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The Evolution of the Indonesia- China Relationship Post Covid-19

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Key Findings

1. Despite the challenges caused by the Covid-19 pandemic, the Indonesia-China relationship has never been stronger than at present. Trade between the two nations remains high, and Chinese investment in large-scale Indonesian infrastructure projects is bringing Indonesia closer to realising its many development goals.
2. The Jokowi administration, like previous administrations, does not possess a coherent China policy. Confidence in the Indonesia-China relationship is undermined by continued Chinese incursions into Indonesia's exclusive economic zone (EEZ) in the North Natuna Sea (South China Sea), longstanding anti-China sentiment among sections of Indonesian society, and the financial benefits derived by many of Indonesia's political and business elite from the economic relationship.
3. Indonesia's history of anti-China sentiment shapes several key facets of the Indonesia-China bilateral relationship, including: the opaque way by which the countries' conduct business together, both in terms of trade and Chinese foreign direct investment in Indonesia, how Indonesia responds to Chinese incursions in Indonesia's exclusive economic zone in the North Natuna Sea (South China Sea), and the way by which China has begun to court Indonesia's main Islamic social organisations.
4. Indonesia's restrained response to Chinese incursions in the North Natuna Sea is shaped by the limitations and comparative weakness of its navy. Other factors include its foreign policy culture and policy of non-alignment (*bebas dan aktif* - flexible and agile), China's effective exploitation of the United Nations Convention on the Laws of the Sea (UNCLOS), and corruption in Indonesia at the political and business elite level.
5. Indonesia's foreign policy of non-alignment is largely tactical in nature, rather than strategic, which is reflected in Indonesia's often disjointed China policy. Indonesia's China policy is therefore not necessarily sustainable in its current form as China continues to rise and grow in both economic and military power.

Policy Considerations

1. Non-alignment is a core component of Indonesia's national identity. Indonesia will be reluctant to deviate from it, regardless of geopolitical developments in the region. Western countries, including Australia, should pro-actively develop more comprehensive relationships with Indonesia, i.e., relationships comprising a significant economic dimension, as well as the pre-existing political and security dimensions.
2. If Australia wants an ally at the heart of the Indo-Pacific, and an ally that represents the only potential bulwark to *Pax Sinica* (Chinese peace) in East Asia and the Western Pacific, it needs to continue to enhance its military cooperation with Indonesia's national military, *Tentara Nasional Indonesia* (TNI). Such cooperation would likely have a deterrent effect (deterrence by denial) on Chinese expansionist aspirations in the South China Sea.
3. Indonesia's Ministry of Foreign Affairs (*Kementerian Luar Negeri* or Kemlu) has expressed concern about the establishment of AUKUS, but its statement could be read as tacit acceptance – even support – of the new security pact. Indeed, an expanded AUKUS-plus Indonesia relationship might well be manifested if China continues its current bellicose military build-up in the South China Sea.

4. TNI is cooperating with the United States on an unprecedented level and plans to expand this cooperation in 2022 with a raft of other Western states, which, following the establishment of AUKUS, may have positive implications for Australia.

Executive Summary

1. The Indonesia-China relationship has never been stronger than at present. Despite the short-term impact of Covid-19 in 2020, trade between the two countries is higher than ever in 2021, and Chinese investment in large-scale Indonesian infrastructure projects is making a significant contribution to bringing Indonesia closer to realising its many development goals.
2. Since the onset of the Covid-19 pandemic, the economic relationship deteriorated slightly between 2019 and 2020, after a steep upward trajectory between 2016 and 2019. It is expected, however, that the decline in 2020 is an outlier stemming from the impacts of the pandemic and there will be a resumption of the upward trajectory in 2021 and beyond.
3. The Jokowi administration does not possess a coherent China policy. The Indonesia-China relationship is undermined by a latent fragility caused by a multitude of factors, including repeated Chinese incursions into Indonesia's exclusive economic zone (EEZ) in the North Natuna Sea (South China Sea), longstanding anti-China sentiment among sections of Indonesia's indigenous population, and the financial benefits derived by many of Indonesia's political and business elite from the economic dimension of the relationship.
4. Indonesia's history of anti-China sentiment informs several key facets of the Indonesia-China relationship, namely the opaque way by which the countries' conduct business together, both in terms of trade and Chinese foreign direct investment in Indonesia, and the way by which Indonesia responds to Chinese incursions in Indonesia's EEZ in the North Natuna Sea.
5. Indonesia's insipid response to Chinese incursions in the North Natuna Sea is also informed by its small navy, which is plainly inferior to China's coast guard, let alone China's navy.
6. Indonesia's long-standing foreign policy of non-alignment or *bebas dan aktif* (free and active) and reluctance to resort to megaphone diplomacy informs Indonesia's weak response to Chinese incursions. Indonesia has no immediate, formal, military allies with which it could join forces to resist China's advances.
7. Corruption in Indonesia at the political and business elite level also informs this limited response. Speculation and limited evidence abound that elites on both sides have used the North Natuna Sea as a bargaining chip. Specifically, China allegedly promised that in exchange for being granted certain large-scale infrastructure contracts, it would reduce or temporarily halt such incursions. Incidents in the North Natuna Sea have conspicuously been resolved after companies in which Indonesia's elite are majority shareholders received substantial payments/loans from China and/or its State-Owned Enterprises (SOEs).
8. Indonesia's national military, *Tentara Nasional Indonesia* (TNI), is conducting joint exercises with the United States military on an unprecedented level and has plans to cooperate in 2022 and beyond with a raft of other Western countries, which, following the establishment of AUKUS, bodes well for Australia.
9. Different conceptualisations of the Indonesia-China relationship emerge from analysis of both academic scholarly literature and grey literature. Both English-language literature and Chinese-

language literature grapple with defining the nature of the Indonesia-China relationship and Indonesia's China policy.

10. Most of the literature on the Indonesian perspective engages with existing theories and jargon – e.g., ‘hedging’, ‘band-wagoning’, and ‘underbalancing’ – to explain Indonesia's China policy. The Chinese-language literature tends to define Indonesia's approach to China as pragmatic and as reflecting Indonesia's rise as a middle power. It largely views the Indonesian approach as a counter to US hegemony in the region.
11. The Indonesian print media's coverage of the Indonesia-China relationship has been primarily descriptive. Alleged Chinese violations of human rights, including the mass imprisonment of the Muslim Uyghur people, are conspicuously absent.
12. The four topics to which the Indonesian mainstream media, between 2016 and 2021, have attributed notable attention are:
 - a. Sino-Indonesian disputes in the South China Sea;
 - b. the Indonesian government's seeming preference to grant government tenders to Chinese state-owned enterprises;
 - c. the recent Omnibus Law on foreign investment and perceptions that it could make Indonesia more vulnerable to Chinese domination; and
 - d. China and Indonesia's response to the Covid-19 pandemic.
13. Both Indonesian and Chinese mainstream media coverage of the Indonesia-China relationship generally lack quality analysis. The Chinese media's representation of the relationship is primarily positive, while the Indonesian media's coverage is typically limited to particularly high-profile incidents in the then-South China Sea – namely those in 2016 – as well as the concern that Indonesia's reliance on Chinese investment could see Indonesia fall into a debt-trap, rendering it subservient to China.
14. Indonesia finds itself at the centre of the Indo-Pacific region and at the intersection of the geopolitical interests of some of the world's major powers. In terms of the Australia-China relationship, Indonesia represents something of a geo-strategic centrepiece: a repository of the natural resources China needs, and an archipelago serving as a north-western geographic buffer between Australia and China.
15. International entities and countries are now coming to Indonesia not simply to make money, but to acquire spheres of influence in Indonesia and the broader Southeast Asian region, whether in the form of ownership stakes, assets, or concessions. These entities and countries are not necessarily motivated by profit, but a desire to pre-empt their rival from acquiring such spheres of influence.
16. The most high-profile recognition of the geopolitical importance of Indonesia, China, and the Indo-Pacific region in general, are the 2017 revival of the Quadrilateral Security Dialogue (‘the Quad’) – a strategic security dialogue between the United States, Australia, India, Japan – and the 2021 establishment of the AUKUS trilateral security pact. These alliances are formal responses to China's growing influence in the Indo-Pacific region. Indeed, one school of thought says that in the next 15 to 20 years, China will regulate the regional order of East Asia and the western Pacific (*Pax Sinica*).
17. Were China's expansionist aspirations to manifest in a military invasion of Taiwan, including aggressive/violent conduct in the South China Sea, Indonesia would most likely seek to play a mediating role and avoid military involvement. Given the tens of thousands of Indonesian

domestic workers living in Taiwan, Indonesia might feel compelled to act, but its lack of significant military might would most probably preclude it from doing so.

18. The Indonesian military's affinity with the United States – which reflects both the personal affinity many TNI officials have with the United States having studied there, and their aversion towards the threat of communism that China represents – means that TNI, if pressed, would likely assist the United States with intelligence sharing and also by possibly tacitly accepting US efforts to blockade Indonesia's sea lines of communication (SLOCs). This could, of course, be interpreted by China as an act of aggression or outright war, resulting in a Chinese military response, but Indonesia's lack of a broader China strategy means that its military's strategy vis-à-vis China is the most likely to fill that void.
19. While Indonesia tacitly accepted AUKUS, its Ministry of Foreign Affairs issued a statement in which it 'cautiously' noted the announcement of the trilateral security pact, pursuant to which Australia is to acquire nuclear-powered submarines using American nuclear technology.
20. Experts interviewed deemed the Economic dimension of the Indonesia-China relationship the most important of those dimensions covered by the index and the Military dimension the least significant. The military dimension of the Indonesia-China relationship has experienced a steady decline since peaking in 2017. This decline has been driven by a reduction in the number of military procurements Indonesia has sought from China, and the resumption of Chinese incursions into Indonesia's North Natuna Sea in 2020.
21. Conspicuously, while not refraining from being openly critical of Australia at times, Indonesia chose not to protest China's nuclear acquisitions. This is likely linked to both its economic reliance on China and a perceived need to placate China to prevent further incursions into the North Natuna Sea.
22. The rivalry between China and the United States (and its allies) could arguably result in the dissipation of ASEAN centrality, insofar as ASEAN member states might, if pushed, tilt towards either the United States or China, contrary to the multilateral spirit of ASEAN.
23. Indeed, if China were to escalate matters in the Taiwan Strait or in the South China Sea, ASEAN member states would be likely to prioritise their own respective national interests, even at the risk of breaking away from ASEAN.
24. Politically, ASEAN recently failed to uphold its non-interference principle by excluding Myanmar's junta chief, Min Aung Hlaing, from the ASEAN summit held on 26-28 October 2021.
25. China realises that there are unintended consequences, such as potential anti-China riots in Indonesia directed at ethnic-Chinese Indonesians, of its attempts to raise its social, economic, and political profile. China knows that it needs to keep a low physical and political profile if it wants Indonesian political elites to feel they can do business with them.
26. China appears to understand that Indonesia's domestic power structure is personal, rather than institutional, and that political elites use these ad hoc institutional settings to advance their agendas. This is similar to how China operates in many other countries, ingratiating itself with local political and business elite despite wider public antipathy.
27. China typically courts Indonesian tycoons with political connections, including, but not limited to, ethnic Chinese business leaders, as well as Indonesia's political elite directly, to win infrastructure contracts. China also courts military officers, coast guard officials, and has even started to court religious elites, although its approach vis-à-vis religious elites remains nascent and haphazard.

28. These projects might contribute to economic prosperity down the line, but for the meantime, the resulting economic enrichment flows primarily to the Indonesia's ruling elite. These co-opted Indonesian elites arguably become instruments of Chinese power in Indonesia, whether they accept this or not. This results in a lack of transparency and good governance, and – while admittedly somewhat hyperbolic – could even undermine the quality of Indonesia's democracy.
29. China plainly harbours expansionist aspirations in Southeast Asia. As the centrepiece of the Indo-Pacific region, the challenge for Indonesia is clear: balance and diversify its trade and investment portfolio with its international partners and ensure that China does not acquire too many spheres of influence within Indonesia's territorial boundaries.
30. The other institutions that still harbour, if not anti-China sentiment, apathy towards China, at least in some quarters, are Indonesia's National Military (*Tentara Nasional Indonesia* or TNI) and its Ministry of Defence (*Kementerian Pertahanan* or Kemhan). This hesitancy is grounded partly in military tradition, a distrust of communism and, by association, of China.
31. Indonesian institutions, including the military, lack adequate China expertise.
32. It appears that Indonesia is working slowly toward an alignment with the AUKUS member states. It is also evident, however, that the Jokowi administration is seeking to maintain the status quo, such that it does not have to make such a marked foreign policy shift during the remainder of its tenure.
33. The Covid-19 pandemic temporarily halted the momentum (and success) of Chinese efforts to gain serious institutional influence within Indonesia, although there were specific pandemic-related examples of the relationship developing in previously unforeseen areas, e.g., the provision of Chinese vaccines to Indonesia and plans to develop Indonesia into the Southeast Asian hub for Chinese vaccine production. It is anticipated that as national borders reopen and trade flows increase, however, efforts will only increase into the future.

Introduction

The Indonesia-China relationship has never been stronger than it is at present. Trade between the two countries is higher than ever, and Chinese investment in large-scale Indonesian infrastructure projects is bringing Indonesia closer to realising its ambitious development goals. The Jokowi administration, however, like Indonesian governments that came before it, has no coherent China policy, and the Indonesia-China relationship is undermined by a latent fragility caused by key salient factors, including Chinese incursions into Indonesia's exclusive economic zone (EEZ) in the North Natuna Sea (South China Sea), longstanding anti-China sentiment among sections of the Indonesian population, and the financial benefits derived by many of Indonesia's political and business elite from the economic dimension of the relationship.

