

Indonesia's China Policy in the Context of Major-Country Rivalry

Luo Yongkun *

Abstract: In recent years, with the intensification of major-country rivalry and the profound changes in the global geopolitical landscape, Southeast Asia has become a focal point for the world's major countries vying for influence. Since the inauguration of the Biden administration, which inherited its predecessor's "Indo-Pacific" strategy, the United States has spared no effort to woo Southeast Asian countries including Indonesia, pressuring them to take sides. Against such a backdrop, Indonesia has strengthened cooperation with the United States while enhancing relations with China. Based on its traditional "free and active" foreign policy, Indonesia insists on deepening ties with China in spite of pressure from the United States. Given the victory of Prabowo Subianto, currently Indonesian Defense Minister, in the 2024 presidential election, China and Indonesia are expected to maintain the momentum of their friendly cooperation, which will however face strong headwinds such as American interference, tensions in the South China Sea, and changes in Indonesian politics.

Keywords: Indonesia, major-country rivalry, Prabowo Subianto, relations with China, United States

Since Joko Widodo (popularly known as Jokowi) was re-elected President in October 2019, Indonesia's relations with China have significantly improved. In 2023, they reached the following consensus:

* Dr. Luo Yongkun is a research professor and Deputy Director of the Institute of Southeast Asian and Oceanian Studies at China Institutes of Contemporary International Relations, whose expertise mainly covers Indonesian and Malaysian politics and diplomacy, the South China Sea, and China-ASEAN relations.

Indonesia and China will also be intensifying concrete and coordinated actions to build a community with a shared future between the two countries, further strengthen political mutual trust and all-round in-depth strategic synergy to support high-quality development of both sides, jointly advance in the modernization paths with respective characteristics to benefit peoples of the two countries, region, and the world at large.¹

In the presidential election, which was held together with the legislative one on February 14, 2024, Indonesian Defense Minister Prabowo Subianto and his running mate Gibran Rakabuming, the eldest son of President Jokowi and then Mayor of Solo, defeated their competitors. They will be sworn in as the country's leaders on October 20, 2024.

Instead of following the United States' China containment strategy, the Jokowi administration has actively promoted relations with Beijing. Claiming to be Jokowi's successor, Prabowo has promised to continue Jokowi's foreign policy and strengthen cooperation with China. However, against the backdrop of the profound evolution of the international landscape and increasingly intensified competition among the major countries, the United States has ramped up its efforts to woo Southeast Asian countries including Indonesia. This leads us to the following questions. What is the rationale behind Jokowi's China policy? Will the incoming President Prabowo keep his word and continue to enhance relations with China, or change the direction of Indonesia's China policy overnight and shift toward the United States, just like the Philippine President Ferdinand R. Marcos Jr. did? What are the opportunities and challenges that China–Indonesia relations will face in the next few years? These are all issues of strategic importance not only to the bilateral relations between China and Indonesia but to regional peace and stability.

By discussing the main motivations for Indonesia actively enhancing cooperation with China in the context of major-country rivalry, this article

¹ "Joint Statement on Deepening Comprehensive Strategic Cooperation between the People's Republic of China and the Republic of Indonesia, 18 October 2023, Beijing," October 18, 2023, https://kemlu.go.id/portal/en/read/5393/siaran_pers/joint-statement-on-deepening-comprehensive-strategic-cooperation-between-the-peoples-republic-of-china-and-the-republic-of-indonesia-18-october-2023-beijing.

intends to explore the prospects of China–Indonesia relations in the Prabowo era.

China–Indonesia Relations Continue to Deepen despite Intensified Major-Country Rivalry

Presently, momentous changes unseen in a century are accelerating worldwide, and major-country competition is intensifying. Under this circumstance, the United States, regarding China as its “most serious competitor,” has sought to increase its presence in Southeast Asia as part of its “Indo–Pacific” strategy to contain China. Countries like Indonesia have become the focus of major-country rivalry in the region. In particular, since Joe Biden took office, the United States has stepped up its efforts, together with its allies and partners, to win over major Southeast Asian countries, such as Indonesia, Vietnam, the Philippines, and Singapore, and the Association of Southeast Asian Nations (ASEAN).

At the regional level, *politically*, the United States has supported ASEAN’s centrality in regional affairs through high-profile statements. Since 2021, the United States and ASEAN have held a series of meetings. At a special summit in 2022, the two sides upgraded their relationship to a comprehensive strategic partnership (CSP). *Economically*, the United States launched the “Indo–Pacific” Economic Framework, of which seven of the ten ASEAN countries except Myanmar, Cambodia, and Laos are now a part. The United States aims to restore its economic leadership in the “Indo–Pacific” by providing regional countries with an alternative to China’s Belt and Road Initiative (BRI). Viewing the Quadrilateral Security Dialogue (commonly known as the Quad) as the core platform for its “Indo–Pacific” strategy, the United States has been exploring “Quad+” mechanisms to expand cooperation in the region. *In security terms*, Southeast Asia is geopolitically important for the United States. Through joint military exercises, security dialogues, and military aid and sales, the United States attempts to promote cooperation with its “Indo–Pacific” allies and partners including ASEAN. To ensure “a free and open Indo–Pacific region,” the United States has launched the “Indo–Pacific” Partnership for Maritime Domain Awareness, which is designed to share maritime information against

“illegal fishing” and enhance the maritime surveillance capabilities of countries in the Pacific, Southeast Asia, and the Indian Ocean.

