

Analysis Of The Impact The Belt And Road Initiative (BRI) Policy On The Rising Interdependence Between Indonesia-China

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ABSTRACT

This study attempts to analyze the effects of the Belt and Road Initiative (BRI) policy on growing Indonesia-China interdependence. The study employs a qualitative approach, combining descriptive analysis methods with library research. It utilizes interdependence theory to examine the effects of the BRI policy on the dynamics of Indonesia's economic relationship with China and to alter Indonesia's foreign policy direction towards China. The findings indicate that the trajectory of China's foreign policy under Xi Jinping's leadership has shifted towards a more proactive and aggressive stance with the establishment of the BRI policy in 2013. During Joko Widodo's administration, the intensity of cooperation between Indonesia and China significantly increased, with Indonesia's total exports to China experiencing a growth of 65% from 2014 to 2020. China replaced Japan as Indonesia's largest trading partner in 2016, a change attributed to Joko Widodo's policies aligning with the BRI, particularly in infrastructure development. Under Prabowo's administration, Indonesia's foreign policy towards China prioritizes balancing its relations with other powerful nations like the United States, Japan, and China, in accordance with the free and active political ideology of Indonesia. The BRI policy presents an opportunity for Indonesia's economic development. however, the growing interdependence between Indonesia and China also brings various impacts, such as a continuous increase in debt to China, which enhances its influence over Indonesia and poses potential risks to the country.

Keywords : BRI Policy, Indonesia-China Relations, Interdependence, Indonesia's Foreign Policy.

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1. INTRODUCTION

Xi Jinping introduced the Belt and Road Initiative (BRI) in 2013 while on a state visit to Indonesia, which includes both land-based and maritime components of the 21st Century Silk Road. The BRI emphasizes infrastructure connectivity, encompassing both soft and hard aspects, with the objective of creating a comprehensive and integrated regional infrastructure network centered around China. Gradually, the BRI has evolved into a key national strategy for China. (Rivai, 2022). This project has the potential to change the geopolitical and geoeconomic landscape in Asia and beyond, especially in light of China's ascent to prominence as a global power through the migration of industries and foreign investments. China's foreign policy has changed, and the BRI marks a break from the country's prior discrete strategy. (Nur & Rivai, 2022). The Chinese government has taken a far more aggressive foreign policy approach since Xi Jinping took office in 2012, motivated by global perspectives. (Damuri dkk., 2019). The main driver of China's foreign policy advancement is BRI, which reflects China's increasing self-assurance and ambitions to take the lead in regional and global economic governance.

As China's military and economic might increase in the 1990s, worries about the dangers it posed and its potential to become a "peer competitor" to the US started to grow. Since then, there have been heated discussions that will probably continue for decades to come because China is making large investments to strengthen its military and economy. With BRI, China is continuing to accelerate its economic expansion. Because of this combination of increased power, there are forecasts that China may eventually overtake the United States in terms of worldwide influence. China's fast economic development has been essential in establishing its status as a superpower (Farneubun, 2022).

In order to link the People's Republic of China with nations in Asia, Europe, and Africa, China has proposed the Belt and Road Initiative (BRI), a project that emphasizes economic cooperation and infrastructure development. In general, the BRI project highlights the importance of connectivity in international trade, economic cooperation, and infrastructure development in areas connected to China, as shown in the BRI map released by the Chinese government. At a 2013 summit conference in Kazakhstan, President Xi Jinping initially announced the BRI. This project was first called One Belt One Road (OBOR), but in 2017 it was renamed the Belt and Road Initiative (Widhiyoga et al., 2024). During President Xi Jinping's visit to Indonesia on October 2, 2013, at the invitation of then-President Susilo Bambang Yudhoyono, he presented the concept of a new maritime silk road before the Indonesian Parliament.

Compared to some of its smaller neighbors, Indonesia plays a relatively limited role in international trade. By the end of 2015, Indonesia's share of global merchandise exports was 0.9 percent (ranked 30th), according to data from the World Trade Organization (WTO). This was much less than Singapore's 2.3 percent (ranked 14th), Thailand's 1.3 percent (ranked 21st), and Malaysia's 1.2 percent (ranked 23rd) (Damuri et al., 2019). Low competitiveness is one of Indonesia's main obstacles to becoming into a more important global participant. Numerous factors contribute to this lack of competitiveness, such as poor human resource quality, a regulatory environment that hinders growth, and above all a lack of infrastructure.