Indonesia's relationship with China has undergone significant transformation under successive post-Suharto governments. Traditionally, Indonesia's relationship with China has been 'characterised ... by high political drama and a history of enmity' (Nabbs-Keller 2011). The anti-Chinese violence of 1965/66 and 1998, as well as the more recent 2017 blasphemy conviction of the former governor of Jakarta, Basuki 'Ahok' Tjahaja Purnama, an ethnic Chinese Christian, are chilling reminders of how anti-China sentiment can manifest in Indonesian society. These historical events also go some way to explaining why Indonesia-China dealings, at least at the political elite level, are typically conducted in a non-transparent manner with little fanfare. Chinese foreign direct investment in Indonesia, for example, is often funnelled into the country via Hong Kong and Singapore, while Indonesia does its best to avoid confrontation with China in the North Natuna Sea, the resource-rich region surrounding Indonesia's Natuna Islands that was a part of the South China Sea until Indonesia renamed it in 2017. Indonesia's decision to rename that area the North Natuna Sea followed a 2016 Permanent Court of Arbitration decision that declared China's nine-dash line claim in the South China Sea to have no basis in international law (Tisnadibrata 2017).

That aside, Indonesia now views China as much more of a strategic partner than a threat (Lanti 2008). In part, this is the result of successive post-Suharto governments reactivating Indonesia's foreign policy of non-alignment, an idea originally championed by Indonesia's first vice president, Mohammad Hatta. It was Hatta's contention that rather than siding with either the Western or Soviet bloc throughout the Cold War, Indonesia should instead remain 'free and active' (*bebas dan aktif*) to deal with any and all nation-states, if doing so served the national interest.

More recently, Jokowi's immediate predecessor, Susilo Bambang Yudhoyono, declared in 2009 that 'Indonesia can ... [have] a million friends and zero enemies' (Piccone and Yusman 2014). In 2011, Yudhoyono's foreign minister, Marty Natalegawa, supported this position by seeking to popularise the doctrine of 'dynamic equilibrium', a doctrine that 'seeks to involve all the major relevant powers within a more cooperative framework as a basis for the development of an inclusive regional architecture' (Anwar 2014). Laksmana (2017:113) has termed this foreign policy mechanism 'pragmatic equidistance', whereby Indonesia 'fully [engages] one great power in various forms of cooperation – from economic to defence matters – while simultaneously both maintaining strategic autonomy and keeping equal balance with other great powers.' Most recently, Syailendra (2021) referred to it as the '*jalan tengah*' or 'middle way', qualifying that by taking the *jalan tengah*, Indonesia is by no means adopting a passive or neutral position; rather, it is engaging in an at times precarious exercise whereby it seeks to 'preserve [its] strategic autonomy [while simultaneously exploiting] a great power rivalry to its advantage.'

The best possible outcome of such a foreign policy for Indonesia would be that it maintains a truly balanced portfolio of bilateral and multilateral relations; the worst possible outcome, however, could see Indonesia's indecision or passivity confuse and/or alienate its potential strategic allies, including the AUKUS member states, thereby isolating itself and jeopardising the broader security interests of the region. The way by which Indonesia conducts relations with China, as well as other major powers, therefore provides a point of entry into the practicalities of *bebas dan aktif*.

The most contentious issue that underpins the Indonesia-China relationship is, undoubtedly, China's repeated incursions into Indonesia's exclusive economic zone (EEZ) in its North Natuna Sea. Notwithstanding a 2016 decision of the Permanent Court of Arbitration in The Hague that declared China's incursions to be in violation of the United Nations Convention on the Law of the Sea (UNCLOS) (Thompson 2016), China continues to maintain de facto control of much of the South China Sea, 90 percent to which it claims historical rights. It has also gradually changed its rhetoric, shifting from its claim that it enjoys historical rights to all territory within its self-proclaimed 'nine-dash line', to now claiming historical rights to the 'Four Sha' or Four Sands Archipelagos, a concept the court did not consider in 2016. Those four island groups in the South China Sea to which it lays claim are the Pratas Islands, Paracel Islands, the Macclesfield Bank Area, and Spratly Islands (Radio Free Asia 2022).

It might be anticipated that as the world's most populous Muslim nation, Indonesia might have expressed strong reservations about the treatment of the Uyghur Muslims in the Chinese province of Xinjiang. As discussed below, however, this has not been the case. Despite this and the pressing matter of interests in the South China Sea, Indonesia has continued to engage with China economically, principally to acquire the significant funds necessary to finance the Jokowi administration's connectivity plans for the archipelago. In the process, however, Indonesia has become enmeshed in a Gordian knot: seduced by large-scale Chinese investment, which it deems a sign the bilateral relationship is stronger than ever, it has become less resistant to China's repeated incursions in its EEZ. Literary and scholarly attempts to capture this dynamic and accurately define the nature of the Indonesia-China bilateral relationship, as well as its medium- and long-term ramifications for Indonesia, Australia, as well as the broader region, remain somewhat nascent. The project on which this report is based seeks to advance this discussion.

Methodology

The study uses mixed methods, which offer 'depth of qualitative understanding with the reach of quantitative techniques' (Fielding 2012:124), and triangulation, which allows the 'application and combination of several research methodologies in the study of the same phenomenon' (Denzin 2015:1). Triangulation assists in both gaining richer data and helps to confirm the results of the research (Wilson 2014). In this case, the triangulation of online data (literature review and critical discourse analysis), interview data with 30 Indonesia-China experts, and survey data (the *Indonesia-China Geostrategic and Military Posture Index 2016-2020* weighting survey) provides a holistic insight into the Indonesia-China relationship.

Several methods were used to inform the various outputs of this project:

1. Open-source data extraction and analysis of English-, Indonesian-, and Chinese-language sources

Data were identified, extracted, categorised, and analysed from a range of open sources, including academic literature, newspapers, speeches, diplomatic communiqués, as well as government, private sector, and NGO reports and statistics. These data, analysed by researchers with native level proficiency in the respective languages, have informed the construction of an index and automated dashboard, as well as other key deliverables, including a systematic review of the current academic literature (see Critical Literature Review), an online short-form publication, and two long-form journal articles.

2. A critical discourse analysis of stories examining the Indonesia-China relationship in Indonesian and Chinese language newspapers

The critical discourse analysis (see Critical Discourse Analysis) was based on stories and opinion pieces drawn from mainstream Indonesian and Chinese newspapers between January 2016 and December 2021.

Rogers' (2004) methodological frame provided the base for organisation and questions asked about the articles and opinion pieces analysed.

3. Semi-structured interviews with experts on the Indonesia-China relationship

Interviews were conducted with 30 leading Indonesia-China experts from various fields, including former political staff, academics, diplomats, journalists, and analysts. These interviews, discussed in depth in section 6, also contributed to the weighting of the index, (respondents provided a subjective determination of the most significant influences on the relationship) and added one point of triangulation in addressing the three key research questions. Experts were identified on the basis of either their potential professional insights (due to their area of employment) or public commentary on the topics covered.

Literature Review

The literature review comprises two sections: a review of the English-language literature written by Indonesian and Western scholars on the Indonesian perspective of the Indonesia-China relationship, and a review of the Chinese-language literature, as written by Chinese scholars on the Chinese perspective of the relationship. Some Indonesian-language scholarship on the relationship is available, but to reach a broader audience, Indonesian Indonesia-China specialists are writing in English with increasing frequency, presumably in order to reach the broader audiences English-language academic journals typically attract. As a result, this review is limited to English-language and Chinese-language scholarship.

We limited our focus to academic literature published from 2016 onwards with a few notable exceptions. Search terms were limited to 'China Indonesia relationship', 'China', 'Indonesia', 'bilateral relations', and/or 'military relations'. For the English-language literature search, those terms were entered into academic journal databases, primarily JSTOR and EBSCO. Snowballing was also used in instances where an article cited another article that appeared to be relevant. For the Chinese-language section, those same terms were searched using the China National Knowledge Infrastructure (CNKI) platform.

Indonesian perspective

Much of the literature on the Indonesia-China relationship – at least that written by Indonesian and Western scholars on the Indonesian perspective of the relationship – posits that Indonesia's relationship with China is characterised by two dominant issues: Indonesia's reliance on Chinese investment in its large-scale infrastructure projects, and the threat to Indonesia's sovereignty and territorial integrity posed by Chinese incursions into Indonesia's exclusive economic zone (EEZ) in the North Natuna Sea (formerly the southern-most part of the South China Sea). Scholars, by and large, agree that Indonesia's reliance on Chinese investment has meant that Indonesia has had to carefully navigate and avoid confrontation with China in the Natunas, but the ways by which these scholars conceptualise and explain this dichotomy and its practical effects differ slightly.

Syailendra (2017) argues that Indonesia has, simultaneously, both 'hedged' and failed to balance its relationship with China. By 'hedging', Syailendra means that Indonesia has sought to maintain a middle road, '[avoiding] having to choose one side at the obvious expense of another' (2017:239), and by failing to balance he means that Indonesia has refrained from taking the steps necessary to 'balance' the security threat China presents in the South China Sea. An obvious way to balance that threat, Syailendra notes, would be for Indonesia to increase its military presence in its EEZ, but it has refrained from doing so because it does not want to escalate matters with a country whose military is far superior to its own. Syailendra observes that this approach runs contrary to structural realist theory, which predicts that a state such as Indonesia '[would] balance against threats from rising powers' (2017:238). On one level, it

makes sense for Indonesia not to engage in an arms race with China, which it would quickly and inevitably lose. The other reason Indonesia has failed to balance its relationship with China is because of a 'disagreement among key Indonesian actors over the nature of the threat posed by China' (2017:238). In other words, Indonesia's incoherent China policy is the result of a lack of consensus among Indonesian policymakers: some view China as a threat, while others view it as an economic partner and source of support. Citing Schweller (2006) on unanswered threats, Syailendra agrees that when elites cannot agree on a hierarchy of threats or the appropriate response to them, they typically go unanswered.

Sulaiman (2019:608) diagnoses the Indonesia-China relationship in a similar vein, writing that 'Indonesia is neither strengthening its power projection capability nor building a coalition to address China's growing aggressiveness in the South China Sea (or at least to fulfil its security goal).' Sulaiman notes, however, that this is because Indonesia's dominant strategic culture is its military strategic culture. Indonesia's military strategic culture defence in depth doctrine states that, in the face of a foreign threat, Indonesia's army would need to collaborate with the population to maintain the population's will to resist, thereby (hopefully) '[depleting] the enemy's will to fight' (2019:611). To provide greater context regarding the Indonesian military's actual strength (or inferiority to China's), at the peak of Suharto's New Order in 1988, military spending constituted 1.3% of GDP, while by 2015 it had dropped to just 0.8%.

President Jokowi's apparent disinterest in foreign policy and strong, pragmatic, emphasis on a need for investment in the country's infrastructure may account, at least in part, for the nature of the bilateral relationship. Sulaiman notes that 'by May 2017, [Jokowi] had already met with President Xi six times, five times of which were in Beijing' (2019:617). That said, both Gindarsah (2016) and Connelly (2016) emphasise the important role Indonesian diplomacy has played in keeping the relationship on an even keel. Citing a 2002 Indonesian White Paper, Gindarsah notes how diplomacy is typically Indonesia's first line of defence. Gindarsah also argues that Indonesia is acutely aware of what it perceives to be the dangers of 'great power rivalries to regional security', which informs its preferred approach to use multilateral frameworks to engender defence cooperation at the regional and extra-regional levels.

Laksmana (2011) is perhaps the most openly critical observer of the Jokowi administration's China policy. He rejects the notion that Indonesia has sought to artfully hedge, balance, and/or bandwagon vis-à-vis China, instead arguing that Indonesia's approach is plainly ambivalent. In domestic politics, Indonesia's ambivalence is informed by its chequered history with China, including the fluctuation of relations between the Sukarno and Suharto eras, the spread of communism, the place of the Indonesian Communist Party (PKI) in Indonesia's history, and attitudes towards ethnic-Chinese Indonesians. Indonesia's economic ambivalence vis-à-vis China is a result of multiple factors, including China's interest in Indonesia's natural resources, which some elites fear could lead to China controlling Indonesia's energy sector, and the significant economic assistance China has provided Indonesia. After the Asian financial crisis in 1998, for example, China contributed US\$500 million (approximately US\$896 million in 2022) to the International Monetary Fund's US\$43 billion bailout package and provided US\$200 million in export credits. This ambivalence is then compounded by China's attempts to subvert Indonesia's sovereignty in the then-South China Sea.

Laksmana (2016:383-384) posits two additional factors to explain Indonesia's haphazard approach to the then-South China Sea issue: first, the Indonesian public's apparent lack of interest in and/or knowledge of China and its influence on Indonesia has meant that it does not provide the government with a 'serious check on the China narrative'; and second, that the Jakarta elite continue to exhibit 'historical ambivalence' towards China. Another possibility is the idea that Jokowi has sacrificed 'Indonesia's strategic capital in the region', specifically in the South China Sea, to keep China onside, without which Jokowi's economic development agenda would flounder.

Chinese perspective

Overall, scholarly interest in Indonesia-China relations has witnessed significant growth in China. In the past decade, an increasing number of Chinese academics in international relations and politics have directed their attention to the historical and contemporary development of the bilateral relationship between the two countries. A review of the literature reveals the degree of ambivalence of Chinese scholarship on Indonesia-China relations is and how diverse the topics are that have been addressed. This study found that the Chinese-language literature focused on many of the same topics as those explored from the Indonesian perspective. To begin with, a substantial stream of literature has highlighted Indonesia's foreign policy as a critical variable. Within this extensive body of work, much research has attended to Indonesia's 'pragmatic' foreign policy.