At the bilateral level, the United States has signed a Security of Supply Arrangement¹ with Singapore and upgraded its relationship with Vietnam from a comprehensive partnership to a CSP. Meanwhile, the world’s largest economy has expanded its Enhanced Defense Cooperation Arrangement with the Philippines to include four new military bases;² the two countries have also held joint patrols and exercises in the South China Sea. Moving closer toward the United States on the South China Sea issue, the Philippines has greatly challenged China’s sovereignty and maritime rights and interests in the South China Sea, triggering maritime frictions in the region.

With deepened US engagement, Southeast Asian countries are faced with increased pressure to take sides. To hedge against the influence of the United States, they have chosen a strategy of “balancing major powers” while simultaneously strengthening regional unity and cooperation. Most of the ASEAN members have resisted picking sides in the rivalry among major countries, but instead are striving for economic development and regional peace and stability. ASEAN’s long-standing balancing strategy was tested during the Cold War years when the world was caught in a confrontation between the United States and the Soviet Union. After the Cold War, with accelerated regional integration, the ASEAN Community was established at the end of 2015, and the group has actively strengthened cooperation with the world’s major countries and further consolidated its centrality in the regional architecture. However, as major-country rivalry intensifies in recent years, especially in the context of the United States vigorously advancing its “Indo-Pacific” strategy by stoking bloc confrontation and building “a small yard with high fences” with its allies and partners, ASEAN and its member states are facing increased challenges in maintaining their balancing strategy.

As the largest economy in Southeast Asia, Indonesia is deemed a key

¹ “Joint Statement from the 6th U.S.–Singapore Strategic Partnership Dialogue,” US Department of State, February 28, 2024, <https://www.state.gov/joint-statement-from-the-6th-u-s-singapore-strategic-partnership-dialogue/>.

² “Philippines, U.S. Announce Locations of Four New EDCA Sites,” US Department of Defense, April 3, 2023, <https://www.defense.gov/News/Releases/Release/Article/3349257/philippines-us-announce-locations-of-four-new-edca-sites/>.

partner in the US “Indo–Pacific” strategy. The two countries held their first strategic dialogue in 2021 and the inaugural Senior Officials’ Foreign Policy and Defense Dialogue (2+2) in 2023. They elevated their bilateral relationship to a CSP in the same year. Indonesia and the United States have strengthened cooperation in the fields of the military, critical minerals, semiconductor supply chains, and climate change, among others. They held a multinational military exercise known as “Super Garuda Shield” and signed a new defense cooperation agreement in 2023.

However, faced with complex changes in the international situation and the US efforts to woo Southeast Asian nations, Indonesia has refused to join the anti-China camp led by the United States. On the contrary, it has vigorously promoted relations with China.

First, Indonesia has a relatively favorable view of China, and mutual political trust between the two countries has deepened in recent years. Indonesia was the first Southeast Asian country to establish a strategic partnership with China (the China–Indonesia Joint Declaration on Strategic Partnership was signed in 2005). In 2013, the relationship between the two countries was upgraded to a CSP. Since Jokowi took office in 2014, Indonesia has become more active in developing relations with China. And in Jokowi’s second term, key Indonesian government officials including Jokowi himself, his Foreign Minister Retno Marsudi, Coordinator for Cooperation with China and Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan, and Ambassador to China Djauhari Oratmangun have all laid great store by China–Indonesia relations, considering such relations a crucial part of Indonesia’s diplomacy. On bilaterally and regionally important issues, Indonesia has taken a generally positive and friendly stance toward China. For example, Jokowi sees China as “an important partner in various sectors, particularly trade, investment, and tourism,”¹ and “looks forward to further strengthening communication and cooperation with China to enhance mutual trust and develop an even closer relationship that will not only benefit the peoples of the two countries, but also contribute to regional peace and

¹ “Jokowi Has Fifth Meeting with China’s Xi,” *Jakarta Post*, September 3, 2016, <https://www.thejakartapost.com/news/2016/09/03/jokowi-has-fifth-meeting-with-chinas-xi.html>.

prosperity.”¹ Likewise, Djauhari Oratmangun holds that “ASEAN–China relations are vital to maintaining a stable, peaceful, and prosperous region.” He said, “Indonesia regards China as one of ASEAN’s most important dialogue partners and is willing to strengthen all-round cooperation, jointly promoting in-depth development of ASEAN–China comprehensive strategic partnership and realizing a peaceful community for a shared future.”²

Second, Indonesia has actively cooperated with China toward building a human community with a shared future. Chinese President Xi Jinping proposed to join efforts with countries in the region to build the 21st Century Maritime Silk Road and a China–ASEAN community with a shared future during his visit to Indonesia in October 2013. Since then, China and Indonesia have jointly strengthened their bilateral relations. Indonesia has actively responded to China’s proposal to build a China–ASEAN community with a shared future by enhancing cooperation in various fields. The two countries have established a “four-wheel drive” mechanism covering political, economic, cultural, and maritime cooperation. The inaugural meeting of the China–Indonesia high-level dialogue cooperation mechanism was held in June 2021, during which the two sides reached consensus on jointly upholding international fairness and justice as well as the rights and interests of developing countries and building a human community with a shared future. During Jokowi’s visit to China in October 2023, both countries agreed to establish the 2+2 Dialogue Mechanism for Foreign Ministers and Defense Ministers, which is expected to expand high-level channels for strategic communication and dialogue platforms for political, defense, and security cooperation. Moreover, agreement was reached on the general direction of jointly and continuously building a China–Indonesia community with a shared future to serve the high-quality development of bilateral relations through a higher level of mutual political trust and all-round, in-depth strategic collaboration.

