation (Agashe, 2021). This leads to uncertainty at the global level and makes it difficult to build trust among states. Countries may shift alliances, as recently many BRICS members have continued to negotiate against Trump's tariff policies, which shows their lack of commitment to forming a permanent alliance against U.S. hegemony. The case of China can be ruled out, as it is powerfully balanced with its opponents.

The expansion of South-South cooperation has also impacted the position of the Global South in international politics. Cooperation between developing countries aims to advocate for sustainable development, emphasizing that development and security cannot be separated (Zhou, 2024). In addition, South-South cooperation also aims to strengthen the Global South's collective identity while promoting the multipolarization of international politics and the democratization of international relations (Zhou, 2024).

In the context of a multipolar world system defined by the rise of the Global South, China is a country of great influence. In addition to its active participation in BRICS, the Chinese government initiated the Belt and Road Initiative (BRI) in 2013. The BRI is an infrastructure investment project that aims to improve connectivity, trade, and communication by building a variety of infrastructure, including airports, ports, power plants, bridges, railroads, highways, and telecommunications networks (Tsuji, 2024).

BRI infrastructure projects connect China with different parts of the world: by land with regions such as Southeast Asia, South Asia, Central Asia, and Europe, and by sea with coastal regions, including Southeast Asia, South Asia, the Middle East, and East Africa.

The BRI initiative is evidence of the Chinese government's aspiration to establish itself as a significant player in the international political sphere. To achieve this goal, China needs support from various countries, including those in the ASEAN region. A population of 663,850 thousand in 2021 shows that the region has significant economic potential (Sidi, 2023). Of these, Indonesia has the largest population at 272,248.4 thousand people. Indonesia also has a significant influence on the regional economy and is the fourth largest economy in ASEAN. Politically, Indonesia is one of the five countries that initiated the formation of ASEAN (Ministry of Communication and Information of the Republic of Indonesia, 2023).

The investment provided by the Chinese government through the BRI project received a positive response from the government of the Republic of Indonesia (Saraswati, 2019). The two countries have agreed on several infrastructure development cooperation projects, such as the Morowali Industrial Estate, the construction of the Puruk Cahu-Batanjung-Bangkuang Coal Transport Railway, the Jakarta-Bandung High-Speed Railway project, and so on. This cooperation is expected to contribute to the economic growth of the Republic of Indonesia.

The partnership between China and Indonesia demonstrates the growing complexity of global dynamics in an increasingly multipolar world. China has emerged as Indonesia's main economic partner. Indonesia's exports to China reached USD 16.58 billion during the January-March 2023 period, while Indonesia's imports from China reached USD 15.34 billion (Ministry of Trade of the Republic of Indonesia, 2023). Meanwhile, China is the second most invested country in Indonesia, with an investment value of USD 7.4 billion (Ministry of Investment/BKPM, 2024). To maintain sovereignty and maximize the benefits of cooperation, Indonesia seeks to maintain a balance between China and other powers, including the United States and Japan, in a multipolar context.

The consequences of this collaboration for countries in the South are profound. Indonesia and China's collaboration allows developing countries to use their partnership as a model for expanding trade and building infrastructure without relying solely on Western countries. However, it also presents challenges, including China's potential

economic dominance in the region and debt dependency, which require prudent economic policies and careful diplomacy.

### **Neorealism Theory and Its Implementation in Indonesia-China Relations**

Neorealist theory serves as the main analytical tool in examining the bilateral relationship between China and Indonesia and its implications for countries in the South. One of the basic assumptions of neorealism is that states are the main actors in an anarchic international environment where there is no central authority to regulate state behavior. In this context, each state seeks to enhance its security and survival by forging external strategic alliances and strengthening internal capabilities (military and economic).

In a world that is becoming more multipolar, states often face a security dilemma where the growing authority of one state is perceived as a threat by another. This results in a scenario where each state is forced to rely on its resources (self-help system) and optimize its security through various mechanisms, such as creating international alliances or enhancing national capabilities. Kenneth N. Waltz elaborates:

*"The self-help system is one in which those who do not help themselves, or who do so less effectively than others, will fail to prosper, will expose themselves to danger, and will suffer." (Waltz, 1979).*

The anarchic nature of the international system and the interactions between states confined within the self-help system have resulted in feelings of insecurity rooted in suspicion. The implication is that states compete for increased authority to ensure their security. Neorealist theory primarily concerns these motivations to achieve security in the international system.

Neorealism can be used to explain the dynamics that emerge in Indonesia-PRC relations, particularly in safeguarding economic and security interests. Based on the previous review, Indonesia's economic development is influenced by the expansion of economic cooperation between China and Indonesia.

Nevertheless, Indonesia must increase its vigilance in response to China's growing regional influence. A multipolar world system affects power competition at the international level. To mitigate threats to its sovereignty and stability, Indonesia must maintain alliances with other major powers, such as the United States, while still maintaining a balance in its relations with China. This demonstrates the country's efforts

to uphold national interests and ensure security in accordance with the theory of neorealism.

### **Historical Overview of Diplomatic Relations between Indonesia and China**

Indonesia and China commemorate 75 years of diplomatic relations this year. Various ups and downs and pauses have characterized the relationship over these seven decades. The early era of diplomatic relations between the two countries was marked by a series of challenges, followed by close friendship, turmoil, and, ultimately, mutual suspicion and hostility (Sukma, 2009).

Indonesia officially opened diplomatic relations with China in July 1950, becoming the first country in Southeast Asia to do so (Sukma, 2009). Relations between the two grew closer after the Asian-African Conference (AAC) in Bandung in 1955. The AAC took place during the global Cold War. Zhou Enlai, Premier of the People's Republic of China (PRC), attended the conference from April 18–25, 1955. The conference was initiated by Indonesia, Burma, India, Sri Lanka, and Pakistan, collectively called the "Colombo Powers." The AAC was also China's first international event, with the Soviet Union absent. Many Asian and African countries participated (Utama, 2017). The AAC also allowed China to address specific issues that caused tension during the early Cold War (Utama, 2017).

A meeting was held on the sidelines of the AAC between Zhou Enlai and Sunario, who represented Indonesia. The purpose of the meeting was to discuss the issue of dual citizenship among ethnic Chinese in Indonesia and to identify potential solutions. In fact, this had been the subject of discussion in Peking since November 1954 and was further elaborated in Jakarta and Bandung in March and April 1955 (Utama, 2017). These meetings resulted in the decision for ethnic Chinese in Indonesia to choose citizenship in one country within two years of the signing of the treaty.