Adopting an historical approach, Hong Wei (2020), for example, emphasises the pragmatic mindset of Indonesia in terms of its relationship with China, as do Song and Wang (2018). Similar to Gindarsah, Wei notes the role Indonesian diplomacy has played in shaping the relationship but insists that while the countries' ideological differences have informed the relationship, they have by no means been a decisive factor. Zhiqiang Yu (2015) addresses the economic/military dichotomy of the Jokowi administration's China policy, noting that the emphasis the administration has placed on economic investment and trade has its own limitations, particularly with regard to the South China Sea dispute.

Several Chinese scholars have written on Indonesia's foreign policy of non-alignment. Sun (2019), for example, refers to it as 'balanced diplomacy', writing that Indonesia's motivations are to 'boost its economic development', 'maintain its regional influence', and 'enhance its national security'. Rongxiao Chen (2021) identifies how Indonesia's engagement with the Quadrilateral Security Dialogue (the Quad) in maritime security is a strategy to balance China's influence. In a similar vein, Jun Lyu (2018) analyses Indonesia's 'hedging' strategy towards China, writing that, 'On the one hand, Indonesia's hedging strategy towards China emphasises developing economic and trade relations with China and maintaining contact with China in order to boost Indonesia's domestic economy. This will benefit the bilateral relationship in terms of trade and cultural exchanges. On the other hand, such a strategy emphasises cooperating with other major powers in and beyond the region to balance China. This is not helpful for the political and strategic mutual trust between the two countries.' Similar to Sun's research, both studies emphasise how Indonesia's identity as a 'middle power' has informed its balanced foreign policy.

In a more detailed study, Weilai Dai (2015:14) writes that 'Indonesia's core foreign strategy is [realised] through the implementation of middle power diplomacy, active participation in international and regional cooperation mechanisms, extensive expansion of multilateral diplomatic stages, promoting Indonesia's international status and international influence, and truly becoming a regional leader.' Dai writes that Indonesia's middle power status and strategy will have several implications for China, including completing China's diplomatic layout, shaping the geopolitical pattern in China's neighbouring areas, and undermining the 'anti-China alliance'. This is of crucial importance to China in its dealings with Indonesia. Li and Zheng (2015) also examine Indonesia as both a regional power and a middle power. They argue that the two identities are not necessarily mutually exclusive, but rather well integrated in a 'new regional power' identity. They further explain that 'Indonesia's middle power identity has served as a strategic instrument for the country to enhance its identity as a regional power and to pursue the identity of a global power' (2015:82). According to Li and Zheng (2015:91), such identity construction practices imply that '[China] should connect the promotion of the "Maritime Silk Road" with the resolution of South China Sea disputes, which are at the core of China-ASEAN security concerns. We should consider both the position of Indonesia as a strategic axis state in the former and its unique role in the latter and its leadership in ASEAN.'

Indonesia's Indo-Pacific policy seeks to involve China as a significant player. As Ding and Tang (2018) write, this distinguishes Indonesia's Indo-Pacific policy from the Indo-Pacific strategy proposed by the United States and its allies. They suggest that the idea of an Indo-Pacific policy from Indonesia is a critical response towards the United States and reflects Indonesia's independent foreign policy and its identity as a regional

leader. Conversely, Bi and Qu (2020) write that Indonesia's understanding of the Indo-Pacific is informed by the United States' Indo-Pacific strategy, as the former endeavours to avoid geopolitical conflict between China and the United States. Indeed, Indonesia seeks to maintain its 'autonomy' when engaging in Indo-Pacific affairs. The article concludes with the contention that because of this internal logic, China should deepen its collaboration with Indonesia, particularly given its and ASEAN's developmental agenda.

Lin (2015), Chen (2021), Luo (2019), and Yu (2017) all discuss the potential complementarity of Jokowi's Global Maritime Fulcrum vision and China's Maritime Silk Road Initiative. Yu (2017:68), for example, argues that the two strategies speak closely to each other because 'The 21st Century Maritime Silk Road is dedicated to the construction of infrastructure and to the achievement of interconnection and intercommunication between Asia, Africa and Europe, whereas the Global Maritime Axis Strategy prioritises the construction of maritime infrastructure and the achievement of interconnection and intercommunication between islands.'

Discussion of Indonesia-China military cooperation remains somewhat on the periphery of the literature reviewed. That said, Liu (2012) chronicles the development of Sino-Indonesian military relations since the 1990s. Liu notes that the military relationship between the two countries has deepened significantly since 2005, when the two countries established a strategic partnership. The study also highlights some of the challenges faced by the two countries, including Indonesia's growing military partnership with the US, limitations on cooperation in the defence industry, and Indonesia's growing concern regarding China's rising military power. Lu and Zhou (2016) review the existing cooperation between China and Southeast Asian countries, including Indonesia. They suggest that the two countries have conducted several military cooperation exercises to curb the spread of terrorism in the region, but also note how anti-terrorism military exercises between China and Southeast Asian countries have been low-scale, short in duration, and limited in coverage, thereby having a minimal effect on terrorism. Finally, Wei and Gao (2020) emphasise the impact of Jokowi's adjustment to Indonesia's defence policy on Sino-Indonesian defence cooperation.

Takeaways

Both the English-language literature on the Indonesian perspective of the relationship and the Chinese-language literature on the Chinese perspective grapple with defining the nature of the Indonesia-China relationship and Indonesia's China policy.

Most of the literature on the Indonesian perspective engages with existing theories and jargon – e.g., 'hedging', 'band-wagoning', and 'underbalancing' – to explain Indonesia's China policy. The Chinese-language literature tends to define Indonesia's approach to China as pragmatic and as reflecting its own rise as a middle power. It largely views the Indonesian approach as a counter to US hegemony in the region.

Critical Discourse Analysis

The critical discourse analysis (CDA) covered both the Indonesian and Chinese print media's coverage of the Indonesia-China bilateral relationship between 2016 and 2021. CDA offers insights into the social and political dimensions of texts, including the contestation of power. As Rogers (2004:5) writes:

Within a CDA framework, analysts of discourse start with the assumption that language use is always social and that analyses of language occur above the unit of a sentence or clause. In this view, discourse both reflects and constructs the social world and is referred to as constitutive, dialectical, and dialogic.

Indonesian print media

The Indonesian print media's coverage of the Indonesia-China relationship has been primarily descriptive and conspicuously lacking in commentary and analysis. Given the ongoing ill-treatment of Uyghur Muslims in China, it is surprising that the print media in the world's largest Muslim majority country has not dedicated more attention to that issue. That said, of the opinion pieces and editorials available, four topics received notable attention: Sino-Indonesian disputes in the South China Sea (NB: the most notable incidents occurred in 2016, prior to Indonesia's maritime territory being renamed the North Natuna Sea); the Indonesian government's apparent preference to grant government tenders to Chinese-owned enterprises; the recent Omnibus Law and perceptions that it could make Indonesia more vulnerable to Chinese domination; and China and Indonesia's response to the Covid-19 pandemic.

South China Sea

The South China Sea has witnessed multiple incidents involving Indonesian and Chinese vessels. For example, on 5 May and 22 June 2010, and then again on 26 March 2013, Indonesian authorities detained Chinese fishing vessels in its exclusive economic zone (EEZ). On all three occasions, China forced the hand of Indonesian authorities, who ultimately released them. The most notable incident then occurred on 19 March 2016, when Indonesian naval authorities detained the Chinese fishing boat 'Kway Fey' and arrested eight Chinese fishermen on board for 'stealing fish' in Indonesia's EEZ. A day later, the Chinese coastguard flexed its superior naval might, ramming the Chinese fishing boat under Indonesian detention, giving Indonesia no other option but to release it.

Rene L. Pattiradjawane (2016) offered a damning assessment of China's actions in the South China Sea. Writing for *The Jakarta Post*, Pattiradjawane described China's conduct as 'maritime colonialism', as that of a 'conqueror of the sea', and as '[undermining] the Declaration of the Code of Conduct that ASEAN and China agreed on, to pursue resolutions and reduce tensions in the area.'

Several Indonesian-language media outlets published slightly more nuanced editorials in response to the incident, calling on Indonesia to take a firm stance against China. *Suara Pembaruan* (2016) wrote that Indonesia 'had to take a firm stance', and that '[i]f it did not, it is not impossible that China would annex Indonesian territory'. *Kompas* (2016) published a more outspoken, rather nationalistic, editorial, in which it argued that Indonesia should take a 'firm' stance against China for its conduct in the South China Sea. It acknowledged the 'hard' and 'firm' response of Minister of Foreign Affairs Retno L. Marsudi and Minister of Maritime Affairs and Fisheries Susi Pudjiastuti, and commended the latter for threatening to report China to the International Tribunal for the Law of the Sea, notwithstanding the difficulties that follow reporting a country with China's international stature to an international forum. *Kompas* wrote, 'We must take this stance against not just China, but against any country that threatens our sovereignty.' *Tempo* (28 March 2016) published a similarly nationalistic response. Adopting a strong tone, the editorial asserted that 'the pursuit of the thieving fishing vessel would not have become problematic had the Chinese coast guard vessel 3184, a Shuwu class patrol cutter, typically armed with 14.5mm machine guns, not entered Indonesia's maritime exclusive economic zone.'

Following two subsequent but separate incidents in the South China Sea, on 28 May and 16 June 2016, *Tempo* (18 July 2016) published another editorial. The editors argued that '[e]fforts to resolve the conflict between Southeast Asian countries and China in the South China Sea show just how irrelevant ASEAN is now.' They added that China must exercise restraint in its dealings in the South China Sea by 'ceasing the construction of manmade islands and preventing fishermen entering the disputed region', and that President Jokowi must do more than pay a symbolic visit to the islands, as he had done on 23 July 2016. *Tempo* wrote that 'Jakarta needs to increase its military strength in real terms by showing that the

government is serious about protecting its sovereignty. If necessary, the island could be converted into a military base.’

Chinese tenders

Much has been made of President Jokowi’s decision to prioritise China as an economic investor in Indonesia, despite the valid criticism of certain practices employed by China in its infrastructure work in Indonesia (e.g., corruption; substandard construction; importing of Chinese workers).

A *Tempo* opinion piece (11 January 2016) addressed a decision by the CEO of Indonesia’s State Electricity Company (*Perusahaan Listrik Negara*, PLN), Sofyan Basir, to award the contract for the construction of a 35,000-megawatt power plant worth IDR 1.1 trillion (approximately US\$77.1 million) to a Chinese consortium. The piece noted that PLN essentially ‘locked out’ (*mengunci*) certain Japanese companies vying for the tender, namely Mitsubishi, Marubeni, and Sumitomo, by making the tender submission date unfeasible, and by requiring bidders to provide 10% of the total value of the project as a performance bond within a month.

Koran Tempo (13 October 2021) published an editorial criticising Jokowi’s dependence on China and cautioned that ‘[t]he financing of the Joko Widodo administration lighthouse projects by the Chinese government could become a ticking time bomb and endanger Indonesia’s economy in the future.’ *Koran Tempo* cited a study by the United States-based financial research institute AidData, which found ‘that Indonesia is predicted to have a hidden debt owed to the Chinese government of US\$17.28 billion, equal to [IDR] 245 trillion.’ Of course, ‘[a] large part of that debt is from the financing of [BRI] projects...’. Indeed, as a result of Indonesia ‘offering 28 projects worth IDR 1,300 trillion’ in 2019 to China, Chinese direct investment in Indonesia increased by 599 percent for the period 2015 to 2020.

Covid-19 response

China’s then-ambassador to Indonesia, now ambassador to Australia, Xiao Qian, wrote five articles about China and Indonesia’s joint response to the pandemic, four of which were published in *The Jakarta Post* (28 October 2020; 8 December 2020; 27 April 2021; 10 September 2021) and one of which was published in *China Daily* (11 July 2020). All five articles were crafted in such a way that entices the (assumedly Indonesian) reader to adopt a positive attitude toward China. The articles serve to remind the reader of what China has done for Indonesia, while discouraging the reader from believing the narrative that China and its government are to blame for the Covid-19 pandemic. They also seek to shift the focus to other countries (presumably the United States), which, Xiao asserts, are seeking to both undermine the China-Indonesia relationship and to dominate the Southeast Asian region. Conspicuously, all five articles also follow the same formula: they preach unity, solidarity, and mutual cooperation as the best response to Covid-19; they list specific examples of previous mutual cooperation, including the provision of medical aid and cooperation on vaccine development and production; they obfuscate with regard to the origin of Covid-19, while seeking to demonstrate Chinese altruism; and they conclude by emphasising the need to respond to the pandemic with multilateralism, while denouncing the attempts of the United States and other Western countries to both politicise the pandemic and play a greater role in Southeast Asia.

Chinese print media

In terms of the Chinese print media, five print and online media outlets as main sources of media texts were identified: *People’s Daily*, *Guangming Daily*, *XinhuaNet*, *China Daily* and *Global Times*. *People’s Daily* (Renmin ribao) is the official newspaper of the Central Committee of the Communist Party of China (CCCPC), the top decision-making body in China. The *Guangming Daily* (Guangming ribao), similarly, is a national daily newspaper and governed by the Publicity Department of the CCCPC. *XinhuaNet* is the

website of Xinhua News Agency, China's largest, state-run news agency. *China Daily* is an English-language daily newspaper owned by the Publicity Department. Finally, *Global Times* is an English-language newspaper under *People's Daily*.

In contrast to the ambivalence embedded in the discourse of Indonesia-China relations in Indonesian-language texts, the political discourse in the Chinese texts was overtly positive and optimistic, and promoted bilateral collaborations. In other words, there have been limited discussions of the 'risks' or 'threats' in the sphere of bilateral relations. Four themes were identified: the Belt and Road Initiative; the Covid-19 vaccine and the pandemic in general; foreign powers; and the South China Sea dispute.