Third, Indonesia has enhanced economic cooperation with China. Over the past decade, China–Indonesia economic and trade cooperation has improved by

¹ “Xi Jinping Holds Talks with Indonesian President Joko Widodo,” Embassy of the People’s Republic of China in the Republic of Indonesia, October 18, 2023, http://id.china-embassy.gov.cn/eng/zgyyn/202310/t20231018_11162785.htm.

² “ACC Invites Indonesian Ambassador to China to Visit Dalian and Give Lecture at Local University,” ASEAN–China Center, March 21, 2023, <http://www.asean-china-center.org/english/2023-03/11731.html>.

leaps and bounds, with two-way trade growing from US\$50 billion in 2013 to US\$150 billion in 2022. China has been Indonesia's largest trading partner for ten consecutive years.¹ According to data from the Indonesian Central Bureau of Statistics, the bilateral trade volume of goods between China and Indonesia reached US\$127.12 billion in 2023. Indonesia has raised its export target to China by 2024 to US\$65–70 billion and formulated multiple cooperation plans.² At the same time, Indonesia has been actively attracting Chinese investment. Currently, China is Indonesia's second largest source of foreign investment, and Indonesia has become the second largest destination for Chinese investment in ASEAN. A report by Brisbane's Griffith University and Shanghai's Fudan University showed that Chinese investment in Asia rose 37% in 2023, with Southeast Asia alone attracting half of China's regional investment, marking a 27% increase from 2022. Indonesia was the single largest recipient, taking in around US\$7.3 billion.³ Chinese investment in Indonesia is mainly concentrated in the metal, mining, transportation, warehousing, and chemical industries. Chinese companies are largely involved in Indonesia's strategic and major infrastructure projects including roads, railways, and ports. Chinese-built power plants account for one fourth of Indonesia's total power generation capacity. And many flagship projects of the BRI, such as the Jakarta–Bandung High-Speed Railway, the Regional Comprehensive Economic Corridor, and “Two Countries, Twin Parks,” have been launched in Indonesia. In the future, the two countries will also expand cooperation in high-tech and emerging industries including smart cities, 5G, and the digital economy.

Fourth, Indonesia has strengthened security cooperation with China. Military cooperation has always been an important part of China–Indonesia security relations. As early as in Susilo Bambang Yudhoyono's presidency, China and Indonesia had jointly produced anti-ship missiles. Since Jokowi came to power, military cooperation between the two countries has further

¹ “China, Indonesia Eye Stronger Economic Bond in Belt and Road Cooperation,” State Council Information Office of the People's Republic of China, September 12, 2023, http://english.scio.gov.cn/beltandroad/2023-09/12/content_115714183.htm.

² Wu Chongbo, “China–Indonesia Economic Relations to Strengthen in Seven Areas,” ThinkChina, June 12, 2024, <https://www.thinkchina.sg/economy/china-indonesia-economic-relations-strengthen-seven-areas>.

³ Cissy Zhou, “Chinese Investment in Asia Rose 37% in 2023, Led by Indonesia,” Nikkei Asia, March 7, 2024, <https://asia.nikkei.com/Spotlight/Belt-and-Road/Chinese-investment-in-Asia-rose-37-in-2023-led-by-Indonesia>.

deepened, characterized by frequent warship visits and military exercises. For example, in May 2021, China and Indonesia held a joint military exercise near Jakarta covering information communications, search and rescue, and other operations. In November 2022, following Indonesian Defense Minister Prabowo's visit to China, both sides agreed to resume joint military exercises, which had been suspended due to the COVID-19 pandemic, to boost military cooperation. At the same time, China has been invited to participate in some military exercises held by Indonesia. Take 2023 as an example. In June, the Chinese People's Liberation Army (PLA) Navy's destroyer *Zhanjiang* and frigate *Xuchang* participated in the "Komodo-2023" multinational maritime exercise in and around Makassar, Indonesia. In October of the same year, the Chinese PLA Army sent troops to Yogyakarta, Indonesia, to participate in the live exercise held by the Humanitarian Assistance and Disaster Relief Experts' Working Group of the ASEAN Defense Ministers' Meeting-Plus. In addition, since Jokowi became President in 2014, the Chinese naval training ship *Qi Jiguang* has visited the Indonesian port of Surabaya many times.

Why Indonesia Actively Promotes Relations with China

It is not accidental that despite the complex and drastic changes shaping the international landscape, especially the wooing policy and strong pressure from the United States, Indonesia has actively developed relations with China without hesitation. This is caused by multiple factors.