Indonesia's infrastructure is still insufficient and undeveloped to sustain economic expansion, much less evolve into a major international trading hub. In addition, the nation has lost a substantial amount of national revenue annually as a result of the lack of infrastructure investment, both directly and indirectly (opportunity costs). The logistics industry is thought to account for about 24% of Indonesia's yearly GDP (Ministry of Transportation of the Republic of Indonesia, 2012). Furthermore, inadequate development appears to have contributed to economic growth that is lower than its potential and has hindered further investments, including foreign investments. Indonesia's participation in the BRI, which is considered beneficial, opens up opportunities for the country to explore alternative financing sources for infrastructure development. Furthermore, inadequate development appears to have contributed to economic growth that is lower than its potential and has hindered further investments, including foreign investments. Indonesia's participation in the BRI, which is considered beneficial, opens up opportunities for the country to explore alternative financing sources for infrastructure development. The Chinese government subsequently adopted this program as part of its foreign policy. By targeting an investment value equivalent to 30% of global GDP, this program presents significant opportunities for developing countries to engage in the scheme (Naqsabandiyah, 2023).

Due to its strategic location, which is necessary for China to connect with several BRI member nations in order to accomplish its initial goals, Indonesia is frequently seen as playing a critical role in this region, both in Southeast Asia and the larger Asia-Pacific. Indonesia has made significant contributions to regional and global affairs since attaining its independence. In 1961 and 1967, respectively, this country was a founding member of the Association of Southeast Asian Nations (ASEAN) and the Non-Aligned Movement (NAM). Indonesia, an archipelagic nation with a population of over 270 million and a wealth of natural resources, is located along the Maritime Silk Road, a crucial international trading route. Furthermore, Indonesia's strong economy is demonstrated

by the fact that it is the sole Southeast Asian G20 member. Thus, this study makes the case that China's Belt and Road Initiative (BRI) program, which was established in 2013, has an impact on Indonesia's interdependence with China. To support this argument, it is necessary to explain the interests held by both countries within the BRI framework, which can elucidate the factors contributing to the strengthening of China-Indonesia interdependence and the direction of Indonesia's foreign policy under Prabowo Subianto administration.

2. LITERATURE REVIEW

This study aims to analyze BRI impact on Indonesia-Chinese relation which reflects on the growing interdependency between the two states and what are the direction Indonesia foreign policy under Prabowo Presidency in managing its relation with China. By using interdependency theory, this article enriches academic discourse and provides explanation to how BRI impact has shaped Indonesia-China present and future relation. The Belt and Road Initiative (BRI) presents a significant opportunity for developing countries, including Indonesia, as it not only enhances bilateral economic cooperation with China but also provides Foreign Direct Investment (FDI) to member nations. The rationale put forth by China is that they are effectively offering their markets for commodities to be supplied by member countries, and in return, they are paying elevated prices for these commodities, thereby benefiting the participating nations. Furthermore, they are investing in the infrastructure of these countries, fostering industrialization which leads to a decrease in unemployment, and also facilitating the transfer of technology to these nations, culminating in significant overall development for the member countries (Choudhury, 2021). Developing nations encounter numerous obstacles in enhancing their position on the global economic platform. One of the primary challenges is the uneven economic growth observed between urban and rural regions. Insufficient infrastructure, unequal educational opportunities, and variations in productivity levels contribute to disparities in wealth distribution. Often, developing countries prioritize major economic hubs, resulting in the neglect of remote areas, which exacerbates social and economic inequalities. This situation is particularly evident in Indonesia (Rachmat et al., 2025). Regardless of one's perspective on the motivations for and implications of the BRI, it is undeniable that insufficient infrastructure poses a significant challenge throughout much of Asia including Indonesia, obstructing economic development. Any initiative that appears to address this issue is likely to be embraced (Beeson & Crawford, 2023).

China expects the project to improve communication and link the development plans of countries along the routes; access the potential of the regional market; encourage investment and consumption; create jobs; promote cross-cultural interactions; and improve understanding between nations. Simultaneously, the general welfare and the mutual trust of the peoples of various countries might be enhanced. Throughout the Initiative's implementation, China will start conversations, promote collaboration, lower transaction and information costs for its partners, and provide concrete incentives like infrastructure, loans, and new trade and investment opportunities (Duc Bao Nguyen et al., 2022). Investments in transportation are crucial for trade between the BRI countries and China. Consequently, China has allocated funds towards road, rail, aviation, shipping, and logistics on a global scale (Nedopil, 2021). BRI promotes synchronizing international efforts, standardizing and connecting commercial facilities, enacting free trade zones and other trade facilitation policies, promoting financial integration to support the yuan, and establishing cultural and educational programs in all member states. With the growing economic integration being the main goal of BRI, it is no surprise that Interdependency is growing between Indonesia-China with BRI initiative in effects. Keohane and Nye's interdependence theory supports the event of shifting geopolitical focus, that cooperation in the economic field will create a bond between the two actors who are in a relationship. In this way, the interdependence that arises due to international agreements will reduce the tendency for conflict to arise (Agape, 2021).