Belt and Road Initiative

China-Indonesia relations have been noticeably framed around the economic potentials of the Belt and Road Initiative (BRI). Writing in the *Global Times*, Liping Xu (2016), a senior fellow of the National Institute of International Strategy of Chinese Academy of Social Sciences, highlighted the importance of China to Indonesia, particularly in the face of increasing 'competition with [Indonesia's] neighbouring countries'. Liping emphasised the compatibility between Indonesia's 'Global Maritime Fulcrum' strategy and China's '21st Century Maritime Silk Road'. Similar optimism was echoed by Weija (13 February 2017) and Xin (4 May 2017) in the *Global Times*.

Since 2020, more media attention has been dedicated to bilateral collaboration responses to the Covid-19 pandemic, the responsibility taken by the Chinese government to support Indonesia in its fight against the pandemic, and the apparent efficacy of China-made vaccines and China's generous provision of anti-epidemic supplies. Aona and Yadi (25 August 2021), for *XinhuaNet*, for example, interviewed 'an international relations expert' from the University of Indonesia. Therein, the interviewee spoke highly of China's capacity to both curb the spread of Covid-19 and to continue economic development. According to the interviewee, this 'sets an example for other countries'.

Recent posts on the Chinese Embassy in Indonesia website also devoted attention to the Covid-19 situation. One post (8 June 2021), for example, emphasised China and Indonesia's collaboration in vaccine rollout, as well as China's clear opposition to 'vaccine nationalism' and 'vaccine divide'. It also referenced the compatibility between China and Indonesia in terms of their attitudes towards the provision of vaccines.

Foreign powers

Chinese media discourse has, not infrequently, expressed concerns about factors that may affect the bilateral relationship. Writing for the *Global Times* in 2016 and 2017, Jifeng Du, Research Fellow at the Institute of Asia-Pacific Studies of the Chinese Academy of Social Sciences, cautioned that Australia-Indonesia cooperation could affect China's role in the region. In 2016, Du (7 November 2016) emphasised Indonesia's proposal to conduct a joint patrol with Australia in the South China Sea. Du argued that Indonesia's active involvement in the South China Sea disputes, despite being a non-claimant, is out of 'its concerns about being marginalised in one of the world's biggest geopolitical disputes'. In 2017, Du (7 March 2017) provided an in-depth analysis of closer Australia-Indonesia ties. Du was generally positive about their impact on China, but still expressed concerns, writing that '[Australia and Indonesia] cannot hamper other nations' right to exercise state sovereignty over their own territories', indicating his concern about the pressure the two countries could place on China.

Writing for the *Global Times*, Hongliang Ge (7 May 2018), Research Fellow at the Charhar Institute and the college of ASEAN studies at Guangxi University for Nationalities, for example, noted that imbalance in trade and investment, cultural discrepancies, and political uncertainty in Indonesia could all potentially have a

negative effect. Also writing for the *Global Times*, Jincui (1 April 2019) wrote that with greater economic dependence on Beijing, Southeast Asian countries ‘cannot afford to shun China’.

South China Sea dispute

Writing for the *Global Times*, both Yan (6 January 2020) and Haiping (4 August 2020) put forward obfuscatory arguments that suggested Indonesia should not be as firm as it had been on China, in terms of Chinese incursions in Indonesia’s EEZ. Such a one-sided frame, however, is absent from Chinese government posts (21 August 2020 and 8 June 2021). The government’s posts mostly call for joint efforts in maintaining a stable and peaceful South China Sea. A recurrent theme is the acceleration of finalising the *Code of Conduct in the South China Sea* by China and ASEAN countries. This suggests China’s explicit effort to downplay disputes in official government documents and to emphasise ‘collaboration’, ‘joint effort’ and ‘responsibility’.

Takeaways

1. Both Indonesian and Chinese mainstream media coverage of the Indonesia-China relationship are primarily cursory and therefore lacking in quality analysis.
2. The Chinese media’s representation of the relationship is primarily positive, while the Indonesian media’s coverage is typically somewhat distrustful and limited to particularly high-profile incidents in the then-South China Sea – namely those in 2016 – as well as the concern that Indonesia’s reliance on Chinese investment could see Indonesia fall into a debt-trap, rendering it subservient to China.
3. No media exploration of the impact of a high intensity regional conflict in the region, for example, a Chinese invasion of Taiwan, or the relationship between the countries was considered.

Interviews

Interviews were conducted with 30 leading experts on the Indonesia-China relationship. Ethics clearance was obtained from the High-Risk Deakin University Ethics Committee. As mentioned, interview respondents included former political staff, diplomats, academics, journalists, and analysts (see Appendix 1). Names are not mentioned in keeping within ethical requirements, though broad positions occupied are. All 30 interviews were based on the same 12 semi-structured questions but were guided by the respondents’ specific knowledge and expertise. The value of this semi-structured approach is that it provides the necessary latitude for flexibility and informed intuition in the interview process on the part of the interviewer. It also provides the opportunity to engage the respondent in conversation rather than directly asking them questions (Bourdieu 1999).

Collectively, these interviews revealed a complex web of interrelated themes and salient factors that inform the dynamics and power relationships that make up the Indonesia-China relationship. The collective responses of respondents are broken down into three umbrella themes and related issues. They are:

1. The broader geopolitical context of the Indonesia-China relationship:
 - Background
 - Indonesia’s foreign policy of non-alignment or *bebas dan aktif*;
 - Existing security architecture; and
 - Chinese incursions in the North Natuna Sea;
2. The economic dimension, Covid-19, and elite corruption; and
3. Anti-China sentiment and suspicion.

The broader geopolitical context of the Indonesia-China relationship

Background

As Australia-China and US-China relations becoming increasingly rivalrous, Indonesia-China relations are being framed within those rivalries (**R5; R15; R19; R23**). Once seen as a promising emerging market where international entities would come to profit from its natural resources, Indonesia now finds itself at the centre of the Indo-Pacific region and at the intersection of the geopolitical interests of some of the world's major powers. In terms of the Australia-China relationship, Indonesia is its centrepiece: a repository of the natural resources China needs, and the geostrategic archipelago between Australia and China (**R19**). This shift has meant that both international entities and countries are coming to Indonesia not simply to make money, but to acquire spheres of influence in Indonesia and the broader Southeast Asian region, whether in the form of ownership stakes, assets, or concessions. These entities and countries are not necessarily motivated by profit, but a desire to pre-empt their rival from acquiring such spheres of influence (**R19**). More broadly, the US-China rivalry, as one respondent remarked, 'puts [all] ASEAN countries in a very uncomfortable position' because they do not want to ever be compelled to take sides (**R23**).

The 2017 revival of the Quadrilateral Security Dialogue (the Quad) – a strategic security dialogue between the United States, Australia, India, Japan – and the 2021 establishment of the AUKUS trilateral security pact constitute high-profile recognition of the geopolitical importance of Indonesia, China, and the Indo-Pacific region in general. (**R3**). These alliances constitute formal responses to China's expansionist tendencies and belligerence in the South China Sea and are attempts to curb China's growing influence in the Indo-Pacific region (**R3**). One school of thought says that in the next 15 to 20 years, China will regulate the regional order of East Asia and the western Pacific (*Pax Sinica*) (**R15; R29**). Certain respondents – including one key Indonesian diplomat – pushed back against the notion that these are the only two options available to Indonesia (**R5; R30**), but other respondents, including another key (former) Indonesian diplomat and government advisor, thought *Pax Sinica* was a future *fait accompli* (**R15; R29**). Another respondent insisted that Indonesia does not want a single hegemon in East Asia, especially if that hegemon is China (**R6**).

Two hypothetical scenarios involving Chinese military conquest and Indonesia's potential response were posed to all respondents: a Chinese invasion of Taiwan, and aggressive or violent conduct from China in the South China Sea. Respondents overwhelmingly submitted that Indonesia would attempt to maintain neutrality or pursue a mediating role in both instances (**R2; R3; R9; R10; R13; R14; R15; R18; R19; R20; R24; R25; R26; R27; R28**). In the event of a Chinese invasion of Taiwan, however, some thought Indonesia would not object, while others considered such an invasion would likely result in United States involvement, resulting in a US-China conflict, either directly or by proxy. Some respondents suggested that Indonesia would be forced to act in a crisis in Taiwan to protect the tens of thousands of Indonesian domestic workers living in Taiwan and defend its economic ties to the country (**R2; R19; R20**). Others felt Indonesia would firmly stick to its commitments to the One China Policy and not become involved in raising tensions (**R10; R26**).

One school of thought articulated by certain respondents says that Indonesia would side with China (**R4; R10**), but the other says that the Indonesian military's affinity with the United States (**R27**) – which reflects both the personal affinity many TNI officials have with the United States having studied there, and their aversion towards the threat of communism that China represents – means that Indonesia would most likely assist the United States with intelligence sharing and also by possibly tacitly accepting US efforts to blockade Indonesia's sea lines of communication (SLOCs) (**R9; R28**).

One respondent suggested that in a prolonged conflict, Indonesia would eventually side with the party it views as most likely to be the victor (**R18**), while another reflected the sentiment that Indonesia would

eventually need to decide, without highlighting what that decision might be (R27). Indeed, Indonesia does not have the naval might itself to blockade its own SLOCs, although one respondent mooted the idea that if it did, it might, in fact, set up blockades (R13). Other respondents disagreed with this concept, however, arguing that either blockading the SLOCs or allowing other countries to do so would be interpreted by China as an act of aggression or outright war, necessitating a Chinese military response (R15). Some expressed scepticism about Indonesia's material ability to play a significant role either way in the event of a regional crisis (R3; R15; R22; R25; R28). Another respondent suggested Indonesia would use its limited resources to attempt blocking access of all parties to its territory to avoid conflict breaking out within Indonesian territory (R13; R25).

One senior Kemlu official explained that Indonesia's approach to managing conflict in the South China Sea has consistently been to manage it in a tactical, piecemeal fashion – that is, on a case-by-case basis – such that this hypothetical scenario never eventuates (R5). The same respondent cited the 'Workshops on Managing Potential Conflicts in the South China Sea', which were developed by Canada and Indonesia – specifically by Ian Townsend-Gault and Hasjim Djalal – and the first of which was convened in Indonesia in February 1990. They lay the groundwork for subsequent discussions on the *Code of Conduct in the South China Sea* – a document that is still yet to be agreed to by the relevant parties, including China – and were part of Indonesia's efforts to maintain channels of communication in order to prevent such a situation from ever happening.

Indonesia's foreign policy of non-alignment or *bebas dan aktif*

While Indonesia would be welcomed by both the Quad and AUKUS, as either an official or quasi-official member, its longstanding foreign policy of non-alignment or *bebas dan aktif* (literally 'free and active', but better translated as 'flexible and agile') makes such a scenario, at least in theory, unfeasible (R3; R11; R15). One respondent did, however, reference a discussion he had had with a senior member of Indonesia's navy, in which this member acknowledged that Indonesia might be better off joining the Quad, and that if China were to force Indonesia's hand, Indonesia would side with the United States (R27).

Nevertheless, *bebas dan aktif* is a doctrine inspired by the bipolarity of the Cold War period and Indonesia's refusal to directly side with either the United States or Soviet Union, but to rather, figuratively speaking, 'row between two reefs' (*mendayung diantara dua karang*). It is a tactical, pragmatic, and piecemeal approach to foreign policy, rather than a strategic one. As Indonesia's geopolitical stocks rise, *bebas dan aktif* empowers Indonesia's political elite to play geopolitical rivals off against one another for short-term benefits. Alternatively, such an approach could ultimately alienate some countries, although Indonesia's current geopolitical value makes such an outcome highly improbable (R19). One respondent argued that Indonesian foreign policy makers feel they are 'getting it generally right' with their commitment to *bebas dan aktif* (R4), despite the flaws highlighted by other respondents (R2; R9; R19). One respondent noted that, historically, *bebas dan aktif* has been used flexibly by various administrations, exemplified by Suharto's decision to move Indonesia closer to the United States during his reign (R6).

Indonesia's absence of a long-term strategy, however, means that if China's expansionist aspirations are to be curbed, Western countries might need to proactively develop more comprehensive relationships with Indonesia, i.e., ones that include a significant economic dimension, rather than just relationships based primarily on security and political considerations (R29). Indeed, expecting Indonesia to wind back its lucrative economic relationship with China is unrealistic at this point. As two experienced Indonesian diplomats noted during interviews, Indonesia would welcome more comprehensive relationships with Western powers (R5; R29), and as a leading Indonesian expert on China, who cited Franklin Weinstein's seminal work on *bebas dan aktif*, 'Indonesian Foreign Policy and the Dilemma of Dependence', noted, *bebas dan aktif* will only be truly realised when the Indonesian government deliberately creates balance, which it is arguably yet to do (R12). The problem with Indonesia's non-alignment policy, however, is, as another former senior Australian diplomat noted, that it actually frustrates a lot of countries and has an

air of entitlement about it **(R6)**. Indeed, rather than displaying loyalty to an ideology or a group of countries with similar interests, which is typically demonstrated via a military alliance, Indonesia expects other countries to essentially ‘come a courting’ **(R6)**. The same respondent submitted that Indonesia therefore had no right to be offended by the United States sending Vice President Kamala Harris to Vietnam and the Philippines but not to Indonesia, or by then-Australian Minister of Foreign Affairs Marise Payne not warning her Indonesian counterpart Retno Marsudi of the imminence of AUKUS **(R6)**. As one Indonesian respondent noted, Indonesia’s failure is that it rarely signals to Western powers that it wants to cooperate with them **(R12)**, while another Indonesian respondent – a former political staffer, no less – believed that Indonesia was an opportunistic but not good international partner **(R7)**.