First, Indonesia's "free and active" diplomatic tradition is the fundamental reason behind its maintaining strategic independence and strengthening cooperation with China in the context of major-country competition. Since independence in August 1945, Indonesia has adopted a "free and active" foreign policy. "Free" means not siding with any bloc and maintaining independence, while "active" indicates always participating in world cooperation and peace efforts.¹ This policy was put forward in September 1948 by then Indonesian Vice President Mohammad Hatta, when he delivered a speech in

¹ Shafa Aulia Nursani, "Politik Bebas Aktif, Aksi Indonesia Menjaga Kedaulatan dan Perdamaian Dunia," June 22, 2023, <https://news.detik.com/berita/d-6786597/politik-bebas-aktif-aksi-indonesia-menjaga-kedaulatan-dan-perdamaian-dunia>.

front of the Central Indonesian National Committee. The core idea was that Indonesia should independently determine its policies and positions when facing international conflicts and difficult issues.¹ Since Suharto, the second President of Indonesia, stepped down in 1998, successive Presidents including Bacharuddin Jusuf Habibie, Abdurrahman Wahid, Megawati Sukarnoputri, Susilo Bambang Yudhoyono, and Jokowi have all adhered to such a “free and active” foreign policy. Susilo Bambang Yudhoyono, in particular, clearly proposed the concept of “thousands of friends (later a million) and zero enemies,” pushing the policy of non-alignment and “balance of powers” to a new level. By comparison, the Jokowi administration has comprehensively boosted relations with China, the United States, Japan, India, Australia, and other major countries. After the Ukraine crisis broke out, Jokowi made a special trip to Russia and Ukraine despite pressure from the United States, trying to resolve the crisis through active mediation, which demonstrated Indonesia’s “free and active” diplomatic posture. During its rotating presidency of the Group of Twenty (G20), Indonesia rejected the request from the United States and other Western countries and insisted on inviting Russian representatives to G20 meetings. It also did its best to balance the positions of all parties and managed to issue the G20 Bali Leaders’ Declaration.² It can be inferred from the above analysis that a “free and active” foreign policy has been the fundamental reason for Indonesia maintaining strategic independence in response to pressure from the United States and vigorously promoting relations with China amidst global geopolitical changes.

Second, strengthening cooperation with China is an inevitable choice for Indonesia yearning for economic success. Being the fourth most populous country in the world, the largest economy in Southeast Asia, and the only G20 member from ASEAN, Indonesia has abundant natural resources and development potential. Not surprisingly, becoming a major global economy has been a top goal of Indonesia’s domestic and foreign policy. In the past decade

¹ Verelladevanka Adryamarthanino and Widya Lestari Ningsih, “Latar Belakang Lahirnya Politik Luar Negeri Bebas Aktif Indonesia,” January 17, 2022, <https://www.kompas.com/stori/read/2022/01/17/120000679/latar-belakang-lahirnya-politik-luar-negeri-bebas-aktif-indonesia?page=all>.

² “G20 Bali Leaders’ Declaration Bali, Indonesia, 15–16 November 2022,” Ministry of Foreign Affairs of Indonesia, November 16, 2022, https://kemlu.go.id/portal/en/read/4171/siaran_pers/g20-bali-leaders-declaration-bali-indonesia-15-16-november-2022.

or so, economic diplomacy dedicated to enhancing competitiveness has been the priority of Indonesia's foreign policy. Since Jokowi came to power in 2014, the Indonesian economy has maintained medium to high growth rates. Between 2015 and 2019, Indonesia's gross domestic product (GDP) grew at an average annual rate of 6.04%, ranking among the best in the Asia-Pacific region. In 2018, Indonesia's GDP reached US\$1.04 trillion, exceeding US\$1 trillion for the first time and making it the sole US\$1 trillion economy in Southeast Asia. After being re-elected in 2019, Jokowi proposed the Golden Indonesia 2045 vision, reflecting Indonesia's ambitions. According to this vision, by 2045, after one century of independence, Indonesia will have eliminated poverty and become one of the top five world economies with its GDP reaching US\$7 trillion; thus, Indonesia will enter the ranks of advanced countries.¹ To realize this vision, a peaceful and stable external environment is needed, where Indonesia can attract large amounts of international investment and technology. It is therefore essential for Indonesia to enhance cooperation with the world's major countries including China.

Third, Indonesia aspires to become a major country with significant influence and shares many common interests with China on the international stage. As a regional power, Indonesia has sought to exert significant influence over international and regional affairs since its independence. As early as in 1955, Indonesia hosted the first large-scale Asian–African Conference (also known as the Bandung Conference), which adopted the Ten Principles of Peaceful Coexistence and garnered worldwide attention. In 1999, Indonesia joined the newly founded G20 and has since actively participated in global governance. During Susilo Bambang Yudhoyono's presidency, Indonesia introduced a foreign policy doctrine named “dynamic equilibrium,” urging China, the United States, Japan, and other major countries to cooperate under ASEAN mechanisms such as the East Asia Summit to consolidate ASEAN's centrality. Now, under Jokowi's administration, Indonesia has pressed for the release of ASEAN Outlook on the “Indo–Pacific” in attempt to shape a regional order centered around ASEAN where the group can play its due role within the

¹ Karina M. Tehusjarana, “‘The Main Thing Is Not the Process, but the Result’: Jokowi's Full Inauguration Speech,” *Jakarta Post*, October 20, 2019, <https://www.thejakartapost.com/news/2019/10/20/the-main-thing-is-not-the-process-but-the-result-jokowis-full-inauguration-speech.html>.

“Indo–Pacific” framework.