Relations between Indonesia and China grew closer after the AAC. Moreover, Indonesia's progressive foreign policy was in line with China's revolutionary policy under Mao Zedong. In the mid-1960s, a diplomatic axis was also established between Beijing, Pyongyang, Hanoi, Phnom Penh, and Jakarta.

The close relationship between Indonesia and China was further characterized by China's support for Indonesia's proposal to host the second volume of the AAC and the concept of New Emerging Forces (NEFOS), in addition to the previously mentioned diplomatic axis. On November 10–22, 1963, China also served as Jakarta's main sponsor and supporter of the Games of the New Emerging Forces (GANEF0). China provided US\$18 million to cover the transportation costs of the entire GANEF0 delegation, in addition to giving them the opportunity to participate in international athletic events as part of the event (Rundjan, 2024).

Indonesia's domestic political situation contracted as this relationship improved in the 1960s. The Army's support for Soekarno's revolutionary policies eroded due to his growing tilt toward the PKI, which had a large mass base. Some leading military officers began to question Soekarno's overall policy direction, as they feared that his attraction to communism would permanently change Indonesia (Smith, 2000).

The events of the September 30th Movement (G30S) in Indonesia marked a significant turning point in relations between Indonesia and China. The G30S was a foiled coup carried out by a small group of middle-ranking officers who kidnapped the generals. The Army suspected the PKI was responsible for the coup and was sponsored by China. Anti-communist and anti-Chinese sentiment increased in Indonesia as a result of these events, which legitimized the transition of power from Soekarno to Soeharto. Indonesia, therefore, experienced significant turmoil.

In 1967, Soeharto, then president, responded to China by freezing diplomatic relations between the two countries. Indonesia officially announced this freeze on October 23, 1967, and China followed suit on October 28, 1967 (Sukma, 2009). The New Order under Soeharto's leadership certainly needed legitimacy to build public trust. Therefore, the issue of communism became the main focus of the government to maintain its power. Consequently, the restoration of diplomatic relations between the two was hampered, as Indonesia had no intention of restoring ties. However, China had restored relations with the United States in 1972 and had established diplomatic relations with Malaysia, Thailand, and the Philippines by the mid-1970s (Storey, 2000).

Their rapprochement was influenced by the easing of Cold War conflict that began to subside in the mid-1980s. From the mid-1980s onward, bilateral relations progressively improved due to Indonesia's domestic factors and China's more pragmatic foreign policy under Deng Xiaoping. Diplomatic relations were restored in 1990, and direct trade between the two countries was resumed in 1985 (Storey, 2000).

Sentiments between the two countries, particularly in Indonesia, did not necessarily change due to the development of this relationship. This was evident during the April 1994 riots in Medan, which resulted in the destruction of a number of shops and companies owned by ethnic Chinese and the death of an Indonesian citizen of Chinese descent. In a statement issued by the Chinese Foreign Ministry, the Indonesian government was urged to stop the anti-Chinese riots. This statement was widely criticized by Indonesian officials, who saw it as an attempt to interfere in Indonesia's internal affairs (Storey, 2000). China was hesitant to be accused of interfering in Indonesia's internal affairs, which made them more cautious in their response to the May 1998 riots in Jakarta, in which many Chinese were killed and raped.

Indonesia-PRC relations began to improve after Soeharto's resignation. President Abdurrahman Wahid was specifically responsible for resolving the impasse. On his first official visit, Gus Dur's initial destination was China, which became evidence of improved bilateral relations (Smith, 2000). Domestically, Gus Dur also repealed various discriminatory regulations against ethnic Chinese, including a regulation that recognized Chinese New Year as a national holiday.

The same action was taken by Megawati Soekarnoputri, who succeeded Gus Dur. Indonesia's sensitivity to Beijing's concerns over Taiwan increased during Megawati's presidency. For example, in December 2002, Foreign Minister Hassan Wirajuda rejected a request from then-Taiwanese President Chen Shui-bian to visit Indonesia (Sukma, 2009). This action reaffirmed Indonesia's dedication to the concept of one mainland China.

China and Indonesia established a strategic partnership during the Susilo Bambang Yudhoyono administration. This collaboration covers a wide range of functions, such as investment, defense technology, and trade. Thanks to these

agreements, relations between China and Indonesia have reached a high point (Sukma, 2009).

Joko Widodo, SBY's successor, also maintained diplomatic relations with China. In Indonesia, Chinese investment has continued to increase during Jokowi's tenure. For example, Indonesia ranked third in terms of total investment, with China accounting for 16% of the total, according to 2020 Investment Coordinating Board data. China Development Bank also provided a US\$4.5 billion loan for the Jakarta-Bandung high-speed rail project between Indonesia and China. This initiative is also a component of the Belt and Road Initiative (BRI). Therefore, investments from China related to the Belt and Road Initiative are encouraged, provided they comply with Indonesian regulations. The Jakarta-Bandung HSR is an implicit flagship project in Indonesia under the BRI. The project requires a loan, with the main risk borne by the PRC (Putten & Petkova, 2021).

The historical trajectory of Indonesia's relations, if analyzed using the lens of neorealism, shows an effort to build an alternative balancing network between the two powers at the time, namely the US and the Soviet Union. Although pioneering the way toward a multipolar global system, it turns out that alliances such as the AAC and NEFOS also show the weakness of the commitment of the countries present. The existence of outside interventions that influenced many countries led to a series of cases of alliance changes in the future. Indonesia, for instance, froze relations with China after a change of power in the country. Changes in domestic power were the result of the increasingly tense Cold War. According to Waltz, this shows that state behavior responds more to external conditions than internal ones when the changes outside are significant (Waltz, 2000). This was especially true after Indonesia initiated the development of ASEAN as a vehicle to strengthen its position in the Southeast Asian region.

A new rapprochement took place after the end of the Cold War. The fall of Soeharto led Indonesia to start thinking about development partners that could provide investment. This relationship culminated under Joko Widodo, who positioned China as Indonesia's main economic development partner. This is inseparable from global dynamics, where Trump, who took office in 2016, did not prioritize economic assistance for countries in the Asian region.

The next section will discuss the impact of this relationship on both countries' diplomatic strategies and economic development. Furthermore, it will discuss the broader relationship with India's rise as another power in the region.

### **Current State of Indonesia-PRC Relations**

Under the leadership of President Joko Widodo, relations between Indonesia and the People's Republic of China (PRC) have greatly improved in the past decade. The relationship is strong across a range of sectors, including economics, diplomacy, and security. This section will discuss the dynamics of the current relationship between the two countries and emphasize the challenges and opportunities resulting from this improved relationship.