An added complexity is Indonesia’s stance vis-à-vis AUKUS, which some have misinterpreted as opposition to the new alliance. Indonesia’s Ministry of Foreign Affairs (*Kementerian Luar Negeri* or Kemlu) issued a statement in response to AUKUS in which it ‘[took] note cautiously of the Australian government’s decision to acquire nuclear-powered submarines’ (Ministry of Foreign Affairs of the Republic of Indonesia 21 September 2021). In the context of its growing relationship with China, Indonesian opposition to AUKUS might make sense to some. Indeed, as one respondent noted, the Quad and AUKUS are predominantly military-based alliances, and ‘Indonesia sits right in the middle of that and it finds all these things unnerving, because, whether you say it explicitly or not, China is the object on the other end of these military alliances, and that can lead to the militarisation of Southeast Asia’ **(R3)**. Nothing about Kemlu’s statement, however, should be considered an outright objection to AUKUS. As one senior Kemlu respondent noted, the response was a deliberately principled one that sought to remind Australia of the principle of non-proliferation of nuclear weapons, which is also a founding principle of ASEAN **(R5)**. Indonesia does not disapprove of AUKUS per se, but it responded in the way that it did because it believed that it was, at the time, the right thing to say **(R5)**.

As another respondent explained, Indonesia has legitimate concerns that Australia might acquire a highly enriched nuclear reactor for these submarines, which are not due until the late 2030s. Highly enriched uranium would violate, at least in spirit, Australia’s longstanding commitment to the Non-Proliferation of Nuclear Weapons **(R28)**. It is erroneous, however, to interpret this response and Indonesia’s ostensible neutrality as impartiality **(R28)**. The two are not the same, and subsequent remarks from senior members of Jokowi’s cabinet, notably Minister of Defence Prabowo Subianto, that Indonesia understands and respects Australia’s decision to join AUKUS (Lamb 2021), confirms that Indonesia is aware of the pressure Australia feels with regard to China **(R28)**.

Indonesia arguably feels the same pressure, although it has not acknowledged that directly. Conspicuously, Indonesia did not protest China’s own nuclear acquisitions **(R6)**. As one respondent noted, this might be because Indonesia sees China as more of a legitimate nuclear power, whereas Australia’s case is an example of horizontal proliferation, i.e., the United States and the United Kingdom arming Australia with nuclear capabilities **(R27; R28)**. This, however, reveals insights into where Indonesia perceives itself to fit within the regional hierarchy, namely that Indonesia feels it can criticise Australia but not China because of both its economic reliance on China, as well as its caution vis-à-vis China’s incursions in the North Natuna Sea **(R6)**. Indeed, as one senior Kemlu official acknowledged, part of the reason Indonesia issued that statement was to placate China and to maintain the façade of non-alignment whereas, in actual fact, Indonesia was perfectly content with the AUKUS announcement and the intentions of its member states to contain Chinese expansionism **(R5)**.

Existing security architecture

Several respondents submitted that AUKUS is also evidence of ASEAN’s inability to properly manage the US-China rivalry **(R13; R15)**. The utility of ASEAN was emphasised by several senior diplomat respondents, insofar as the US-China rivalry places ASEAN member states in uncomfortable, invidious positions, because they do not want to be made to choose between the United States and China **(R5; R23)**. These respondents submitted that ASEAN could therefore provide useful forums – whether that be the ASEAN Regional Forum

or the East Asia Summit – for the US-China conflict to be resolved diplomatically **(R5; R23)**. Indeed, ASEAN demonstrated that same utility in 2010 when tensions between China and Japan in the East China Sea had escalated significantly, curbing the two countries' bilateral visits and political dialogue **(R23)**.

In lieu of any other security architecture in the region, several respondents noted that ASEAN has achieved one of its aims, namely the maintenance of the multipolarity of Southeast Asia **(R3; R15; R23)**, while another noted that ASEAN members' differing relationships with China had left ASEAN 'very fragile' **(R21)**. In the current rivalrous climate, however, one respondent, in particular, questioned whether relying on ASEAN to prevent conflict was naïve and lacking in clear strategic thinking **(R6)**. Were Indonesia to align with the Quad, however, ASEAN would be divided and therefore possibly be dissolved **(R15)**. Indeed, Cambodia and Laos are, for all intents and purposes, China proxies, and Myanmar would not endorse Indonesia's decision to join the Quad **(R15)**. The majority of ASEAN states, however, sympathise with each other on managing China in the South China Sea, so, if ASEAN is to maintain its relevance, as one senior academic submitted, it needs to share the China problem and even leverage it to ensure cohesion and unity within **(R15)**. The persisting question, however, is whether the notion of ASEAN centrality – where member states meet through the medium that is ASEAN – is losing relevance **(R15; R21; R27)**.

While posing this question, that same respondent noted three salient considerations. First, economically, ASEAN lost a lot of significance after its member states joined the Regional Comprehensive Economic Partnership (RCEP) and larger trade blocs. Secondly, politically, ASEAN recently, for the first time, failed to uphold its non-interference principle by excluding Myanmar's junta chief, Min Aung Hlaing, from the ASEAN summit held on 26-28 October 2021. Thirdly, with regard to China, ASEAN believes that its geographic centrality needs to translate into political centrality, and that depends on enough member states coming together under the ASEAN umbrella **(R15)**. If China escalates matters in the Taiwan Strait or in the South China Sea, however, ASEAN member states might prioritise their own respective national interests and move away from ASEAN, which would spell the end of the association **(R15)**. That said, the Jokowi administration does not want to join the Quad or any other alliance that would affect Chinese investment in Indonesia, which means ASEAN might live on **(R15)**.

Chinese incursions in the North Natuna Sea

For more than a decade, China has made repeated incursions into Indonesia's exclusive economic zone (EEZ) in the North Natuna Sea. Many respondents found this to be the most crucial issue underpinning the Indonesia-China relationship **(R4; R6; R8; R10; R14; R17; R23; R29)**, while one thought it might have the potential to destabilise the relationship, but that it had otherwise been 'overegged' **(R2)**. The North Natuna Sea is a resource-rich region surrounding Indonesia's Natuna Islands and used to be part of the South China Sea, until it was renamed by Indonesia's Deputy Minister for Maritime Affairs Arif Havas Oegroseno in July 2017 following a 2016 Permanent Court of Arbitration decision that declared China's nine-dash line claim to have no basis in international law (Tisnadibrata 14 July 2017). That tribunal decision notwithstanding, China continues to exercise varying degrees of de facto control over the South China Sea **(R29)**, primarily due to the sheer size of its coast guard, which one respondent noted is headed up by the PLA Navy **(R12)**. As a senior Indonesian Sinologist respondent noted, an added benefit of the AUKUS alliance for Indonesia is that increasingly frequent Indonesia-Australia military exercises will follow in the AUKUS context, which will serve as a deterrent (deterrence by denial) to China **(R20)**. That aside, while Indonesia's Maritime Security Agency (*Badan Keamanan Laut Republik Indonesia* or Bakamla) has been quite vocal in its opposition to China's actions in the North Natuna Sea, the Jokowi administration's at-times insipid response to Chinese incursions can be explained by several factors, which we discuss in turn.

Corruption at the elite level

The majority of respondents mentioned corruption at the elite level as being a normative component of the Indonesia-China relationship. While corruption is also addressed later in the context of the formal economic dimension of the relationship, it is necessary to understand why Indonesia's response to Chinese incursions in its EEZ are often muted **(R1; R5; R7)**.

Several respondents intimated that elites on both sides have used the North Natuna Sea as a bargaining chip **(R1; R12; R13; R19; R20)**. Specifically, China promised that in exchange for being granted certain large-scale infrastructure contracts, it would reduce or temporarily halt such incursions **(R13)**. Several respondents referenced a US\$6 billion loan – deposited into three Indonesian state banks in six separate US\$1 billion instalments – which arrived not long after 19 March 2016, when Indonesian naval authorities detained the Chinese fishing boat 'Kway Fey' and arrested eight Chinese fishermen on board for 'stealing fish' in Indonesia's EEZ **(R1; R13; R15; R20)**. In regard to this payment, one of those respondents alleged that US\$500 million thereof was credited to Bosowa, a company owned by Aksa Mahmud, the brother of former Indonesian vice president Jusuf Kalla, while another US\$300 million was distributed as credit to the company Toba Sejahtera, 99.98% of which is owned by Indonesia's Coordinating Minister of Investment and Fisheries, Luhut Binsar Pandjaitan (Sukirno 3 November 2013) **(R20)**.

One respondent also mentioned that certain members of Indonesia's business elite have been involved in similar corrupt practices. This respondent discussed Chinese fishing vessels, illegally double-flagged (Indonesia and China flags), paying to use the names of high-profile Indonesian conglomerates, under the guise of being an Indonesian vessel, when, in actual fact, they were Chinese vessels **(R7)**. The respondent referenced the former minister of Marine Affairs and Fisheries, Susi Pudjiastuti, having dismantled a fishing business in eastern Indonesia that employed such practices. That business was led by ethnic-Chinese Indonesian business tycoon Tomy Winata and his conglomerate, Artha Graha Group. The same respondent submitted that while the former minister enjoyed the support of the Indonesian people, her zero-tolerance approach to such corruption angered many of Indonesia's political and business elite because they derived so much financial benefit from these arrangements **(R7)**. This respondent also asserted that after Susi left her post at the end of Jokowi's first presidential term, Jokowi's cabinet subsequently became far more subdued with regards to the North Natuna Sea, reflecting the lack of interest and care Indonesian officials have about the state of Indonesia's maritime territory **(R7)**.

Indonesian military doctrine and inferior navy

Another consideration is Indonesia's navy and air force, which, by any measure, are no match for China's military. Indonesian military spending remains at a mere 0.8% of its GDP, and the majority of that meagre sum – approximately 70% – continues to be spent on the army, in accordance with Indonesia's arguably archaic 'defence in depth' doctrine **(R28)**. The 'defence in depth' doctrine dates back to the former president Suharto, who himself was from the army. Because of the Suharto regime's paranoia regarding domestic insurrections, it persisted with the colonial force deployment structure already in place, which stationed army units at every administrative level **(R19)**. The 'defence in depth' doctrine itself places far greater emphasis on the army than Indonesia's naval and air forces, the rationale being that the only way Indonesia might resist and defeat a superior foreign attacker would be by maintaining the *semangat* (spirit) of the people, who would take it upon themselves to defend their country.

One respondent noted that an added complication might be the recent inauguration of Andika Perkasa as Commander-in-Chief (*Panglima*) of the TNI. Andika is also the son-in-law of the former head of Indonesia's National Intelligence Agency (*Badan Intelijen Nasional* or BIN), meaning family relationships could potentially confound quick and clear decision-making **(R19)**. That said, Andika has made very little – if any – comment about Indonesia's relationship with China **(R12)**.

Indonesian foreign policy culture

In addition to political elites such as Coordinating Minister of Maritime and Investment Affairs Luhut Pandjaitan preferring to avoid confrontation with China in the North Natuna Sea, Indonesian foreign policy culture typically seeks to avoid megaphone diplomacy. One senior Kemlu official noted that Minister of Foreign Affairs, Retno Marsudi, regularly raises issues pertaining to China's persistent incursions in the North Natuna Sea in closed communications with China's foreign minister Wang Yi. Those discussions typically reference the United Nations Convention on the Laws of the Sea (UNCLOS) and Indonesia's rights pursuant thereto **(R5)**. As another respondent noted, UNCLOS constitutes an important milestone in Indonesia's history as an archipelagic state **(R12)**. While Indonesia typically denies that a territorial dispute with China exists on the ground that the North Natuna Sea does not fall within China's nine-dash line claim, it simultaneously wants to see this dispute resolved according to UNCLOS and ASEAN negotiations **(R3)**. This said, the same senior Kemlu respondent noted that China's understanding of UNCLOS has improved markedly, such that China has learned to find and exploit loopholes in UNCLOS to its advantage **(R5)**.

Anti-China sentiment

While this topic, more broadly, is addressed later, another reason Indonesia has rarely responded in public to China's incursions is the government's concern that such a response could be seen by certain sections of the Indonesian population as confirmation of their suspicions of China. That could then, in turn, result in riots and acts of violence directed at Indonesia's ethnic-Chinese population **(R2; R3; R4; R5; R7; R9; R10; R17; R21)**.

The economic dimension, Covid-19, and elite corruption

The majority of respondents noted that the economic dimension was the strongest component of the Indonesia-China relationship (see appendix 4). The majority of respondents also agreed that it was the dimension of the relationship the Jokowi administration was undoubtedly prioritising in order for Indonesia to meet its connectivity and development goals, and to cement President Jokowi's legacy as the 'infrastructure president' **(R4; R14; R18; R22)**. One respondent even submitted that it signalled Indonesia's acceptance of China's legitimacy and strength as an economic partner **(R18)**.

China realises, however, that there are unintended consequences – e.g., possible anti-China riots in Indonesia directed at ethnic-Chinese Indonesians – of its attempts to raise its social, economic, and political profile. It therefore knows that it needs to keep a low profile if it wants Indonesian political elites to feel they can do business with them **(R3)**. In addition, China appears to understand that Indonesia's domestic power structure is personal, rather than institutional, and that political elites use these ad hoc institutional settings to advance their agendas **(R30)**. The elites most frequently mentioned were Coordinating Minister of Maritime and Investment Affairs, Luhut Pandjaitan, the former minister of state-owned enterprises, Rini Soemarno, and Minister of Defence, Prabowo Subianto. China therefore typically courts ethnic-Chinese Indonesian tycoons with political connections, as well as Indonesia's political elite directly, to win infrastructure contracts. Several respondents noted that China also courts military officers **(R7)**, coast guard officials **(R7)**, and has even started to court religious elites **(R5; R11)**, although its approach vis-à-vis religious elites is still quite nascent and haphazard **(R12)**.