China, as one of the major countries in the Asia-Pacific region, has firmly supported ASEAN’s centrality. At the same time, being an important member of the Global South, China has cooperated extensively with Indonesia under the frameworks of ASEAN, Asia-Pacific Economic Cooperation (APEC), Global South, and G20. For example, China opposes hegemony and advocates for an equal and orderly multi-polar world and inclusive economic globalization,¹ calling for joint efforts to promote a fairer and more reasonable global governance system and build a human community with a shared future. Indonesia opposes hegemony as well, seeking to safeguard the interests of small and medium-sized countries in the complex international landscape. In the 1950s, Mohammad Hatta pointed out that the ideal international order can protect the rights of small and medium-sized countries and allow these countries to make decisions independently without external interference. Indonesia believes that all countries are equal under international law and their sovereignty and complete independence must be respected; conflicts should be resolved peacefully through bilateral or multilateral dialogue. China and Indonesia share common interests in promoting a multi-polar world, safeguarding multilateralism, and establishing a fairer and more reasonable international order.

Fourth, Indonesia’s political stability is an important guarantee for its active relations with China. When Jokowi was re-elected in 2019, the ruling coalition supporting him occupied an absolute majority in Indonesia’s parliament. Opposition parties including the Indonesian Democratic Party had very limited influence on Jokowi, thus enabling him to advance domestic and foreign policies. Despite the considerable disagreement between Jokowi and Megawati Sukarnoputri, who is currently Chairperson of the ruling Indonesian Democratic Party of Struggle (PDI-P), their relations have been effectively managed. Moreover, Jokowi has successfully balanced all parties and achieved political stability by arranging his cronies and people from various factions in the cabinet. More importantly, Indonesia’s economic performance under

¹ Chen Yingqun, “China Advocates for Equal and Orderly Multi-Polar World,” March 7, 2024, <https://www.chinadaily.com.cn/a/202403/07/WS65e951c9a31082fc043bb365.html>.

Jokowi's leadership has been gratifying, boosting his approval rating to as high as 80%¹ and further consolidating his legitimacy. Observing China–Indonesia relations over a longer period, we will find that since 1998, when Suharto stepped down, Indonesia's political situation has remained largely stable despite fierce power struggles between government and opposition in certain years. Domestic political stability is conducive for Indonesia to actively enhance relations with China. Furthermore, during the presidencies of Susilo Bambang Yudhoyono (2004–2014) and Jokowi (2014–2024), Indonesia's ruling and opposition parties have shared a relatively positive attitude toward China, paving the way for stable and steady progress in bilateral relations.

Fifth, frequent visits between the Heads of State have solidified the foundation of China–Indonesia relations. Due to historical and other factors, China and Indonesia suspended diplomatic relations for more than two decades. During that period, people from all walks of life in Indonesia had a mixed attitude toward China, with some holding relatively negative views of China. However, since the democratic reforms in 1998, senior Indonesian officials have begun to emphasize cooperation with China, basically determining the direction of Indonesia's China policy. For instance, during Susilo Bambang Yudhoyono's term, he not only upgraded Indonesia's relationship with China to a CSP but also gave then Australian Prime Minister Julia Gillard a novel suggestion to defuse tensions surrounding the new defense training hub near Darwin—US and Australian forces should conduct military exercises with Chinese sailors and troops.² President Jokowi visited China in 2014, 2015, 2016, 2017, and 2022. During the COVID-19 pandemic, the Heads of State of China and Indonesia had many phone conversations. After the pandemic, Jokowi visited China twice in 2023, including a trip in July to attend the opening ceremony of the Chengdu Universiade. The two countries have jointly established the grand vision of building a China–Indonesia community with a shared future. At the same time, Chinese President Xi Jinping also highly values relations with Indonesia. He has exchanged visits and held meetings with Susilo Bambang Yudhoyono

¹ “Public Satisfaction Reaches Record High at 80%, Solidifying President Jokowi's Legitimacy,” May 4, 2023, <https://www.ksp.go.id/en/public-satisfaction-reaches-record-high-at-80-solidifying-president-jokowis-legitimacy.html>.

² Tom Allard and Bali, “Invite China's Army: Jakarta,” *Sydney Morning Herald*, November 21, 2011, <https://www.smh.com.au/national/invite-chinas-army-jakarta-20111120-1npec.html>.

and Jokowi on many occasions, promoting bilateral relations between the two countries. In October 2013, President Xi Jinping paid a state visit to Jakarta and attended the 21st APEC Economic Leaders' Meeting in Bali. In April 2015, he attended the Asian–African Summit in Indonesia to commemorate the 60th anniversary of the Bandung Conference. He also met with Jokowi on the sidelines of the 26th APEC Economic Leaders' Meeting in November 2018, the G20 Osaka Summit in June 2019, and the G20 Bali Summit in November 2022.

Prospects of China–Indonesia Relations in the Prabowo Era

Having won the 2024 presidential election, Prabowo is set to be Indonesia's new leader in the coming years. Under Prabowo, Indonesia may continue to follow a “free and active” foreign policy, focusing on economic diplomacy and promoting friendly cooperation with China. However, China–Indonesia relations will face uncertainty due to many factors, such as increased US efforts to win over Indonesia, rising tensions in the South China Sea, and changes in Indonesia's domestic politics.

We have reasons to be hopeful that Indonesia will actively enhance relations with China in the Prabowo era.