#### **Economic Relationship**

Indonesia's main trading partner is China. Trade between the two countries was expected to exceed US\$130 billion, or around Rp 2,041 trillion, by 2023 (CNBC Indonesia, 2023). Coal, palm oil, and nickel are among Indonesia's commodities exported to China. Conversely, Indonesia is also a destination for Chinese investment. In 2022, China was the second-largest foreign investor in Indonesia, according to the Investment Coordinating Board (BKPM) and the Ministry of Investment. China recorded a total investment value of US\$8.266 billion, spread across various sectors. The metal industry (US\$2.6326 billion), transportation (US\$2.1918 billion), and chemical industry (US\$1.428 billion) are the three main sectors in which China invests. These investments were spread across Indonesia, with 32.68 percent (US\$2.6882 billion) in Java and 67.32 percent (US\$5.5378 billion) outside Java (Ministry of Investment/BKPM, 2023).

Since the start of President Joko Widodo's administration, Chinese investment has been growing at an unprecedented pace. For example, in 2015, Chinese investment jumped by 26% to reach US\$628 million. The figure then increased by around US\$1 billion in the first quarter of 2016. In 2016, China invested US\$2.7 billion in Indonesia, resulting in 1,734 initiatives (Andika & Aisyah, 2017).

Indonesia has witnessed the commencement of various Chinese-invested infrastructure projects between 2016 and 2019. The following projects are

underway: Jakarta-Bandung high-speed railway (2016–2019), Cisumdawu (Cileunyi-Sumedang-Dawuan) toll road sections I and II (2016–2019), Manado-Bitung toll road (2016–2019), Solo-Kertosono toll road (2015–2017), Pisang Island steam power plant (2016), and Riau power plant (2015–2017) (Andika & Aisyah, 2017).

The injection of funds from the Beijing-based Asian Infrastructure Investment Bank (AIIB) is another mechanism through which PRC investment is channeled into the infrastructure sector. China established the bank as an alternative to Western lending institutions. To date, the AIIB has provided funding for the following initiatives in Indonesia: National Slum Upgrading Project (2016), Regional Infrastructure Development Fund Project (2017), and Dam Operational and Safety Improvement Project Phase II (2017) (Andika & Aisyah, 2017).

In addition to infrastructure, Indonesia-China economic relations also occur in the mining sector, especially nickel commodities. Nickel ore is spread across Indonesia and is found in Sulawesi, Papua, Maluku, and Kalimantan. Of the five regions, around 84 percent, with a record of 273 IUPs and nickel smelters, are spread across South, Central, and Southeast Sulawesi. It is recorded that the most OP nickel mining business licenses (IUPs) are in the Southeast Sulawesi region with 154 licenses, followed by Central Sulawesi with 85 licenses and South Sulawesi with 34 licenses (Fauziyah & Paksi, 2023).

China is one of the export destination countries for Indonesian nickel commodities. The value of Indonesia's nickel exports in 2022 reached US\$1.71 billion, with a volume of 233.8 thousand tons. Exports to China alone are estimated to account for 78% of the total national nickel export volume and 69% of the national export value (Fauziyah & Paksi, 2023). The government has set a downstream target by building smelters in Indonesia to process and refine nickel ore, as the export value of nickel commodities is very profitable for foreign exchange earnings and job creation. The Chinese government enthusiastically welcomes this initiative and is investing in the sector. Indonesia has 20 nickel processing and refining plants, some of which are the result of investment projects with China thanks to this cooperation.

The increasing economic cooperation between China and Indonesia also affects the sociocultural conditions of the people. Indonesia's future dependence

on China is one of the issues that continues to be discussed. The impact of this dependency is evident in the China-Indonesia High-Speed Rail (KCIC) investment. Former President Jokowi signed a loan for this initiative during a visit to Beijing in May 2017. Subsequently, the loan was provided to KCIC, a consortium of Indonesian state-owned enterprises, including KAI, WIKA, Perkebunan Nusantara VIII, and Jasa Marga. The US\$4.5 billion loan will be repaid to China Development Bank by 2067. As both KCIC and China Development Bank are state-owned enterprises, the establishment of this railway initiative indirectly establishes a long-term financial relationship between the Indonesian and Chinese governments (Putten & Petkova, 2021).

In addition to dependency issues, the effects of anti-China sentiment are also increasing in Indonesia. The ISEAS-Yusof Ishak Institute's Indonesia National Survey, conducted through the Indonesian Survey Institute (LSI) in July 2022, showed potential distrust of Indonesians toward increased investment and cooperation with China.

The ISEAS-Yusof Ishak Institute commissioned Lembaga Survei Indonesia (LSI) to conduct the "Indonesia National Survey" in July 2022. The survey interviewed more than 1,600 respondents on domestic and foreign politics, sociocultural issues, and the economy. The research sample also accurately represented Indonesian society in terms of gender, age, diversity, region, religion, and ethnicity. In general, the results of the study show that there are persistent negative misconceptions about China and, to a lesser extent, Indonesia's Chinese ethnic minority (also known as "Chinese Indonesians"). For example, when asked, "Do you think the rise of China will have a positive or negative impact on Indonesia?" about 25.4 percent of respondents considered it negative, while 20.6 percent considered it positive. The majority, or 29.4 percent, were ambivalent. A total of 24.6 percent said they "don't know" the answer, which could be interpreted as ignorance about international affairs or an unwillingness to share views (Negara & Suryadinata, 2024). The survey also showed that Indonesians' positive view of China declined to 66% in 2020 from 76.7% five years earlier. A total of 41.5% of respondents had concerns about Indonesia's involvement in China's Belt and Road Initiative (BRI) project. They believe that the BRI could create a debt trap for

Indonesia and other countries. The crisis in Sri Lanka, which is the result of debt bondage to China, has reinforced this perception (Rakhmat, 2024).

These internal challenges must be emphasized, as they may lead to future conflicts. Failure to address them may result in future violent attacks, as was the case in the May 1998 riots that targeted Chinese individuals in Indonesia. A recent example of the danger of this sentiment is the case of Ahok, or Basuki Tjahaja Purnama, a Christian and ethnic Chinese individual who was reported by Muslim conservatives for blasphemy. This triggered a series of demonstrations and crystallized identity politics in Indonesia. In other words, identity politics caused by anti-Chinese sentiment could jeopardize the country's political and economic stability (Rakhmat, 2024). Furthermore, it could undermine the partnership built on trust between Indonesia and China.