These projects might result in future economic prosperity, but for the meantime, the majority of the resulting economic enrichment remains with Indonesia's ruling elite, who, as one respondent remarked, 'become instruments of an expression of Chinese power in Indonesia' **(R8)**. This results in a lack of transparency and good governance, and – while admittedly somewhat hyperbolic – could even undermine the quality of Indonesia's democracy. Indeed, three respondents saw this as the greatest challenge that

the Indonesia-China relationship presents to contemporary Indonesian society (**R1; R7; R19**). One of those respondents emphatically remarked:

Transparency – if we’re talking from society’s perspective, it’s just transparency. It’s like, we don’t know what the fallout will be of importing Sinovac, Sinopharm in the quantities we did – even though its efficacy was doubtful at the time. So, from society’s point of view, it remains transparency because there’s no good governance process between Indonesia and China, and China facilitates that. In terms of the United States or Japan, they still value administrative order and process order. They still have values. China has no values (**R7**).

Perhaps the most high-profile case where transparency has been lacking, to which many respondents referred, was the disastrous Jakarta-Bandung High-Speed Rail (HSR), the contract for which Jokowi awarded China in 2015, after inviting Japan to conduct several feasibility studies, beginning in circa 2007. That HSR is now more than US\$3 billion over budget, has encountered countless hurdles and caused several significant environmental disasters, and will not be complete until late 2022 at the earliest (China initially promised it would be complete by 2019).

China’s overall approach is the opposite of Japan’s: Japan approaches economic development from the bottom up by, for example, training middle-tier officials in government ministries and agencies, whose newly-acquired expertise should, in theory, influence their superiors (**R12**). This way, when governments change and there is change in the political elite, the middle-tier government employees, who typically retain their positions, can then influence the new guard (**R12**). Indeed, several respondents queried what might happen when the elite, who have been personally enriched by their time in government, leave government at the conclusion of Jokowi’s second term (**R1**). The administration of Jokowi’s successor will, for example, inherit that aforementioned US\$17.28 billion debt, which, according to an AidData study, Indonesian SOEs owe China (McBeth 2021). If the SOEs default on these loans, it is subsequent governments that will have to bail them out. As one respondent remarked:

[T]he Chinese way of doing business is anathema to market efficiency because it involves so much greasing of palms and cronyism and collusion with decision makers and public office. And bringing [that] model into Indonesia perpetuates all of Indonesia’s existing faults that hold back development. So, that’s the major concern, I think, for the longer term (**R19**).

This is not to say that the Jokowi administration is naïve or oblivious to the underlying motives of China’s advances. As the same senior Indonesian Sinologist emphasised, however, Indonesia should remain acutely aware that China weaponises everything it does with regard to Indonesia and the broader Southeast Asian region (**R20**). It may not always be impinging on Indonesian sovereignty or its sovereign rights in its EEZ, but it is weaponising its technology, its trade, its investment, and its sale of Covid-19 vaccines, meaning its conduct in the South China Sea more broadly is not the only geopolitical threat it poses to Indonesia and the Southeast Asian region (**R20**). Indeed, speculation abounds that China has, on several occasions, refrained from intruding on Indonesia’s EEZ in exchange for being awarded large-scale infrastructure contracts by the Jokowi administration, which grant China long-term access to, and control over, Indonesian land. In other words, whether through maritime incursion or the long-term construction of infrastructure, China has managed to normalise its presence on Indonesian territory and ensure it has access to the country’s natural resources.

This same respondent also submitted that while Indonesia purchased vaccine from China – it was not gifted any vaccine – the fact that China was the first country to make its vaccine available to Indonesia for purchase has created expectations in the minds of Chinese Communist Party (CCP) members that it should have greater and easier access to Indonesia’s vast natural resources, whether that be nickel, copper, tin, or other metals (**R20**). This has also resulted in an influx of Chinese foreign workers coming to Indonesia to work in nickel smelters operated by Tsingshan, China’s largest smelter operator, including Morowali Industrial Park in Central Sulawesi (**R1; R20**). Another respondent believed that the provision of Chinese

vaccine in Indonesia has meant that Indonesian policymakers know not to push back against China on other aspects of the relationship **(R13)**.

The Jokowi administration could retort that the number of projects it has awarded China is relatively few compared to those it has awarded other countries, such as Japan, South Korea, and the United Arab Emirates, but China remains the only country with which Indonesia engages and deals economically whose navy has grown exponentially since the 1980s (Nohara 2017). China also clearly harbours expansionist aspirations in Southeast Asia. As the centrepiece of the Indo-Pacific region, the challenge for Indonesia is clear: balance and diversify its trade and investment portfolio with its international partners but, more importantly, ensure that China does not acquire too many spheres of influence within its territorial boundaries.

Another respondent submitted that while the Jokowi administration has sought to decouple the economic and security dimensions of the relationship, in actual fact, they constitute a Gordian knot **(R28)**. Specifically, while Indonesia perceives Chinese investment to be a sign that the bilateral relationship is strong, it incorrectly assumes that China is less likely to resort to aggression in the North Natuna Sea, while China thinks that its investment in Indonesia will make it less resistant to its maritime incursions **(R28)**. Furthermore, Indonesia needs to know that its economic relationship with China by no means affords it any strategic benefits in terms of foreign policy alignment, a security alliance, or improved social relations. Rather, with large-scale infrastructure projects come local fears in Indonesia that the Chinese employees attached to those projects will result in Chinese ghettos in Indonesian territory **(R13)**.

Anti-China sentiment and suspicion

Several respondents acknowledged Indonesia's history of anti-China sentiment as a major challenge to the relationship at present and moving forward **(R3; R4; R5; R7; R9)**. Indeed, this sentiment has manifested in events including the 1965 anti-communist purge, the 1998 anti-Chinese riots, the 2017 blasphemy conviction of former Jakarta governor Basuki 'Ahok' Tjahaja Purnama, and even Prabowo Subianto's 2014 and 2019 presidential campaign rhetoric. In contemporary Indonesia, the question remains: How does Indonesia decouple domestic anti-Chinese sentiment from its China policy? How does it remove the spectre of violence, whether that be domestically against ethnic-Chinese Indonesians or the potential threat of military aggression in the North Natuna Sea?

As one respondent remarked:

While you get the feeling that Jokowi and his cabinet would like to stress the economic advantages, I mean, it's all inherently political, and it has been for such a long time. And that kind of harks back to the '60s, if not the '50s, and the Cold War politics, but in its contemporary form you see that playing out in political rivalries. I mean, you saw that with Ahok and the idea of Chinese investment; the fact that Prabowo and his cohort in the 2019 presidential election had a smear campaign against Jokowi being a puppet of China – saying that he wasn't born in Indonesia – and you see it also in very real terms on the ground in local areas where there are Chinese workers who come with these projects, that do raise legitimate concerns for individuals on the ground. These are sensationalised usually when it comes to politics, but it kind of shows you that complex relationship. I mean, Chinese investment is not something that is celebrated in Indonesia and the reason for that is because it is seen as politically controversial **(R3)**.

The very real fear of anti-China reprisal attacks carried out by sections of Indonesia's indigenous population against ethnic-Chinese Indonesians goes at least some way to explaining why there is a lack of transparency in terms of China's investment in Indonesia. It explains, also in part, why Jokowi's cabinet does not criticise China's incursions in its maritime EEZ in public more often, lest that criticism be interpreted as a confirmation of the suspicions of some Indonesians **(R8; R29)**.

The other institutions that still harbour, if not anti-China sentiment, apathy towards China, at least in some quarters, are Indonesia's National Military (*Tentara Nasional Indonesia* or TNI) and its Ministry of Defence (*Kementerian Pertahanan* or Kemhan). A case in point is the fact that, as one respondent remarked, no Indonesian defence minister has ever spoken at the plenary session of the Xiangshan Forum, a track 2 platform for Asia-Pacific security dialogue, which was initiated by the China Association of Military Science in 2006 (R12). Admittedly, this hesitancy is grounded more in military tradition, a distrust of communism and, by association, of China, but Indonesia is also sorely lacking in China expertise. As one respondent privy to Indonesian strategic policy meetings remarked:

We have a few economists who speak and write and read Mandarin. In Kemlu, I know there's no more than what, between five to 10 people who actually train in Mandarin at the higher level. So, very few so-called [China] experts. Kemhan – I cannot think of a single person (R13).

While TNI is typically more pro-United States, in part due to so many of its senior officers having studied in the United States and other Western military academies, there are also TNI officials who have a strong anti-Western streak and fear that the penetration of Western liberal ideas and values could subvert Indonesia's national spirit (*jiwa bangsa*). These are the officers who rose up through the ranks post-the 1991 Santa Cruz massacre in Timor Leste and the subsequent US embargoes that followed (R15). That said, one respondent remarked that middle-tiered officers have expressed their caution in terms of dealing with China (R25). Due to *bebas dan aktif*, however, they must work with all sides, but they are cautious with China, nonetheless (R25). The United States' refusal to recognise UNCLOS is, in turn, another cause for Indonesian scepticism (R25). The United States only recognises Indonesian territorial waters as those up to 12 miles off the Indonesian coast. China, meanwhile, never ventures into Indonesia's internal waters – it remains in SLOC 1, 2, and 3.

Finally, the Centre for Strategic and International Studies, which has, historically, engaged with China more than any other think tank, and has served as an intermediary between Indonesian and Chinese officials, maintains a healthy suspicion of China. It is not naïve to China's agenda and remains acutely aware that China will not always prioritise Indonesia's best interests (R13). CSIS's role as a government advisor has diminished (R8; R10), however, primarily because the Indonesian government's priorities are far more business-oriented than foreign policy driven, although President Jokowi has been known to seek the counsel and advice of its senior fellows on occasion (R13; R29).

Takeaways

The 30 interviews conducted with leading Indonesia-China experts revealed key themes and issues that currently shape and dominate the relationship. They are:

1. The broader geopolitical context of the Indonesia-China relationship, which includes the historical background to the bilateral relationship, Indonesia's foreign policy of non-alignment or *bebas dan aktif*, the existing security architecture in the region, and Chinese incursions in the North Natuna Sea;
2. the economic dimension, the countries' responses to Covid-19, and elite capture and corruption; and
3. anti-China sentiment and suspicion.

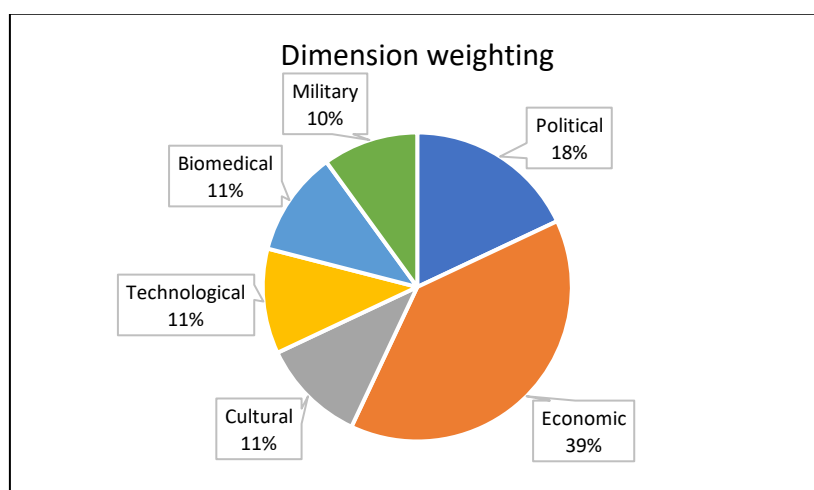
Quantitative Measurement

The quantitative measurement aspect of this project consists of the construction and publication of the *Indonesia-China Geopolitical and Military Posture Index 2016-2020* (the index). The index is an innovative composite indicator, which aims to collate and present how a broad range of issues in the Indonesia-China relationship influence the countries' bilateral geopolitical relations and military posture. The index draws on multiple existing online data sources and a bespoke database constructed by the research team. The index is to be presented via an interactive dashboard, where users will be able to explore the trajectory of different aspects of the Indonesia-China relationship and view the datapoints that have collectively informed the index. The index and dashboard are to be algorithmically automated, so that the index presents up-to-date relevant information as each year passes. Due to data availability issues, 2021 is yet to be covered by the index. While some data is available for 2021, a high percentage of datapoints would have to rely on imputation for this year to be included in the index. The high number of imputed datapoints would render 2021 results unreliable, and thus undermine the overall quality of the index. The index's automation algorithm, however, will automatically add 2021 data for around 70% of the indicators when the data becomes available.

Index overview

The primary focus of the index is to measure the trajectory of the Indonesia-China relationship in the context of Covid-19, accounting for the ways in which a rise in Chinese power has led to a rise in its influence over Indonesia. To achieve this end, the index takes a necessarily broad view of the factors that contribute to the depth of their bilateral relationship. The index measures the relationship across six main dimensions, namely Political, Economic, Cultural, Technological, Biomedical and Military dimensions. Each of these dimensions is informed by two to three components, which thematically align a group of individual statistical indicator datapoints (see appendix 3). The index's dimensions and components underwent a weighting process, where 30 experts on the Indonesia-China relationship were surveyed and asked to weight the dimensions and components of the index. This was done to capture the relative significance of each dimension and component on the Indonesia-China relationship (see appendix 2, 6. Weighting and aggregation). The dimensions and their weighting results are detailed in the following chart:

Chart One: Dimension weighting based on 30 expert interviews



Overview of index results

Note: For a full explanation of the indicators, components, and dimensions driving these results, see appendices 2-4.