First, Prabowo recognizes the “free and active” diplomatic principle and insists that Indonesia should maintain strategic independence. He said in a television debate during the 2024 presidential campaign that if elected, he would follow Indonesia's diplomatic tradition and implement a “free and active” foreign policy that strives to safeguard Indonesia's interests and build it into a strong, prosperous nation without aligning with any bloc of countries. In Prabowo's view, a crucial aspect of any country's strategic autonomy is the ability to independently manage its natural resources and distribute the wealth created to its people. In the past few centuries, Western countries colonized Indonesia and plundered its resources and wealth. Today, with rapid economic growth and social development, Prabowo urges that Indonesia manage itself independently. Regarding relations with the world's major countries, Prabowo follows former President Susilo Bambang Yudhoyono's “thousands of friends and zero enemies” foreign policy, emphasizing that Indonesia should maintain independence and avoid choosing sides among competing powers. He insists

that to safeguard national interests, Indonesia must adopt a foreign policy of good neighborliness and friendship and maintain good relations with all countries.

Second, Prabowo has attached great importance to relations with China. In 2018, as leader of the country's main opposition party, Prabowo stated that China was crucial to Indonesia, with which Indonesia must maintain friendly relations. He has repeatedly said that Indonesia and China should help each other and elevate their bilateral ties to a higher level. In June 2022, when answering reporters' questions at the Shangri-La Dialogue in Singapore, Prabowo emphasized that "China is now a very close partner with Indonesia. And actually, China has always been the leading civilization in Asia. We have hundreds of years of relationship."¹ In August 2023, when the Indonesian presidential election campaign was in full swing, some international media hyped up a joint statement issued by the US Department of Defense and the Indonesian Ministry of Defense, which criticized China on the South China Sea issue. At this very moment, Prabowo made a high-profile statement saying, "We have a very good relationship with China, we respect each other, and we understand each other."² From March 31 to April 2, 2024, Prabowo chose China as his first destination for a foreign trip since winning Indonesia's presidential election. When meeting with Chinese President Xi Jinping, he expressed admiration for the great achievements made by the Chinese people under the leadership of President Xi Jinping, and said that he is willing to learn from and draw on the experience of the Communist Party of China and deepen exchanges on state governance.³

Third, pragmatic cooperation is a priority of Prabowo's diplomacy. Deepening economic cooperation with China is a must for Prabowo. Currently serving as Indonesian Defense Minister, Prabowo has paid great attention to economic development. In his opinion, Indonesia is one of the most successful

¹ Jessica Washington, "Q&A: Indonesia's Defence Minister on Security in the Asia-Pacific," June 12, 2022, <https://www.aljazeera.com/news/2022/6/12/qa-indonesias-defence-chief-on-security-in-the-asia-pacific>.

² Nirmala Maulana Achmad and Icha Rastika, "Prabowo: Indonesia Bersahabat dengan China, Rusia, dan Menghargai AS," August 31, 2023, https://nasional.kompas.com/read/2023/08/31/19162191/prabowo-indonesia-bersahabat-dengan-china-rusia-dan-menghargai-as#google_vignette.

³ "Xi Jinping Holds Talks with Indonesian President-Elect Prabowo Subianto," April 1, 2024, http://melbourne.china-consulate.gov.cn/eng/zyxw/202404/t20240415_11281867.htm.

economies in the world; to sustain future development, the nation must carry forward “Jokowinomics,” i.e., prioritizing economic diplomacy, enhancing infrastructure development, and improving industrial capabilities to achieve self-sufficiency and eradicate poverty and hunger. Prabowo has emphasized that to facilitate inclusive development, Indonesia must create a peaceful and stable environment favorable to all. At the same time, Indonesia must encourage public–private cooperation and support a vigorous private sector toward improved economic efficiency. To realize the Golden Indonesia 2045 vision, Indonesia aims for an 8% economic growth rate for the next 4–5 years. Prabowo has promised to promote some major projects after swearing in, including providing free lunches and milk for students, children under five years old, and pregnant women; providing free medical examinations for the public; building high-quality hospitals and schools; improving agricultural productivity; increasing the income of civil servants and military police; eradicating poverty; and improving rural infrastructure. To achieve the above goals, Prabowo will need to uphold Jokowi’s pragmatic diplomacy, concentrate on economic issues, and carry out cooperation with major economic and trade partners such as China and the United States.

Fourth, military cooperation will become a new driver for China–Indonesia relations. With a military background, Prabowo naturally emphasizes modernizing the Indonesian National Armed Forces. He firmly believes that a strong defense is crucial for a big country like Indonesia. To modernize Indonesia’s military, Prabowo has vigorously promoted military diplomacy. Within less than two years from October 2019 when he became Indonesian Defense Minister to June 2021, Prabowo made a total of 20 trips to 14 countries, including five to Türkiye and three to Russia. Prabowo’s military diplomacy has mainly focused on armaments purchases and military exchanges. At the Langkawi International Maritime and Aerospace Exhibition held in May 2023, Prabowo visited the Chinese Shipbuilding Industry’s booth and received a model of the Chinese-made 052DE destroyer as a gift. Indonesia has shown strong interest in purchasing China’s 052DE destroyers, and arms trade will become a highlight of military cooperation between the two countries in the coming years. In addition, Prabowo has actively strengthened military exchanges with China. For example, during his China trip in November 2022,

Prabowo explicitly expressed willingness to deepen practical cooperation with China including joint exercises and training and mutual visits of warships. When visiting China in April 2024, he reiterated his hope to enhance military exchanges and cooperation with China.