### **Diplomatic Relations**

President Joko Widodo's administration over the past decade has seen warming diplomatic relations between Indonesia and China. Since the beginning of his term, Jokowi symbolically made his first foreign visit to China on November 8, 2014, which coincided with the holding of the APEC Summit in Beijing. Through this visit, several strategic agreements were reached between the two countries. For example, Jokowi expressed his commitment to join China in establishing the AIIB as a China-led international financial institution to finance infrastructure projects, particularly to support the BRI initiative (Andika & Aisyah, 2017).

The relationship was further strengthened after Jokowi's return visit to China on March 25–28, 2015, to celebrate the 65th anniversary of bilateral relations between the two countries. Jokowi and Xi Jinping, in their meeting, discussed many issues of cooperation between the two countries in the economic field, especially in terms of trade, finance, infrastructure, industry, tourism, and Indonesia-China public relations. As a result, eight MoUs were signed, namely: economic cooperation between the Indonesian Coordinating Ministry for Economic Affairs and China's National Development and Reform Commission; the Jakarta-Bandung High-Speed Rail Development Project between the Ministry of SOEs and China's National Development and Reform Commission; maritime and SAR cooperation between Basarnas and China's Ministry of Transportation;

protocol approval cooperation between the governments of China and Indonesia for the prevention of double taxation; 2015–2020 space cooperation framework between Lapan and the China Space Institute; mutual support cooperation between the Ministry of SOEs and China Development Bank; a memorandum of understanding between the governments of China and Indonesia for the prevention of double taxation; and a memorandum of understanding on industrial and infrastructure cooperation between the Ministry of SOEs and China's National Development and Reform Commission (Andika & Aisyah, 2017).

Indonesia and China have signed 36 memoranda of understanding (MoUs) on cooperation from 2014 to 2017. This cooperation covers various sectors, such as economy, culture, tourism, and education. The latest development is that the two countries are building a strategic partnership for the future. Jokowi returned to China to attend the third BRI Forum and a state visit on October 16–18, 2023, at the invitation of Xi Jinping.

Their meeting resulted in several important points that enhance cooperation in various fields. A release from the Indonesian Ministry of Foreign Affairs shows a joint statement on deepening strategic cooperation between Indonesia and China in the future. The meeting of the two leaders of developing Asian countries again discussed the maximum implementation of the 2022–2026 Action Plan to strengthen the Indonesia-China strategic partnership. Both sides also reaffirmed the mutual relationship toward their respective goals and visions, namely the vision of “Golden Indonesia 2045” and “China's Centennial Goals.” Indonesia also directly expressed appreciation and will continue to support the BRI initiative as a project developed by China. Both countries also agreed to respect each other's sovereignty, security, and territorial integrity. During the visit, the two sides also signed a number of cooperation documents in various fields, such as joint dialogues at the level of foreign ministers and defense ministers, the establishment of a BRI promotion coordination mechanism, strengthening cooperation on GDI development, rural development, poverty alleviation, sustainable development, investment, economic cooperation, health care and treatment, corruption prevention and eradication, media cooperation, and Indonesia's export of fishery products and edible aquatic animals (Ministry of Foreign Affairs of Indonesia, 2023).

Beyond the framework of diplomatic cooperation between the two countries, both Indonesia and China, at the global level, desire peace in the world and non-interventionism as aligned foreign policies. This alignment can be traced through support for Palestinian independence. Indonesia and China actively pursue the country's independence through various international forums. Historically, this can be traced back to the AAC, when Zhou Enlai unexpectedly pledged China's support for Palestine (Utama, 2017). The conference also resulted in a push to implement UN resolutions on Palestine and resolve the issue through peaceful means (Utama, 2017). Along the way, Indonesia actively pushed for the recognition of Palestinian sovereignty through international forums, such as the OIC and the UN. Meanwhile, China took another step by mediating reconciliation between Hamas and Fatah to form an interim national reconciliation government in the West Bank and Gaza (Wong & Berg, 2024).

Strengthening Indonesia-PRC diplomatic relations also has some challenges. This improved relationship may strain geopolitical alliances with other countries. Indonesia's shift to partners such as China is due to the declining influence of the United States in the Asian region. This shift in influence occurred because the United States failed to implement the Trans-Pacific Partnership (TPP) project as a forum for economic cooperation between countries in the Asia-Pacific region. The TPP program was formed during the administration of President Barack Obama, but Trump was not interested in continuing this project. As is known, Jokowi, in carrying out Indonesia's foreign diplomacy, leans pragmatic and uses an economic cooperation approach; the implication is that China is a rational choice for Indonesia to build strategic alliances in the future.

### **Geopolitics and Security Dynamics**

Geopolitical dynamics in the multipolar era are characterized by a constant struggle for influence and competition. To counter this trend, Indonesia and China must develop a collaborative strategy that positions them as cooperative partners rather than competitors in the contemporary global landscape.

Until now, Indonesia's geopolitical turmoil in the Southeast Asian region, related to claims over the South China Sea, has been directly linked to China's

interests. If unchecked, this issue could cause instability in the region. Although Indonesia is not a claimant state in the South China Sea, the nine-dash line claimed by China intersects with the northern boundary of Indonesia's Exclusive Economic Zone (EEZ) in Natuna waters. This is the source of conflict between Indonesia and China (Andika & Aisyah, 2017).

Indonesia claims that guarding the Natuna region aims to stabilize the Southeast Asian region. So far, President Joko Widodo has implemented a strategy to resolve this conflict by conducting active diplomacy to seek a peaceful settlement so that the dispute does not escalate further (Andika & Aisyah, 2017). China has also taken extra steps to resolve this issue, particularly in Southeast Asian countries. ASEAN countries are more subtly addressing the South China Sea dispute through BRI investment. One example is Malaysia's change of attitude after the US\$15 billion Malaysia-Singapore high-speed rail infrastructure cooperation agreement in 2015. After the agreement, Malaysia expressed its stance to resolve the South China Sea issue peacefully with China (Andika & Aisyah, 2017).

A cooperative approach is needed to prevent similar conflicts from recurring. In their last meeting, Indonesia and China agreed to maintain each other's sovereignty and honor. This agreement has the potential to temporarily reduce the risk of conflict in the Southeast Asian region related to the South China Sea issue.

The Indo-Pacific region presents the most significant challenge due to India's rising influence. The country is keen to establish a presence in two oceans, the Pacific and the Indian, to serve its economic interests. It is widely recognized that China's Belt and Road Initiative (BRI) projects intersect with this region, potentially creating security tensions in the region. India collaborates with the United States (US) as a strategic partner in developing its military and security infrastructure. Prime Minister Narendra Modi is working to build a defense procurement and production partnership with the United States. The United States anticipates that India will be a reliable counterweight to China's unstoppable and alarming power in the Asia-Pacific and Indian Ocean (Mandhana, 2016).

