

RSIS Commentary is a platform to provide timely and, where appropriate, policy-relevant commentary and analysis of topical issues and contemporary developments. The views of the authors are their own and do not represent the official position of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS and due recognition to the author(s) and RSIS. Please email: RSISPublications@ntu.edu.sg for feedback to the Editor RSIS Commentary, Yang Razali Kassim.

China in Indonesia's Foreign Policy: Maintaining a Nonbalancing Posture

By Emirza Adi Syailendra

Synopsis

While lack of elite consensus in Indonesia is impeding a stronger balancing policy towards China, Jakarta is continuing its traditional posture of nonbalancing.

Commentary

CHINA'S RECENT actions in the South China Sea have posed a looming threat to Indonesia. These include China's frequent acts of defiance of international law, interfering with Indonesia's policing efforts in its Exclusive Economic Zone (EEZ) and challenging Indonesia's maritime sovereignty within President Joko Widodo's Global Maritime Fulcrum agenda.

Although these developments have generated the expectation that Jakarta would assert a stronger balancing position towards Beijing to protect its interests, Indonesia, in fact, has not been pursuing a balancing strategy despite the strong nationalistic nuances behind the Global Maritime Fulcrum agenda. A crucial factor for this is the lack of consensus among the key domestic actors on the China threat.

Multiple Views of 'Threat from the North'

Against this backdrop, it is argued that as long as Beijing exercises restraint in Indonesia's EEZ, refrains from intervening in Indonesia's internal affairs, and refrains from taking actions that directly threaten Indonesian interests, it is difficult to envision actors such as the Navy and Ministry of Maritime Affairs and Fisheries mobilising support for a tougher stance towards China. Indonesia, therefore, will likely maintain its nonbalancing posture, leaving the threat from China unchallenged.

Despite the bellicose image of China being increasingly solidified among Indonesia's

elite, there is disagreement with regard to the nature of the threat projected by Beijing. Some see China posing a direct peril to Indonesia's sovereignty, while others see China's challenge as an indirect one.

There are at least three facets to China's threat to Indonesia:

First, China poses an "imagined" threat to Indonesia's sovereignty. On the maritime front, China's nine-dash line claim potentially overlaps with Indonesia's EEZ in the Natunas. This anxiety is, however, a supposition as the existence of the sovereignty dispute between Indonesia and China is subject to further clarity as far as China's nine-dashed line map of the South China Sea is concerned.

Second, China's increasing use of fishing militias in the South China Sea and/or activities of Chinese illegal fishing trawlers in Indonesian waters is a threat to Indonesia's efforts to protect its marine resources.

Third, China has claimed that Natuna's EEZ is a part of its "traditional fishing grounds," as asserted by its Foreign Ministry spokesperson on 19 June 2016. Indonesia had responded by dismissing China's "traditional fishing ground" claims as having no basis under international law. The latest move by Indonesia to name the sea around the Natunas as the North Natunas Sea has shocked and offended China.

The existence of multiple views means that there is no consensus on how Indonesia should rank its foreign policy priorities, whether to focus on threats that are still distant or on immediate concerns such as the need to court investment from China.

Fragmented Domestic Political Landscape

The divergence of perceptions over the nature of the China threat is also nuanced by institutional interests. The Indonesian Navy has been using the rising external threat from China to justify its push for more allocation of the defence budget to strengthen Indonesia's sea power.

The Army, on the other hand, has been promoting the threat to internal security as Indonesia's main concern in its own attempt to maintain its longstanding control over the military. The Ministry of Foreign Affairs, meanwhile, has been downplaying the issue between Indonesia and China in order to position Indonesia as an 'honest broker' in the conflict.

The current policy of engagement with China is mainly driven by the interest of President Jokowi to court medium to long term investment from China. Indonesia requires a substantial amount of investment and China has emerged as one of the most important sources. It is estimated that Indonesia needs around US\$450 billion to realise its infrastructure development plan, consisting of building roads, railways, ports, and power plants, and is relying on investors and state-owned companies to fund 70 percent of its infrastructure needs.

Public reaction to Jokowi's leaning towards China in many projects are mixed. The major opposition to Indonesia accepting China's proposition has been due to the low realisation of China's investment. There have also been negative reports with regards

to Chinese infrastructure projects in Indonesia. For example, 90 percent of electricity projects built during the Yudhoyono administration by Chinese contractors have received complaints due to the low quality of equipment and unqualified contractors from China, as well as poor maintenance and delayed completion.

A Non Balancing Act

The diffused nature of policymaking in Indonesia has discouraged Jakarta from departing from its status quo policy of non-balancing. This act of non-balancing can be generally described as follows:

First, Indonesia will engage China for pragmatic benefits, ranging from Beijing's diplomatic support, non-interference in Indonesia's internal affairs, and economic benefits such as trade, aid and investments.

Second, with regard to the increasing tension among claimants in the South China Sea disputes, Jakarta will avoid a direct challenge to Beijing but channel its concerns through the overarching ASEAN multilateral setting. China has caused division within ASEAN which undermines the cohesion of the regional bloc.

Third, Indonesia will continuously exploit different means to expand its options. One way is to occasionally adopt a muscle-flexing policy to signal Indonesia's strategic distance from China; it is also to counter any perception that the Indonesian leader is weak.

Fourth, albeit reluctantly, Indonesia also welcomes the presence of the status quo power, the United States, in the Asia Pacific region as long as this benefits Indonesia's agenda.

These positions have illustrated the multi-faceted policies that Indonesia undertakes towards China with the aim of reconciling Jakarta's conflicting ambitions -- to enjoy close relations with Beijing and to preserve its strategic autonomy in ASEAN.

Emirza Adi Syailendra is a Senior Analyst at the Indonesia Programme at the S. Rajaratnam of International Studies (RSIS), Nanyang Technological University (NTU). A longer version was published by Taylor & Francis in Asian Security on 5 September 2017.

Nanyang Technological University

Block S4, Level B3, 50 Nanyang Avenue, Singapore 639798
Tel: +65 6790 6982 | Fax: +65 6794 0617 | www.rsis.edu.sg