Fifth, Prabowo advocates that Indonesia should exert influence as a major country on the international stage, leaving great room for further cooperation with China. For Prabowo's part, Indonesia should speak up for developing countries and strive to make the Global South stronger, because doing so will enhance Indonesia's international influence. He has emphasized that as an important part of the Global South, Indonesia has the responsibility to promote and demonstrate the capabilities of regional countries, for example, by acting as a mediator for dialogue and cooperation between the Global North and the Global South. Indonesia has tried to consolidate its role in the Global South by promoting the reform of the United Nations (UN) Security Council. China is also committed to South–South cooperation. Therefore, there is much space for cooperation between China and Indonesia under the frameworks of the UN and the Global South.

However, it is worth noting that China–Indonesia relations face many challenges that need to be jointly addressed.

First, the influence of the United States. The United States is the largest source of external interference in China's cooperation with Southeast Asian countries including Indonesia. Deepened cooperation between the United States and Indonesia will intensify the rivalry between China and the United States in the South China Sea, increasing the risk of friction and conflict. Jointly maintaining regional peace and stability despite American interference concerns not only China–Indonesia and China–ASEAN relations but also Indonesia's regional leadership and ASEAN's centrality. Responding to American intervention does not mean excluding the United States from the region. China and the United States should engage in healthy competition—rather than a zero-sum game—in Southeast Asia. Being a middle power and one of the most important members of ASEAN, Indonesia has the ability and willingness to play a role in the healthy competition between China and the United States in Southeast Asia. Luhut Binsar Pandjaitan once frankly said that Indonesia would not choose between China and the United States, but

could mediate between the two.¹ Jusuf Wanandi, a well-known expert at the Center for Strategic and International Studies, Indonesia, also opines that as a middle power, Indonesia can play the role of a mediator to ease China–US trade friction and other political and economic conflicts around the world.²

Second, increasing tensions in the South China Sea. China has no territorial dispute with Indonesia, although it is true that the two countries have overlapping claims on maritime rights and interests in some parts of the South China Sea. However, Indonesia has falsely rejected China’s historical rights based on the nine-dash line, insisting that China’s claims are “unilateral” and have no legal basis in international law. It turned down China’s offer to negotiate the Natuna issue. Damos Dumoli Agusman, the director general of international law and treaties at Indonesia’s Ministry of Foreign Affairs, claimed that “based on UNCLOS 1982, Indonesia does not have overlapping claims with the PRC, so it is not relevant to hold any dialogue on maritime boundary delimitation.”³ Albeit significantly mitigated since 2019, China–Indonesia differences over the Natuna issue have remained unresolved, and Indonesia is still wary of China. For example, in August 2023, Indonesia’s Ministry of Foreign Affairs expressed opposition to the 2023 Chinese map launched by China’s Ministry of Natural Resources. Retno Marsudi said that “any line drawing, any claim made must be in accordance with UNCLOS 1982.”⁴ Hikmahanto Juwana, an international law expert at the University of Indonesia, also opined that Indonesia does not recognize the Chinese map that has nine dotted lines.⁵ At present, as the United States and its allies continue to woo Southeast Asian countries through joint exercises and patrols, the Philippines, among others, has been challenging China’s territorial sovereignty and maritime rights and interests in the South

¹ Luhut B. Pandjaitan, “How Indonesia Could Be a Bridge between China and the US in Asia,” *South China Morning Post*, April 9, 2018, <https://www.scmp.com/comment/insight-opinion/article/2140834/how-indonesia-could-be-bridge-between-china-and-us-asia>.

² Wataru Suzuki and Eri Sugiura, “Indonesia Can Play Key Role in Mediating US–China Tensions: Experts,” *Nikkei Asia*, April 20, 2018, <https://asia.nikkei.com/Politics/International-relations/Indonesia-can-play-key-role-in-mediating-US-China-tensions-experts>.

³ Tia Asmara, “Indonesia Rejects Beijing’s Offer for South China Sea Talks,” *BenarNews*, June 5, 2020, <https://www.benarnews.org/english/news/indonesian/no-negotiation-06052020155450.html>.

⁴ “Peta Baru China Bikin Marah Tetangga RI, Ini Kata Pakar Hukum,” *CNBC Indonesia*, August 31, 2023, <https://www.cnbcindonesia.com/news/20230831211154-4-467994/peta-baru-china-bikin-marah-tetangga-ri-ini-kata-pakar-hukum>.

⁵ *Ibid.*

China Sea. In consequence, the South China Sea is faced with a significantly higher risk of conflict. On this issue, Prabowo said during the 2024 presidential campaign that Indonesia should strengthen its defense in response to tensions in the South China Sea. Under the influence of internal and external pressure, the possibility cannot be ruled out that in the future friction may arise between China and Indonesia on the Natuna issue.