In the midst of this competition, Indonesia does not need to take sides. Instead, Indonesia can act as a mediator to mitigate future conflicts. The "free and

active” foreign policy doctrine provides flexibility for Indonesia to maintain peace in the Asian region. Cooperative strategies and peaceful diplomacy must continue to be pursued to address the challenges of India and China’s competition in the future.

### **Impact of Indo-China Cooperation on Southern Countries**

In the previous section, we discussed the economic and diplomatic relations between China and Indonesia. Cooperation between China and Indonesia in the economic field has strengthened since China launched the Belt and Road Initiative (BRI) (Song, 2023). This is shown by the high value of goods trade between China and Indonesia, which reached 149.1 billion US dollars in 2022.

In addition, China is actively investing in helping Indonesia implement infrastructure development. The Jakarta-Bandung High-Speed Rail cooperation project is the most prominent example. Overall, Chinese investment in Indonesia totals US\$8.2 billion. This makes Indonesia the second-largest investment destination for China in ASEAN (Song, 2023) and one of the 11 partner countries that have reached the highest level of cooperation in the BRI (Song, 2023).

Strengthening China-Indonesia economic cooperation has a domino effect on the ASEAN region. Indonesia’s central role as a major country in ASEAN is crucial for China in promoting broader cooperation in the region (Ministry of Trade of the Republic of Indonesia, 2023). This can be seen from the realization of ASEAN exports to China reaching 213 billion US dollars by 2022. This shows that China, the world’s most populous country, is an export target for ASEAN countries. In addition, ASEAN is China’s import share with a value of more than 450 billion US dollars, or around 36% (Sidik, 2023).

The data illustrates the close partnership between China and Indonesia and its impact on ASEAN countries. An effort has been made to elevate this partnership to a higher level through the Regional Comprehensive Economic Partnership Agreement (RCEP). This landmark agreement, involving China, Japan, South Korea, Australia, and New Zealand, has created a vast market that includes 2.3 billion people, or nearly one-third of the global population, and a cumulative Gross Domestic Product (GDP) of 26 trillion US dollars. In addition, this economic integration eliminates tariffs on more than 90% of goods traded between signatory countries, thereby boosting trade and investment.

If we trace its history, RCEP was first initiated by Indonesia in 2011, when the country served as ASEAN chair (Damuri & Friawan, 2022). In 2020, the agreement was

negotiated and came into force in January 2022. Besides expanding trade and attracting investment, RCEP also promotes harmonization of regulations and standards, simplifies cross-border trade, and creates a predictable business environment (Fukuyama, 2024). This agreement has a significant impact on ASEAN countries, as they can save production costs, gain profits, and compete in the global market.

Based on the above findings, China-Indonesia cooperation has far-reaching implications for economic development, especially in relation to trade in the ASEAN region. It also has a positive impact on the existence of the Global South as a major player in international politics. The cooperation established through the Belt and Road Initiative (BRI) and the RCEP agreement can bring economic independence to Global South countries as well as improve the bargaining position of developing countries compared to first-world countries.

Meanwhile, diplomatically, the relationship between China and Indonesia has a significant impact. As the largest country in ASEAN, Indonesia often acts as a mediator in various regional issues, especially regarding the South China Sea dispute. In these disputes, Indonesia encourages cooperative rather than confrontational settlements. This attitude is evidenced by Indonesia's initiative to form the Declaration on the Conduct of Parties in the South China Sea (DOC) in 2002 in Cambodia. The Declaration pledges to "promote favorable conditions for peaceful and durable solutions to differences and disputes among the countries concerned" (Duong, 2024).

Then, Indonesia also encouraged the disputing parties to agree on a South China Sea code of conduct (Single Draft South China Sea Code of Conduct Negotiating Text), which includes five main focuses, namely: 1) the geographical scope of the South China Sea; 2) dispute resolution efforts; 3) the obligation to cooperate in preserving the maritime environment; 4) the role of third parties in the South China Sea; and 5) the legal status of the code of conduct (Liputan 6, 2024).

Indonesia's role in resolving the South China Sea dispute shows how much influence Indonesia has over China. Indonesia can act as ASEAN's security guard, as it has no direct dispute with China. In addition, Indonesia's experience and expertise in resolving disputes between countries around the world are the main reasons for choosing Indonesia as a mediator. In summary, the South China Sea dispute shows that the relationship between China and Indonesia has a wider impact on the security of the ASEAN region.

Indonesia and China are similar in their approach to the conflict between Israel and Palestine. Both countries condemn the violence that has resulted in the deaths of hundreds of thousands of Palestinians. Indonesia views Israel's attacks on Palestinians as

a demonstration of the Israeli government's indifference to achieving peace (Wardah, 2024). On the other hand, the Chinese government condemned and opposed the violence in Gaza, Palestine. Mao Ning, spokesperson for the Chinese Ministry of Foreign Affairs, stated that the Chinese government opposes actions that exacerbate the conflict and undermine regional stability. The Chinese government hopes for a ceasefire to end the war and restore peace as soon as possible (VoA Indonesia, 2024).

The similarity of attitudes between China and Indonesia toward the conflict in Palestine opens opportunities for both countries to become mediators in efforts to resolve the conflict through peaceful means (Utama, 2024). China's growing influence in the Middle East region and Indonesia's consistency in voicing Palestinian rights are assets to realize peace in the Israeli-Palestinian conflict (Utama, 2017). In addition, the attitude of China and Indonesia toward the Israeli-Palestinian conflict is a manifestation of their consistency in maintaining the 1955 Bandung Conference resolution, which supports the rights of the Palestinian people and calls for the implementation of UN resolutions related to the Palestinian issue to realize a peaceful resolution of the conflict.

Therefore, the China-Indonesia partnership is crucial to developing the South. China's status as a major economic power allows other developing countries to build mutually beneficial partnerships. Indonesia's status as a major country in ASEAN can incentivize other countries in the region to cooperate with China. These partnerships generally facilitate economic integration and connectivity in the South.

Diplomatic relations between China and Indonesia play an important role in promoting regional security, particularly in the ASEAN region. Indonesia serves as a mediator in the South China Sea dispute, which involves China and a number of ASEAN countries. Moreover, due to their vast experience, Indonesia and China have the potential to jointly achieve world peace.