The BRI can be interpreted in this context as offering a Chinese alternative to the Bretton Woods institutions, exemplified by the newly established AIIB and NDB, despite their current lack of official affiliation with the BRI. However, in this situation, they could serve as a crucial element of the BRI and potentially supplant bilateral funding (Schulhof et al., 2022). The geopolitical concept regarding the foundation of Indonesia-China collaboration is on the geographical connection between the two nations, which are situated in BRI, with China having a need for Indonesia. The second concept posits that the collaboration established between China and Indonesia is a strategy that China is currently pursuing to build hegemony and support the shift from a unipolar to a bipolar-centric world. Furthermore, Indonesia is viewed as having a golden opportunity to offer China in positioning itself to strengthen China's stance in its efforts to reinforce the hegemony it is constructing (Qonita et al., 2023). The interdependence in viewing the cooperation between China and Indonesia is also founded on the mutual reliance in maintaining the stability of each nation by prioritizing the interests of both countries.

3. METHOD

This research methodology employs library research as a method utilized in qualitative research, which entails a thorough examination and analysis of the existing literature pertaining to a particular topic or research question. The systematic study of a phenomenon through the collection of numerical data and the application of statistical or computational methodologies and procedures, including library research, is known as quantitative research (Pandey et al., 2023). Examining academic publications, books, and other relevant sources pertaining to a certain topic, field of study, or theory is all included in library research. By doing this, it provides an overview, synopsis, and critical evaluation of these works (Ramdhani, Amin, et al., 2014). The method employed is a descriptive analytical approach, where in researchers gather, identify, compile, and analyze diverse data discovered to achieve a more profound comprehension of the topics under discussion. The method of descriptive quantitative data analysis serves to describe, illustrate, or constructively summarize data (Hamzani et al., 2023).

4. RESULT AND DISCUSSION

A. The Raising Interdependence Between Indonesia and China During Joko Widodo Administration (2014-2024)

Following the era of Mao Zedong's governance, China began to evolve into an economic power open to international collaboration. Under the leadership of Deng Xiaoping, this openness was further expanded, particularly to address the economic crisis resulting from isolation. China's foreign policy in the 21st century emphasizes the principle of non-confrontation while remaining proactive, aiming to create an image of China that is non-aggressive and easy to collaborate with. This principle reflects China's domestic interests and the Communist Party of China (CPC) through internal balancing and soft balancing against American power. China focuses on economic development as a strategy to counteract the unipolarity of the United States following the Cold War. Additionally, the CPC seeks to maintain legitimacy through welfare politics amid the waning of communism in China. This openness is also accompanied by a gradual introduction of democratic elements in the management of international relations. In the 21st century, this openness increasingly aligns with China's expansive and hegemonic international political economy policy objectives. Hu Jintao embodied this goal by launching the concept of China's Peaceful Rise on December 22, 2005.

China began to enter the era of multilateral trade after officially joining the World Trade Organization (WTO) in 2005. This was a strategic move for China, which had fully adopted market economy principles. However, in practice, China is suspected of building an advantage to compete with the economic power of the United States. China's foreign policy in the 21st century emphasizes the principle of non-confrontation while remaining proactive, aiming to create an image of China that

is non-aggressive and easy to collaborate with (Putu & Wishanti, 2016). This principle reflects China's domestic interests and the Communist Party of China (CPC) through internal balancing and soft balancing against American power. China focuses on economic development as an effort to contain unipolarity.

China's foreign policy under Xi Jinping's leadership exhibits a greater assertiveness compared to his predecessors, particularly in the Asian region. In recent decades, Chinese leaders have typically adhered to Deng Xiaoping's principle of 'hiding capabilities and waiting for the right moment,' which they frequently reference in their speeches. However, this phrase was notably absent in Xi's address at the 19th Party Congress. Instead, Xi adopted a more assertive tone, declaring that China would 'actively participate in reforming and developing the global governance system' and warning that 'no one should expect China to accept anything that undermines its interests.' This aggressive stance from China arises amidst perceptions from other nations that the United States is retreating from its dominant role in global forums and multilateral institutions. Although the term 'core interests' did not appear in Xi's speech at the 19th Party Congress, the term 'interests' was mentioned approximately 30 times. While not specifically defined, China's core interests are generally understood to encompass sovereignty, development, security, national reunification, territorial integrity, and the continued dominance of the Communist Party of China (Anam, 2018).