Third, changes in Indonesia's domestic political ecology. On the one hand, the influence of democratic politics on Indonesia's domestic and foreign affairs has become increasingly prominent. Since the first direct presidential election in 2004, Indonesia's political reform has achieved success, attracting attention both at home and abroad. Under this circumstance, it is normal for Indonesians to take to the streets, which is considered a democratic way, to pressure the government to change its decision-making. For example, in October 2020, Indonesia's People's Representative Council passed the Omnibus Law on Job Creation, which triggered nationwide protests and demonstrations. Eventually, under the pressure of public opinion, the Constitutional Court issued its decision, calling the law "conditionally unconstitutional" and ordering the government and the People's Representative Council to "repair" the law within two years. The amendment of the law, Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation,¹ was signed by Jokowi in December 2022 and later passed by the People's Representative Council in March 2023. As the new law commenced, the 2020 Omnibus Law was repealed. This case illustrated that the Indonesian government might sometimes have to adjust its policies due to public pressure. Prabowo is now already facing massive public demonstrations before officially taking office. Although it is generally believed that with Jokowi's support, Prabowo's ruling foundation will be stable, the alliance between Prabowo and Jokowi has triggered widespread concern regarding dynastic politics. In the future, Prabowo will likely face continued anti-government demonstrations across the nation, which will add to the uncertainties surrounding his governance. Due to the separation of powers, if the ruling coalition fails to obtain a majority in Parliament, the

¹ "Gov't Issues Regulation on Job Creation," Office of Assistant to Deputy Cabinet Secretary for State Documents & Translation, December 30, 2022, <https://setkab.go.id/en/govt-issues-regulation-on-job-creation/>.

President will face significant legislative constraints, as in the case of Susilo Bambang Yudhoyono and Jokowi during their first terms, when the opposition parties competed fiercely with the President over important issues, paralyzing Parliament for weeks. Despite Prabowo's victory in the 2024 presidential race, his Great Indonesia Movement Party only placed third in the legislative election. The PDI-P remains the largest party in Parliament and has openly opposed Prabowo. If failing to form a broad coalition with a majority in Parliament, Prabowo will face constraints from the PDI-P and other opposition parties, thus becoming a "lame-duck president." Even if Prabowo wins majority support in Parliament, his tug-of-war with the PDI-P will very likely continue in the next five years.

On the other hand, the rise of nationalist sentiment in Indonesia will bring uncertainty to Prabowo's government. Back in the Sukarno era, nationalism was not merely part of his governing ideology "Nasakom"¹ but also one of the five principles known as "Pancasila," the official, foundational philosophical theory of Indonesia. Since the beginning of democratic reforms in 1998, nationalist sentiment, most typically economic nationalism, has gained currency in Indonesia. Starting from the Susilo Bambang Yudhoyono administration, Indonesia has taken various measures to restrict or even ban exports of raw materials, set up non-tariff barriers to agricultural imports such as durian and pineapple, and limited foreign investment in livelihood industries through administrative orders. So far, Indonesia has issued multiple raw material export bans or restrictions involving nickel ore, bauxite, coal, palm oil, tin, and copper. In 2014, the export of unprocessed raw ore was completely banned. The nickel ore export ban was relaxed in 2017, but export quotas and ore grades remained restricted. Later, the Indonesian government re-imposed an export ban on nickel ore in 2020, coal in 2022, and bauxite in 2024. At the same time, Indonesia has called for establishing a "Nickel OPEC" that operates the same way as the Organization of the Petroleum Exporting Countries to leverage its resource advantages and unite nickel exporting countries to influence the market through mineral policy coordination. In addition to economic nationalism,

¹ Nasakom was a political concept coined by former Indonesian President Sukarno, which stands for nationalism, religion, and communism (Indonesian: Nasionalisme, Agama, Komunisme).

Indonesia has also proposed the concept of “Global Maritime Fulcrum” and made resource protection in its exclusive economic zone a government priority. It has frequently burned or sunk “illegal” foreign fishing vessels in its surrounding waters as a gesture of strength and determination. It was against this background that the China–Indonesia fishing dispute near Natuna Islands arose in 2016. Given the current context of intensified major-country rivalry, rising economic nationalism in Indonesia, and growing tensions in the South China Sea, Prabowo may partially adjust economic cooperation with China and Indonesia’s policy on the South China Sea, bringing uncertainty to the two countries’ relationship.

Conclusions

Currently, the international situation is undergoing profound changes. The United States has stepped up its efforts to woo Indonesia and other Southeast Asian countries in an attempt to draw them into its anti-China camp.

Emphasizing relations with the United States, Indonesia has also distanced itself from hegemonism and actively promoted relations with China.

By enhancing relations with China, Indonesia has thus far avoided the anti-China trap of the United States. The main reason behind Indonesia’s China policy is its traditional “free and active” foreign policy, which seeks a balance of powers, focuses on economic diplomacy, and strengthens international cooperation. Indonesia regards China as a major economic and strategic partner in a multi-polar world. Both countries have become important strategic forces shaping future international politics.

There is no fundamental conflict of interests between China and Indonesia, and the conditions for strengthening bilateral cooperation and coordination are increasingly mature. The two countries can make full use of different channels such as high-level dialogue and think tanks to deepen communication, maritime cooperation, and military exchanges, exploring ways to manage the Natuna issue and potential conflicts in the South China Sea.

As Indonesia’s next President, Prabowo is expected to follow Jokowi’s China policy, promoting all-round cooperation between the two countries. However, to maintain peace and stability in the South China Sea and ensure lasting, stable

China–Indonesia relations, Prabowo will need to properly handle the pressure from Indonesia’s opposition parties and the geopolitical influence of the United States.

(edited by Chen Qingyi)