### **Internal Geopolitical Challenges**

Indonesia-China relations present geopolitical challenges for Southern countries, especially in the context of perceptions of regional leadership. Many Southern countries are forced to compete for regional leadership, which can sometimes exacerbate internal political tensions. For example, in the case of Indonesia, some domestic political groups fear that Indonesia's leadership in the ASEAN region will be undermined by its proximity to China. This is supported by an ISEAS-Yusof Ishak Institute survey in collaboration with LSI, which showed a decline in Indonesians' positive view of China from 76.7% in 2015 to 66% in 2020. In addition, 41.5% of Indonesians are concerned about potential debt traps in the Belt and Road Initiative (BRI) project initiated by China (Rakhmat, 2024).

Countries in the Global South should adopt a cooperative approach that goes beyond conventional leadership paradigms and prioritizes mutually beneficial collaboration. Perceptions of leadership competition often contribute to domestic political instability, especially in countries that have a long history of resistance to foreign influence. For example, in some African and Latin American countries, there is growing dissatisfaction with China's dominant role in their economies.

To address these internal geopolitical challenges, Southern countries should adopt a more participatory and inclusive model of cooperation. For example, regional forums such as ASEAN and SAARC should provide platforms for Southern countries to engage in open dialogue and resolve disputes without getting caught up in leadership rivalries. Public diplomacy and civil society are also important in raising awareness of the importance of cooperation and solidarity among Southern countries.

### **External Geopolitical Challenges**

Indonesia-China relations pose external and internal geopolitical challenges for Southern countries. These challenges relate to balancing their relationships with traditional powers, including the United States and the European Union. In this context, Southern countries are often forced to make complex political alliances.

As discussed earlier, Indonesia plays an important role in the South China Sea disputes. Indonesia's moderate stance is a logical decision. China is a significant trading partner for Indonesia, providing many benefits for infrastructure development, including the Jakarta-Bandung High-Speed Rail. Conversely, Indonesia must maintain peace and security as an ASEAN member state in the region. These two factors are the basis of Indonesia's moderate stance on the South China Sea dispute.

However, these challenges are accompanied by opportunities that the South can capitalize on, like two sides of a coin. They should work together to express their concerns regarding global issues, such as economic inequality, climate change, and regional conflicts. This collaboration, in turn, strengthens the South's position in an increasingly multipolar international community.

### **Future Plans**

Indonesia, as the most populous country in the Southeast Asian region, faces a range of strategic choices regarding its relations with China, India, and other global actors. This section will attempt to explore three draft scenarios for Indonesia's future strategic

positioning: (1) deepening cooperation with China, (2) strategic competition between China and India, and (3) Indonesia's shifting alliances with other regional and global powers. Each scenario offers opportunities and challenges for Indonesia that could directly or indirectly affect regional or global stability.

### **Scenario 1: Deepening Indonesia-China Cooperation**

In the past decade of President Joko Widodo's administration, there has been a significant increase in economic cooperation between Indonesia and China. Statistical records show that trade and investment relations have expanded significantly, benefiting Indonesia's domestic economy. For example, trade between the two countries was expected to reach US\$130 billion, or around Rp 2,041 trillion, by 2023 (CNBC Indonesia, 2023). China is an export destination for a range of Indonesian commodities, including coal, palm oil, and nickel.

The metal industry (US\$2.6326 billion), transportation (US\$2.1918 billion), and chemical industry (US\$1.428 billion) are the three main sectors where Chinese investment is concentrated in Indonesia, with 32.68% (US\$2.6882 billion) of the investment located on Java Island and 67.32% (US\$5.5378 billion) located outside Java Island, as reported by the Ministry of Investment and the Investment Coordinating Board (BKPM) (Ministry of Investment/BKPM, 2023).

Several Chinese-assisted infrastructure projects have also been successfully built in Indonesia as part of the Belt and Road Initiative (BRI) project. The BRI project funding scheme in Indonesia so far has two models, namely direct investment to local governments, as in the case of PT Kereta Cepat Indonesia-China (KCIC), which is 60% owned by a consortium of four Indonesian SOEs (Kereta Api Indonesia, WIKA, Perkebunan Nusantara VIII, and Jasa Marga) and 40% owned by China Railway Construction Corp (CRCC), a Chinese SOE (Putten & Petkova, 2021). Through this structure of majority shareholding held by local entities, the loan is entirely the responsibility of the Indonesian side. The second model is for China to channel loans to companies from its own country to build infrastructure in Indonesia. Examples can be seen in the Batang Toru dam project and the Java 7 power plant, which are majority-owned by Chinese companies. In the Batang Toru Dam, the majority shareholder is Zhefu Holding Company (Zhejiang Fuchunjiang Hydropower Equipment Company). As for the Java 7 power plant, the controlling shareholder is Shenhua Group. Therefore, the loans provided by Chinese financial institutions are loans to Chinese companies (Putten & Petkova, 2021).

The success of various previous Chinese investment projects undoubtedly provides opportunities for further collaboration in the future. Moreover, so far, Indonesia has not

found other economic partners that can help its domestic economic development. One potential area for this collaboration is the extractive natural resources industry sector, particularly nickel. Nickel is a basic component of electric vehicles, including electric cars and motorcycles. In addition, investment in this sector has the potential to facilitate a new energy transition. China can be Indonesia's strategic partner in natural resource downstreaming projects that are being promoted by the Indonesian government.

According to data from the Ministry of Energy and Mineral Resources, Indonesia's nickel reserves are the largest in the world, with total production of more than 800 thousand tons in 2020. The United States Geological Survey (USGS) reports that Indonesia has the largest nickel reserves in the world, with 2.67 million tons produced worldwide. The Ministry of Energy and Mineral Resources also reports that nickel reserves in Indonesia have a reserve life of up to 27 years (Fauziyah & Paksi, 2023). Indonesia also protects this commodity by banning the direct export of raw nickel materials. China then assisted Indonesia in the construction of a number of nickel ore processing smelters in various regions.

Expanding cooperation in natural resources, such as the nickel commodity, can benefit both Indonesia and China. For example, state revenues have increased from IDR 17 trillion to IDR 326 trillion, or US\$20.9 billion, in 2021, a 19-fold increase due to the nickel export ban and the development of downstream projects in Indonesia with China's support (Fauziyah & Paksi, 2023).

In addition to assisting Indonesia in building additional smelters to produce high-quality nickel, there is potential for increased cooperation in producing electric vehicles. Data shows that Indonesia has the potential to become a significant market share for electric car products in the future. In the period January to March 2024, national electric car sales have exceeded 30% of total sales in 2023. If this trend continues, sales are likely to surpass the 20,000-unit mark this year. During this period, 5,811 electric cars were sold, which is significantly higher than the 1,795 units sold in the same period last year. This sales figure is an increase of more than 200 percent compared to the same period last year (Krisdamarjati, 2024). The main players in this field are Wuling and Chery, two Chinese electric car manufacturers.