China's regional strategy has become more assertive in safeguarding its core interests and is increasingly responsive to its national priorities, aiming to enable the country to 'peacefully achieve its strategic objectives.' This strategy is primarily implemented in South and Southeast Asia, where maritime routes, highways, railways, pipeline networks, and nations that support China's position in multilateral institutions are crucial for China's economic, political, and security well-being. China is no longer waiting for the opportune moment, as its rapid economic growth over the past two decades has begun to decelerate. The Belt and Road Initiative (BRI) presents an opportunity to rejuvenate growth, reduce energy dependence, and enhance global presence and prestige, while China remains capable of independently financing many initial BRI projects. Furthermore, the BRI also serves as an outlet for inefficient state-owned enterprises (SOEs).

The BRI emerged in response to China's dissatisfaction with the status quo, particularly in its own region, which can be linked to the United States' announced pivot to Asia during the Obama administration in 2011. While China seeks to strengthen its position in the Asia-Pacific region through the Belt and Road Initiative (BRI) and various other sometimes aggressive methods, terms such as 'collaboration,' 'mutual benefits,' and 'equal partnership' frequently appear in official statements from the Chinese government. At the 19th Party Congress, Xi Jinping reaffirmed the values promoted by liberal thinkers in international relations, including cooperation, globalization, trade, and international institutions. (Umagapi, 2017). Although this effort aims to expand influence and improve China's image, an analysis of several actions taken indicates that China tends to desire community and cooperation only to the extent that others are willing to comply with its demands.

Indonesia experienced significant setbacks during the Asian crisis in the late 1990s, which made it challenging to rebuild confidence in its foreign policy. Conversely, China is striving to expand its products in various markets, with the Indonesian market regarded as one of the largest in the world. In the context of bilateral economics, this reflects substantial progress, considering that in recent years, China has consistently been one of Indonesia's main import partners. When analyzing the countries that are primary sources of imports for Indonesia, China ranks among the top three at the beginning of Indonesia's reform era. However, unlike China, Indonesia does not feature in the top ten countries for export partners, indicating that Chinese products dominate the Indonesian market, while Indonesian products do not hold a comparable position in China. It is anticipated that China will continue to expand its market share in Indonesia, with the most intense competition occurring in the textile, garment, footwear, and several electronic product sectors.

China's dominance in the high-tech industry within the Indonesian market is evident through a variety of electronic and electrical goods, where China stands out as a leading seller. Chinese telecommunications equipment has captured the market due to competitive pricing and an abundance of products. China has consistently been a primary supplier for entering this vast market. Meanwhile, the majority of Indonesia's export products consist of agricultural raw materials such as rubber, wood, pulp, and unprocessed plant materials, which are the most sought-after agricultural sectors by China. Additionally, products like oil, paper, and chemical goods are also significantly exported to the Chinese market. The mutual need between China for Indonesia's natural resources and Indonesia for the products manufactured by China creates a relationship of interdependence.

In its quest to become a global economic powerhouse, China aspires not only to be the main provider of finished products for its extensive domestic market and ASEAN but also to emerge as a center for innovation and the design of new industrial products. To realize this ambition, China must enhance its innovation capacity. Furthermore, China can assist neighboring Asian countries in reducing their reliance on European and American markets, considering the rapidly expanding Chinese market, and the manufacturing processes in Southeast Asian nations for products designed in China contribute to their economic development. All of this plays a crucial role in stabilizing and advancing the economic development of the Southeast Asian region. Therefore, the development of vertical specialization is regarded as the foundation for China to become both an innovator and a consumer of finished products. (Ting, 2015).

Since President Joko Widodo took office as the President of the Republic of Indonesia in 2014, the relationship between the two countries has seen significant improvement. This cooperation is particularly evident in the economic and investment sectors. One of the key issues that President Joko Widodo has focused on in the context of economy and investment is infrastructure development. Dedy S. Priatna, Deputy for Infrastructure and Facilities at Bappenas, revealed that in the National Medium-Term Development Plan (RPJMN) 2015-2019, the government's agenda includes infrastructure development during this period, which encompasses the construction of 2,650 km of new roads, 1,000 km of toll roads, 15 new airports, 24 new ports, 30 new dams, and 1 million hectares of irrigation networks. President Joko Widodo's emphasis on infrastructure development in Indonesia also contributes to the country's interest in strengthening ties with China, regarded as a strategic partner in bilateral cooperation. (Farras, 2023).