The results of the index indicate that, between 2016 and 2019, the Indonesia-China relationship experienced a sustained upward trajectory. The Covid-19 pandemic served to dampen Indonesia-China political and cultural ties, while heightened competition in the South China Sea in 2020 negatively affected Indonesia-China military ties. This, and the contraction of Indonesia-China economic ties meant that the overall relationship deteriorated between 2019 and 2020. All dimensions other than the Biomedical dimension show a downturn between 2019 and 2020, with the dramatic uptick in the Biomedical dimensions falling short of keeping the overall relationship steady in 2020.

Table One: Index dimension and overall results

Measure	pk	Weight	2016	2017	2018	2019	2020
Political	m0001	0.18	36.25	78.30	66.16	51.65	16.17
Economic	m0002	0.39	20.12	43.48	50.66	71.09	69.42
Cultural	m0003	0.11	41.17	47.51	54	60.83	48.71
Technological	m0004	0.11	8.50	15.58	60.28	98.90	76.93
Biomedical	m0005	0.11	2.34	3.51	6.40	10.57	34
Military	m0006	0.1	31	80.79	62.90	62.5	38.67
Overall	o0001	na	23.19	46.46	51.23	62.01	51.41

Chart Two: Index overall results (2016-2020)

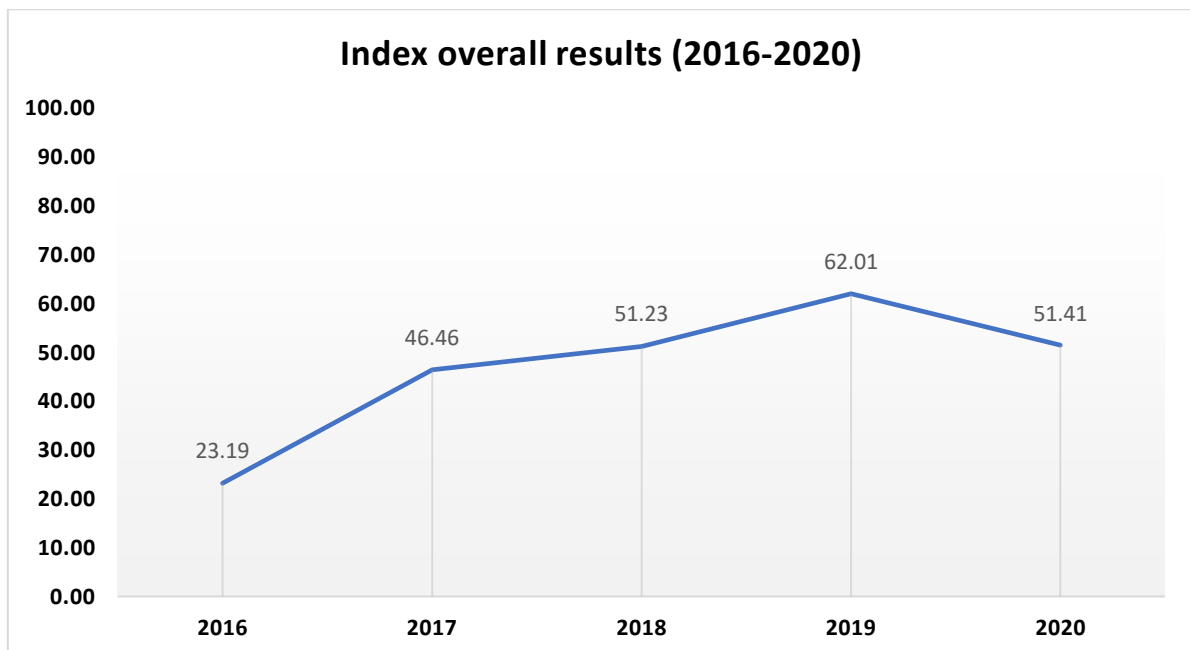
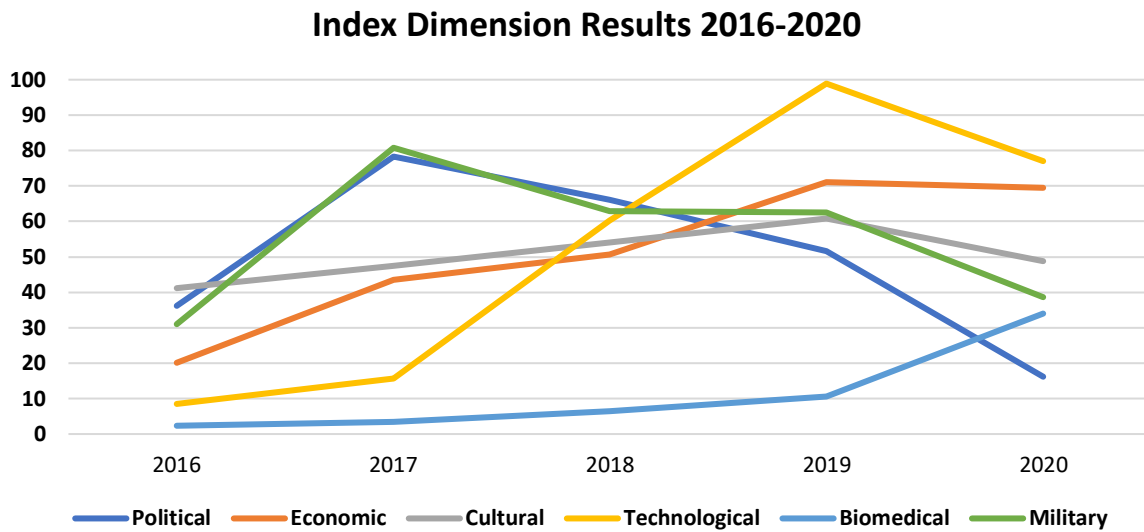


Chart Three: Index Dimensions Results



Methodology report

The index was constructed by closely following the Organisation for Economic Co-operation and Development’s (hereafter OECD) *Handbook on Constructing Composite Indicators* (see OECD 2008). The OECD’s handbook outlines a 10-step ‘checklist for building a composite indicator’, which greatly informed the construction of the index (OECD 2008:20). An abridged version of our approach is covered in the following sections, with the full version of section 8 retained. A full methodological report is attached as appendix 2, which details in full how we followed the OECD’s guidelines. This inclusion is aimed at addressing common concerns of index transparency raised by the OECD (OECD 2008). These 10 steps are:

1. the development of a theoretical framework;
2. the data selection process;
3. the imputation of missing data;
4. multivariate analysis;
5. data normalisation;
6. weighing and aggregation;
7. uncertainty and sensitivity analysis;
8. analysis of the impact of individual datapoints on the overall results;
9. testing for correlation with other indicators; and
10. the visualisation of the results.

The full version of our methodology has been reviewed by Senior Research Fellow Dr Mohammadreza Mohebbi (Deakin University), and externally by Associate Professor Graham Hepworth from the University of Melbourne Statistical Consulting Centre, Alyssa Leng (formerly from the Lowy Institute and currently based at the Development Policy Centre, Australian National University), and Susannah Patton (Lowy Institute). All have prior experience in either index development or statistical modelling, and all provided constructive criticism that guided the production and refinement of our methodology.

Theoretical Framework

The index proffers six broad dimensions deemed formative to the Indonesia-China relationship, and which fall within the paradigm of structural realist and Chinese constructivist approaches to acquiring power: the

Political, Economic, Cultural, Biomedical, Technological, and Military dimensions. These six dimensions were selected after an extensive literature review of the academic and professional soft literature on the factors that shape the Indonesia-China relationship; they therefore form the basis of the index's theoretical framework. Furthermore, each of these broad dimensions are underpinned by theory drawn from a multitude of academic disciplines, including politics, economics, development, and international relations. Each dimension's theory is described in Table Two, and a full report on each theory is available in appendix 2, 1. Theoretical framework.

Table Two: Dimension Theories

Dimension	Theories
Political	Rational choice and resource allocation theory
Economic	Developmentalism and growth imperative theory
Cultural	Soft power and social exchange theory
Technological	Exogenous growth theory
Biomedical	Soft power and vaccine diplomacy
Military	Structural realism and the Art of War

Data selection

The index relies on a broad array of data from multiple sources. Where possible, data from reputable existing datasets were adopted, e.g., World Bank WITS (World Integrated Trade Solution), UN Digital Library, ASEANStats Data Portal, and the Lowy Institute. For other indicators, the research team compiled its own data based on publicly accessible websites. Sources for individual datapoints are available in appendix 3 of the project report, as well as on the indicator pages of the index dashboard.

Some datasets did not require the imputation of missing data, while others did. Given the longitudinal nature of the index, datasets that covered the term of the index (2016-2020) were sought, but not always found. Indicators were chosen based on availability and relevance to the theoretical framework (see appendix 3).

Imputation of missing data

To minimise reliance on imputation, as many data covering the full term of the index were collected as possible, but imputation was necessary in some instances. Missing values were imputed using the multiple imputation (MCMC) method. Imputation was required for 18 of 200 individual indicator datapoints (9%). Five of the 18 imputed indicators are sourced from the World Bank's WITS, which will be updated when the 2020 data are made available in the coming months. The inclusion of this official data will reduce the percentage of imputed indicators from 9% to 6.5%.

Multivariate Analysis

Multivariate analysis – a process for testing the internal consistency of datasets – was performed on the index's data. Cronbach's Alpha testing was performed on the data comprising each index dimension, to establish the internal consistency of each dimension's data, the appropriateness of grouping the data under this dimension, and to evaluate its suitability for further analysis. The results of the testing, detailed

in appendix 2, indicate that the data are largely consistent, the grouping of the data was appropriate, and that it warranted further analysis.

Normalisation

Given the wide variety of individual indicator formats, it was necessary to normalise the dataset. Each indicator's data underwent min-max normalisation. Under min-max normalisation, the lowest value in each indicator's range was given a value of 0, the largest a value of 100, and the rest a relative value on a scale of 0-100 between the highest and lowest values. The normalised data then underwent a weighting and aggregation process (detailed below) to finalise the index scores for each year.

Weighting and aggregation

The index has undergone a thorough weighting process to represent the relative significance of each dimension and component of the Indonesia-China relationship. Given the depth and breadth of knowledge possessed by interview respondents, a participatory weighting model was chosen for the dimension and component weighting processes, drawing the weightings from a survey distributed to interview respondents.

The average score for each dimension was rounded to the nearest whole number, and that number was deemed to represent the percentage of influence that dimension has on the Indonesia-China relationship. The same process was conducted for the weighting of the components of each dimension.

Individual indicators were attributed equal weighting by default, primarily to prevent bias and to avoid exacerbating the potential impact of indicator data becoming unavailable in future iterations of the index. Weighting individual indicators differently exposes the index to a heightened risk of indicator data becoming unavailable and skewing future results.

Ultimately, the component scores are the average of the normalised data from the indicators that make up each component, the dimension scores are the weighted averages of the relevant component scores, and the overall score is the weighted average of the dimension scores. All scores are on a scale of 0-100, with 100 being the highest possible score for an indicator, component, dimension, or the overall score. A breakdown of the weighting results is available in appendix 4.

Uncertainty and sensitivity analysis

The index weighting underwent sensitivity analysis, via several methods. This was done to test the output of the index based on different weighting, indicator grouping, and statistical processes to ensure the results are not unduly skewed due to the chosen indexing methods. All means of conducting sensitivity analysis detailed in appendix 2 indicate that alternative weighting, imputation, and normalisation methods have relatively benign impacts on the overall results of the index. This indicates that the decisions made in the construction of the index are sound, and do not add unreasonable bias to its results.

Back to the data

The following section comprises a deconstruction of the index results, which seeks to demonstrate the overall trends of the index, and to delineate the indicators, dimensions, and components that informed the index results. The normalised dataset and the raw dataset are available in appendices 5 and 6 respectively.

Overall findings

The index results between 2016 and 2019 revealed a steep upward trajectory. The negative impact of Covid-19 on Indonesia-China political and cultural ties, however, as well as heightened tensions in the South China Sea in 2020, had a negative impact on the Military component. Similarly, the contraction of economic ties meant that the overall relationship deteriorated between 2019 and 2020.

Table Three: Index component results

Component	Weight	2016	2017	2018	2019	2020
Bilateral Diplomatic Interactions	0.58	62.50	62.59	65.88	34.01	17.50
Multilateral Diplomatic Alignment	0.42	0.00	100.00	66.56	76.02	14.35
Investment Strategy Cooperation	0.35	0.00	39.55	51.54	75.00	98.36
Bilateral Trade	0.34	13.58	46.38	64.03	86.29	65.01
Growth Imperative	0.31	50.00	44.74	35.00	50.00	41.59
Educational Exchange	0.33	8.54	31.70	65.11	87.50	53.49
Cultural Exchange	0.36	41.94	79.51	76.74	64.52	46.32
Media Coverage	0.31	75.00	27.16	15.76	28.15	46.39
IT Infrastructure	0.51	16.67	0.00	33.33	100.00	66.67
Technological Cooperation	0.49	0.00	31.81	88.33	97.76	87.63
Vaccine Diplomacy	0.66					
Public Health Cooperation	0.34	6.90	10.31	18.84	31.09	100.00
Defence Strategy and Policy	0.26	50.00	50.00	25.00	25.00	75.00
Regional Strategy and Border Disputes	0.56	0.00	96.33	98.24	100.00	30.52
Indonesian Military Procurement	0.18	100.00	76.92	7.69	0.00	11.54

Table Four: Index dimension results

Dimension	Weight	2016	2017	2018	2019	2020
Political	0.18	36.25	78.30	66.16	51.65	16.17
Economic	0.39	20.12	43.48	50.66	71.09	69.42
Cultural	0.11	41.17	47.51	54.00	60.83	48.71
Technological	0.11	8.50	15.58	60.28	98.90	76.94
Biomedical	0.11	2.34	3.50	6.40	10.57	34.00
Military	0.1	31.00	80.79	62.90	62.50	38.67

Table Five: Index overall results

	Weight	2016	2017	2018	2019	2020
Overall	na	23.19	46.46	51.23	62.01	51.41

Political dimension findings

Survey respondents deemed the Political dimension the second most significant index dimension, resulting in it being weighted at 0.18. It contributed strongly to the overall trend of the index, demonstrated by its sharp rise from 2016 to 2017, and sharp decline between 2019 and 2020. Despite the dimension demonstrating a downward trend from 2017 onwards, the significant reduction in indicators between

2019 and 2020 that make up ‘Bilateral Diplomatic Interactions’, such as ‘State/Ministerial visits’, can be attributed to the impact of Covid-19 on international travel and countries shifting their focus to combating the virus, rather than conducting diplomatic activities.