The high market potential can enhance the long-term relationship between the two countries. China can assist Indonesia in technology development for electric car battery production. This will result in reduced production prices and supply chain preservation. Obviously, this will have a huge economic impact for both countries. Indonesia is currently grappling with building an upstream-to-downstream production ecosystem, while China

is grappling with the digital BRI project dedicated to developing future connectivity technologies.

In addition to other global actors, such as the United States and Japan, Indonesia should act as a bridge or link between various interests without overly favoring either party. This action can result in increased regional stability and will influence the development of Indonesia-PRC cooperation in the future. Furthermore, the scenario of increased economic cooperation should be accompanied by increased diplomacy and community exchanges between Indonesia and China to dispel misunderstandings that have developed between the two. China's rising influence could also trigger friction with other ASEAN countries, especially those related to the South China Sea maritime dispute between China, the Philippines, and Vietnam.

### **Scenario 2: Strategic Competition between China and India**

The rivalry between China and India can cause instability in the Asia-Pacific region. In a broader context, it is an important factor in the future dynamics of South Asian countries. Both Asian powers are vying for influence, and India is also trying to limit China's influence through the Belt and Road Initiative (BRI).

India is interested in maintaining its presence in the Pacific and Indian Oceans for economic reasons. This objective also conflicts with China's interests in the Belt and Road Initiative (BRI) project. In response to this competition, India has chosen to collaborate with the United States (US), a country that is well aware of China's growing influence in the Asia-Pacific region. Japan, which has forged many partnerships with the US, may also be affected by this rivalry. Indian Prime Minister Narendra Modi has been working to build a defense procurement and production partnership with the United States since 2016. The United States anticipates that India will serve as a reliable counterweight to China's unstoppable, rampant, and alarming power in the Asia-Pacific and Indian Ocean (Mandhana, 2016).

Their rivalry could trigger potential instability, especially in South Asia and the Indo-Pacific region. Therefore, the second scenario suggests that Indonesia should be more cautious in determining its future posture. Moreover, China and India's rivalry is not only limited to the economic sphere but also includes military, technological, and geopolitical aspects. Collaborative projects and beneficial cooperation should be encouraged to reduce the potential for violent clashes between the two.

Indonesia can play the role of mediator if the conflict escalates. With a "free and active" foreign policy doctrine dedicated to multilateral principles, Indonesia can promote

cooperation and peace in global forums, including the G20 and ASEAN, as a protective measure against the adverse effects of India and China's rivalry.

This scenario suggests that strategic competition does not substantially benefit countries in the South, including Indonesia. Instead, it has the potential to exacerbate political and economic instability in a region that is vulnerable to geopolitical change. Therefore, Indonesia should encourage initiatives to reduce rivalry and build a cooperative framework that includes China and India. This strategy will reduce the risk of conflict in the region and promote more inclusive and sustainable economic development.

### **Scenario 3: Shifting Alliances in Indonesia**

Indonesia has changed its perspective on global geopolitical dynamics over the past decade. President Joko Widodo's administration has steered Indonesia toward economic cooperation and diplomacy with China, and for good reason. There are two main factors that contribute to Indonesia's growing alliance with global powers: internal and external factors.

Three external factors have influenced the closeness between Indonesia and China in recent years. First, Indonesia's approach to China is closely linked to China's rise as a global economic power in the 21st century. This phenomenon is commonly referred to as the Rise of China. Second, there is the One Belt One Road (OBOR) project. Third, the United States failed to participate in the Rebalance to Asia project that aims to enhance regional security and economic development in the Indo-Asia-Pacific region (Andika & Aisyah, 2017).

Indonesia's internal factors are also important in the development of this alliance. First, the closeness between Indonesia and China is a result of Indonesia's need for financial assistance for infrastructure development. Second, leader psychology, particularly Jokowi's perception of China as Indonesia's strategic partner, is a significant factor. Third, Indonesia's closeness to China is also significantly influenced by Jokowi's foreign policy orientation, which is characterized by "down-to-earth diplomacy" or "pro-people diplomacy" (Andika & Aisyah, 2017).

It is clear that countries often engage in shifting alliances in their foreign policies. Indonesia, in particular, has prioritized the development of its domestic economy in recent years, which has made China a strategic partner for trade and investment. In addition, domestic leadership is a factor of proximity, underscoring the importance of presidential transitions in predicting Indonesia's future alliances.

Indonesia is expected to change its alliances with other global powers, such as the United States and the European Union, or with other regional powers, such as Japan and

Australia, in the future. This change could be beneficial for Indonesia in terms of security and economy, especially given the security threats in the Indo-Pacific region.

However, changing alliances present some obstacles. A significant change could erode Indonesia's relationship with traditional partners, such as China or ASEAN. Moreover, alliance changes that are not based on the principle of multilateral cooperation could exacerbate tensions in the region and encourage greater global polarization. Therefore, alliance changes should be made carefully and through mutually beneficial cooperation, not through competition for leadership. For example, alliances based on technological and economic cooperation, such as digital infrastructure development or renewable energy initiatives, can provide long-term benefits for Indonesia. These alliances can also help Indonesia maintain stability in the Indo-Pacific region and strengthen its role as a leader in ASEAN.

China-Indonesia relations show the implementation of neorealism theory in international relations. The spread of power to build a multipolar world is demonstrated by the building of a number of alliances in the past, such as the AAC and NEFOS. This also proves the implications of multipolarity according to this approach, which emphasizes trust and alliances that change over time.

The relationship between the two also shows an effort to continue to maintain a balance of power. The case of Indonesia shows evidence of this, where its role remains neutral and does not want to take sides completely. This step is taken to build trust among other global members, especially in ASEAN.

A collaborative approach to understanding their relationship is particularly relevant in addressing more complex global issues, such as economic inequality and climate change, which are particularly acute for developing countries. This approach is not about jockeying for influence but about creating progress and shared interests. This approach is particularly important for countries in the Global South to promote economic growth and break dependence on large countries.

### **Findings and Implications**

As discussed earlier, there are a few key findings derived from the phenomenon of Indonesia-China relations and its implications for the South.

First, the Indonesia-China economic relationship opens the gates for the involvement of other ASEAN countries. Indonesia, as the Chair of ASEAN and the largest country in the region, showed that economic cooperation with China is a strategic step that can boost domestic economic development. Afterwards, many ASEAN countries

followed suit, as evidenced by the summary of various agreements, such as ACFTA and RCEP. Economic exchanges in the region promote self-reliance and become an alternative partnership for developing countries.

Second, Indonesia-China relations have a positive impact on maintaining security and stability in the South. Although Indonesia's efforts experienced ups and downs as a mediator of South China Sea peace, the partnership between Indonesia and China that has been built before has an impact, showing ASEAN leaders how to accept China's proposal in conflict resolution.

The importance of collaboration in international politics is exemplified by Indonesia-China relations. To build economic and political independence for Southern countries, it is crucial to prioritize the collaborative aspect over the competitive aspect. In a multipolar world order, a collaborative approach must be implemented to achieve the ultimate goal of creating global peace.

### **Policy Implications**

China's economic growth is a prime example of how countries from the Global South can influence international politics. In addition, China is actively collaborating with developing countries through the Belt and Road Initiative (BRI), which provides investments to build physical infrastructure in developing countries. Indonesia is one of the beneficiaries of this ambitious project. Recently, the Jakarta-Bandung High-Speed Rail construction project has been finalized between Indonesia and the PRC, which has the potential to boost Indonesia's economic growth.

In a multipolar world, it is imperative to foster and strengthen multilateral cooperation that ensures the interests of developing countries. This cooperation will enable developing countries to reduce economic inequality and break away from economic dependence on developed countries. Therefore, Southern countries should build collaborative relationships rather than compete for leadership.

Several recommendations should be made to encourage these cooperative efforts. First, regional and global economic integration should be encouraged. Indonesia, China, and other Global South countries should enhance economic connectivity and integration. Measures that can be taken include free trade agreements, infrastructure development cooperation, and technology exchange.

Second, it is imperative to enhance multilateral diplomacy to represent the interests of the Global South. International forums, including the UN and G20, should be used to promote developing countries' interests in an inclusive and equitable development agenda.

Finally, Indonesia and China's partnership, particularly their collaborative projects in infrastructure development, can illustrate policies that can stimulate economic growth in developing countries. Infrastructure is a critical component of a country's economic development, and cooperation in this area can reduce dependence on large countries.

### **Conclusion**

The interaction between major economic powers and developing countries in a multipolar world is complexly illustrated in the bilateral relationship between Indonesia and China in the context of the Global South. This discussion may lead to some important conclusions, including the opportunities and challenges faced by Indonesia in building strategic cooperation with China.

#### **The Spirit of South-South Solidarity and Lessons from the KAA**

First, it is important to acknowledge that the Indonesia-PRC relationship must be contextualized within a historical context, specifically the 1955 Asia-Africa Conference (AAC) in Bandung, which brought together the newly independent nations of Asia and Africa. The AAC was an important event in global politics, as it was the moment when developing countries came together to assert their independence from Western hegemony and foster solidarity among countries in the South. The spirit of South-South cooperation sparked at the AAC is still evident in the relationship between Indonesia and China, as both countries show the potential to collaborate to improve the South's international standing.

The continuity of the AAC spirit is exemplified by the cooperation between Indonesia and China in the context of the Global South. The economic collaboration between the two countries, especially through major projects such as the Belt and Road Initiative (BRI), shows how developing countries can forge mutually beneficial relationships without having to submit to the power of Western countries. This relationship is also a concrete example of how countries in the South can collaborate to accelerate economic development and reduce their dependence on developed countries.

#### **Visible Challenges and Opportunities in the Future**

Indonesia-China cooperation has had a positive impact on various opportunities, especially in accelerating infrastructure development and enhancing Indonesia's economic competitiveness in the Southeast Asian region. For example, BRI projects improve infrastructure and enhance regional connectivity, which is critical to expanding trade and

protecting Indonesia's strategic position. In the context of the Global South, this relationship can serve as a model for other countries on how South-South cooperation can generate inclusive and sustainable economic growth.

However, Indonesia faces major obstacles, including the potential for excessive economic dependence on China. This dependence could undermine Indonesia's economic sovereignty, especially if fair and transparent terms do not accompany Chinese investments. This risk is evident in major projects such as the Jakarta-Bandung High-Speed Rail, which raises concerns about the long-term sustainability of this cooperation and the management of its funding. Indonesia must ensure that this cooperation framework remains balanced and mutually beneficial while maintaining sovereignty in economic decision-making.

In addition, Indonesia-China relations also present challenges that must be addressed from a geopolitical security perspective, particularly the South China Sea issue. Although Indonesia is not directly involved in this conflict, China's claim to Indonesia's Exclusive Economic Zone (EEZ) in Natuna waters increases the potential for future conflict. In the context of neorealist theory, great power competition in the region can result in regional instability, requiring vigilance and a sophisticated Indonesian foreign policy.

### **What is the future of the Global South?**

The question that arises in the future is: *Quo Vadis* Global South? Where does the Global South stand in the increasingly multipolar global geopolitical dynamics? The collaboration between Indonesia and China, as well as other developing countries, shows that the Global South has a significant opportunity to change the global order that has been dominated by Western countries. With the capacity to support each other through South-South cooperation and growing economic strength, the Global South has the potential to build a more just and balanced world order.

However, the future of countries in the South will be greatly influenced by their ability to manage their relationship with a major power like China without sacrificing sovereignty or becoming trapped in economic dependency. To this end, countries in the South, including Indonesia, must continue to strengthen their internal capacity and ensure that international cooperation provides long-term benefits for national development. To maintain its independence in the global political sphere, Indonesia and other developing countries must diversify their international relations. The South will have greater flexibility in negotiating its position in a multipolar world by forming strategic alliances with countries other than China, such as the United States, Japan, and the European Union.

Indonesia has the opportunity to accelerate economic development and enhance the international status of the South through the Indonesia-China relationship. However, to fully capitalize on the benefits of this partnership, Indonesia must address critical challenges, including the risks of economic dependence, potential geopolitical conflicts, and domestic sociopolitical impacts. By diversifying its international relations and implementing a careful strategy, Indonesia can ensure that this collaboration provides direct benefits, strengthens the foundations of national development, and reinforces the Global South's role in building a more inclusive and equitable global order.

Overall, this research shows that Indonesia and China, as two major powers in the Global South, have significant potential to build mutually beneficial relationships and assist other developing countries. By adopting a collaborative approach that prioritizes mutual interests, countries of the South can jointly face regional and global challenges. In the future, this collaboration has the potential to be an important factor in advancing global growth and stability, prioritizing sustainable development and solidarity over interstate competition.

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