Economic dimension findings

Survey respondents deemed the Economic dimension by far the most significant dimension, attributing it a weighting of 0.39. The Economic dimension demonstrated an upward trajectory between 2016 and 2019, and a slight decline between 2019 and 2020. Sharp reductions in ‘Trade Growth with China’, ‘Import Dependence on China’, and ‘BRI infrastructure projects in Indonesia’ have contributed to the flattening of the Economic dimension’s trajectory, all of which were directly affected by Covid-19.

Cultural dimension findings

Weighted at 0.11, the Cultural dimension is the first of the dimensions weighted ~0.1 (the weighting range of all but the Economic and Political dimensions). The Cultural dimension demonstrated a steady upward trajectory between 2016 and 2019, and a significant drop in 2020. Sharp drops across many of the indicators, including ‘Scholarship Opportunities for Indonesian Students’, both Indonesian and Chinese tourist flows, ‘Value of Imported Books, Newspapers and Print Media’ and a drop in Indonesian ‘Public Attitudes Towards China’ contributed to this drop. Again, Covid-19 contributed significantly to this dimension’s reduction between 2019 and 2020, as travel restrictions affected travel and trade between the two countries.

Technological dimension findings

The Technological dimension, weighted at 0.11, followed the same trend as the Cultural and Economic dimensions, namely an upward trajectory between 2016 and 2019, and a sharp decline between 2019 and 2020. The components ‘IT Infrastructure’ and ‘Technological Cooperation’ both peaked in 2019, but then technology imports and investments experienced a decline due to the pandemic.

Biomedical dimension findings

The Biomedical dimension, weighted at 0.11, showed a steady but relatively benign upward trajectory between 2016 and 2019, and a threefold increase between 2019 and 2020. This can be attributed to all indicators from the ‘Public Health Cooperation’ component achieving their highest results in 2020, as Indonesia responded to Covid-19 by drastically increasing the trade of medical supplies with China. The Biomedical dimension’s structural break involving the vaccine diplomacy component is yet to have its impact measured, as Indonesia did not begin to receive vaccines until 2021 (future iterations of the index will include this information). Given that vaccine diplomacy was weighted at 0.66 of the Biomedical dimension, it is anticipated that the impact of vaccine diplomacy on the relationship in 2021 will be significant.

Military dimension findings

Receiving the lowest weighting of 0.1, the military component defies the overall trends of the index. Contrary to most other components, 'Indonesian Military Procurement' has significantly reduced from peak levels in 2017, with 2019 to 2020 demonstrating a much lower score than 2017 to 2018. The 'Regional Strategy and Border Disputes' component – weighted at 0.56 of the Military dimension – has had the most significant impact on the dimension, with both its indicators demonstrating a deterioration of the Indonesia-China relationship. Chinese incursions into Indonesia's North Natuna Sea (South China Sea) have driven the trajectory of this component, leading to the Military dimension peaking during the period 2017 to 2019, with the bookends of 2016 and 2020 and their associated South China Sea incursions undermining the quality of the Military dimension of the Indonesia-China relationship. Furthermore, the reduction in the number of military procurements Indonesia has sought from China since 2016 has helped drive the downward trajectory of this dimension.

Links to other indicators

Index results are compared with the results from other indexes measuring thematically similar phenomenon to test if the index results align with what might be expected. Given the assumed relationship between China's power and its ability to exert influence over other states, the results of the index were compared with the Lowy Institute's *Asia Power Index* (API) measurement of China's overall power. The results of the index were well correlated with the API's results, an expected outcome given the assumed relationship between Chinese power and its ability to exert influence over other states.

Visualisation

The index has been visualised via an automated dashboard. Presented in Tableau, the dashboard presents our end-users with an intuitive tool, enabling them to effectively engage with the overall results of the index, as well as to visualise and engage with the index dimensions, components, and individual indicators.

Quantitative analysis conclusion

The *Indonesia-China Geopolitical and Military Posture Index 2016-2020* was developed as an innovative analytical tool, aimed at providing a quantitative resource to track and measure the trajectory of the Indonesia-China relationship. The index consists of a necessarily wide conception of the countries' bilateral relationship, and captures data across a wide range of dimensions, components, and indicators. This allows the index to represent the breadth and complexity of a modern bilateral relationship such as the Indonesia-China relationship.

The index's results demonstrate the Indonesia-China relationship as having experienced an upward trajectory between 2016 and 2020. As shown in 'Back to the data', however, Covid-19 had a negative impact on many indicators, dimensions, and components. This impact caused the relationship to deteriorate somewhat between 2019 and 2020. Indonesia-China political, economic, and cultural ties all suffered as a result of Covid-19, with heightened competition in the South China Sea in 2020 negatively affecting Indonesia-China military ties. The confluence of these impacts meant the overall strength of the relationship declined in 2020, despite the countries' biomedical ties increasing. It is anticipated that the eventual inclusion of 2021 data in the index will reveal that the longer-term upwards trend of the Indonesia-China relationship will resume. The temporary impact of Covid-19 on international trade and travel, it is expected, will subside in 2021, and the overall relationship may again move in an upward trajectory.

The index has served as a solid proof of concept for a broader index, aimed at tracking China's relationships with all Southeast Asian countries. With further refinement of the index's methodology, the research team is confident that a broader, deeper analytical tool can be developed to track and analyse China's growing presence in the region.

Priority policy topics

In what ways has the COVID-19 pandemic impacted and reshaped the Indonesia-China relationship?

In relative terms, the Covid-19 pandemic did not have too significant an impact on the Indonesia-China relationship. While it affected economic relations more broadly – as it did global trade, broadly speaking – China's provision to Indonesia of vaccines, notwithstanding their dubious efficacy rates, arguably strengthened the bilateral relationship. The extent to which Chinese vaccines reduced the Covid-19 infection rate in Indonesia is not yet precisely discernible, but Chinese vaccine diplomacy opened new channels between the two countries, while also generating a certain degree of goodwill between the two and diminishing anti-China sentiment among certain sections of Indonesian society. Plans to build a Sinovac vaccine hub in Indonesia, thereby making Indonesia Sinovac's Southeast Asia hub, could also further strengthen the relationship, at least at the biomedical level. This will depend, however, on the preparedness of Indonesia's biomedical fraternity to cooperate with their Chinese counterparts, which will require the former to ignore certain non-halal stigmas associated with working with the latter.

In what ways do the changes in the Indonesia-China relationship challenge Australian and United States geostrategic influence in the Indo-Pacific?

Indonesia's arguably tacit acceptance of the establishment of AUKUS means that it, by no means, objects to the trilateral security pact, nor does it fail to recognise the threat Chinese expansionism poses to the regional order of the East Asian and Western Pacific bloc. (India's sheer size means and nuclear capabilities mean that China's influence in the Indian Ocean sphere of the Indo-Pacific will, barring any unforeseen developments, remain limited.) The greatest threat to the influence of Australia and the United States in the region, however, remains the long-term effects of Chinese economic statecraft. Indeed, those long-term, grand-scale infrastructure projects in Indonesia, funded by Chinese SOEs and policy banks, will continue to grant Chinese officials access to Indonesia for the foreseeable future. The effects of Chinese economic statecraft, including the ways by which Chinese officials might be able to influence Indonesian geostrategic policy, both from within Indonesian borders and from Beijing, are not yet measurable with any great longitudinal precision; this index constitutes an important starting point. Moving forward, they will therefore require constant monitoring, particularly when President Jokowi transfers power to his successor in 2024, and when China subsequently embarks on its next exercise in elite capture of the successor administration.

What are the key variables shaping the Indonesian-China relationship and how do these individually, or in concert, shape a propensity toward either greater military cooperation or conflict in the event of regional high-intensity military conflict?

Economic relations between Indonesia and China are stronger than ever, but the Jokowi administration does not have a coherent China strategy. The Jokowi administration has displayed a preference to compartmentalise its relationships with other countries, such that it deals with countries only in the areas from which it can derive maximum benefit. In lieu of the Jokowi administration devising a China policy or strategy, Indonesia's military strategic culture will remain its dominant strategic culture, and the Indonesian military's long-seated suspicion and distrust of China shows no signs of dissipating in the short-to medium-term. Plans to increase military cooperation and the frequency of joint exercises with, among others, the militaries of the AUKUS states – and conspicuously not with the Chinese military – reveal the Indonesian military's unequivocal preference to cooperate with the West and not with China. Indonesia

will, of course, hope that the status quo in the East Asian and Western Pacific bloc can be maintained, but if it cannot, it is highly unlikely that Indonesia's military and, by extension, the Indonesian government, would overtly side with China in the event of a regional high-intensity military conflict.

Conclusion

Based on the literature review and triangulation of data derived from the analysis of Indonesian and Chinese mainstream media coverage, as well as interviews conducted and quantitative data, Indonesia plainly prioritises its economic development links with China, often at the expense of its own territorial integrity and sovereignty.

Certain data from 2019 and 2020 notwithstanding, Indonesia's bilateral relationship with China has arguably never been stronger. That said, amidst growing geopolitical tensions and uncertainty in the Indo-Pacific region, Indonesia has no coherent China policy. What it has, rather, is a short-term tactical and piecemeal approach, which is ultimately personality driven, and that seeks both to appease China in the North Natuna Sea and to maintain Chinese economic investment in Indonesia. Aside from personal interests, Indonesia's foreign policy tradition of *bebas dan aktif* informs this absence of strategy and long-term vision, while Chinese offerings of quick and easy investment to fund the infrastructure projects Indonesia so sorely needs to meet its development goals and join the G10 by 2025 remain irresistible to the current Jokowi administration.

Indonesia seeks to maintain the status quo in East Asia and the western Pacific not only to maintain this stream of Chinese investment, but also to prevent it from having to choose sides in the broader US-China rivalry and, by association, Australia-China rivalry. At the same time, Indonesia tacitly supports AUKUS, insofar as this new trilateral security pact recognises the threat China poses to the broader East Asian region; it just cannot explicitly articulate that support if it wants to keep China onside. In addition, the precedents of anti-Chinese attacks on Indonesia's ethnic-Chinese population remain at the forefront of not only the Jokowi administration's thinking, but the Indonesian psyche in general, meaning that Chinese investment in Indonesia is not expressly advertised, and the inner dealings between Indonesia and China's business and political elite remain out of the public spotlight.

Indonesia's broader distrust of China, however, including the latent threat of communism that remains at the forefront of the Indonesian psyche, means that Chinese culture will never thoroughly infiltrate Indonesia. It also means that Indonesia's armed forces would be more inclined to side with the West – if it were ultimately compelled to pick sides – than China. Indeed, in lieu of any clear China policy or strategy at the Indonesian cabinet level, it is the strategy and policy of Indonesia's military that would most likely fill that vacuum. In the meantime, however, it remains in Australia's best interests, and the West's interests more broadly, to pro-actively develop and cultivate more comprehensive relationships with Indonesia to ensure that Indonesia is truly *bebas dan aktif*. As the proverbial lynchpin in the Indo-Pacific power balance, Indonesia is acutely aware of its value and, while certain countries might tire of having to court Indonesia's elite and prioritise their needs, the reality remains that if the West fails to seize this opportunity, China eventually will.

Lessons

1. Indonesia has no coherent China policy – it is personality driven.
2. Indonesia is at the intersection of the interests of several great powers, including the US-China rivalry, thereby rendering it a geopolitical arena where countries seek to buy and acquire influence.
3. Indonesia's *bebas dan aktif* – 'flexible and agile' – foreign policy of neutrality means that Indonesia is not likely to formally tilt towards either the West or China, but Indonesia remains open to comprehensive relationships with the West, which would also provide greater balance and reduce Indonesia's economic reliance on China.

4. Indonesia's history of anti-China sentiment cannot be underestimated in terms of the extent to which it informs Indonesia's albeit incoherent China policy.
5. Indonesia will be content to maintain the status quo in the Indo-Pacific region, and its comparatively minnow-sized military means that part of that status quo will be using ASEAN forums, such as the ASEAN Regional Forum and East Asia Summit, to resolve conflicts on the diplomatic level.
6. Australia and other Western countries need to continue to strengthen their military ties with Indonesia, through joint exercises and other information-sharing arrangements, for two reasons:
 - a. such cooperation is likely to deter China, even if only sporadically, from acting aggressively in the South China Sea; and
 - b. the Indonesian military's strategic culture remains Indonesia's dominant strategic culture, making it vital for Australia and the West to keep Indonesia's military onside.

Areas for future investigation

Given the matters discussed above, it is apparent that China is seeking to exert its influence not just in Indonesia, but in the Southeast Asian region more broadly. It is therefore crucial to understand the relationships other Southeast Asian countries have with China, and what their respective positions and strategies are.

With further and continuous refinement, this index could become a broader, deeper analytical tool, which could be developed to track and analyse China's growing presence not only throughout the Southeast Asian region, but through Asia, Oceania and the world more broadly.