President Joko Widodo has launched an infrastructure development program that requires substantial financial support. Indonesia needs investments, which are sourced from China through the Asian Infrastructure Investment Bank (AIIB). This investment is facilitated by Indonesia's participation in the One Belt One Road project, now known as the Belt and Road Initiative (BRI). Undoubtedly, this is highly appealing for Indonesia and President Joko Widodo to realize an ambitious infrastructure development program. In addition to internal factors reflecting Joko Widodo's pragmatism, there are also external factors influencing the enhancement of Indonesia's relationship with China. The phenomenon of The Rising China has contributed to Indonesia's closeness with China. China's economic rise has demonstrated that the country is a global economic power. Furthermore, in 2013, China launched the mega project policy One Belt One Road (OBOR), which is now recognized as the Belt and Road Initiative (BRI).

The BRI initiative is a development plan aimed at connecting various continents through land and sea routes. The connectivity projects stemming from this initiative will assist in aligning and coordinating the development strategies of the countries along the BRI. Within the BRI program, Indonesia is one of the countries that will be traversed by the silk road planned by China. This indicates a close relationship between Indonesia and China, as well as highlighting China's significant interests in Indonesia. The relationship between Indonesia and China is also heavily influenced by President Jokowi's foreign policy orientation. The term used in Jokowi's foreign policy is "grounded diplomacy"

or "pro-people diplomacy." Pro-people diplomacy refers to an approach where domestic interests serve as the foundation for formulating Indonesia's foreign policy. The diplomatic model currently employed by Indonesia contributes to the enhancement of relations with China. China, with its extensive policy plans, is viewed as a nation capable of assisting in meeting Indonesia's domestic needs and interests. In the economic context, the interests of both countries encompass cooperation in investment and trade. At present, Indonesia requires significant investment from China, which serves as a primary source of funding to support infrastructure development plans.

Foreign investment has become a primary focus for Indonesia regarding China, particularly in financing infrastructure projects. Under President Jokowi's administration, Chinese investment in Indonesia has seen an increase compared to previous years. In 2015, Chinese investment rose by 26 percent to reach US\$ 628 million. In the first quarter of 2016, this investment surged to approximately US\$ 1 billion. The total Chinese investment in Indonesia for the year 2016 amounted to US\$ 2.7 billion, with a total of 1,734 projects. Currently, China ranks third as a source of foreign investment in Indonesia. Furthermore, following the agreement on cooperation between Indonesia and China, several infrastructure projects in Indonesia have been approved for funding by the AIIB. As a realization of this cooperation, on June 24, 2016, the AIIB provided a loan of US\$ 216.5 billion to finance the National Slum Upgrading Project (Tri Andika & Nur Aisyah, 2017).

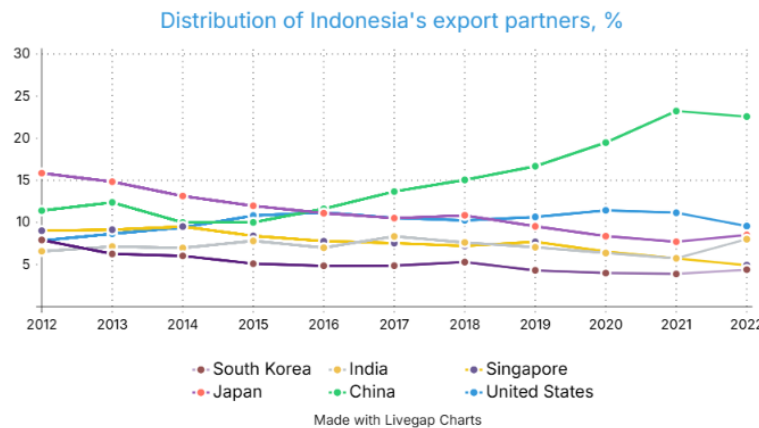


Figure 1. Graph illustrating the percentage distribution of Indonesia's export partners.

(<https://wits.worldbank.org/Default.aspx?lang=en>)

The nominal total of Indonesia's exports in 2022 was US\$291.98 billion, with China being the largest recipient of Indonesian exports at US\$65.92 billion, accounting for 22.5%. China assumed the role of Indonesia's largest export partner in 2016 and has continued to grow, reaching a peak of 23.2% of Indonesia's total exports to China in 2021. This data indicates an increase in economic activities between Indonesia and China during President Joko Widodo's administration and highlights the success of the Belt and Road Initiative (BRI) in strengthening interdependence and connectivity between the two nations.

In May 2017, President Joko Widodo attended the first BRI summit in Beijing. It is important to note that the primary objective of the BRI is to enhance sub-regional, regional, and inter-regional integration through the improvement of transportation and logistics infrastructure in participating countries, such as highways, railways, and ports, which are essential for facilitating trade among them. Furthermore, this initiative aligns with Indonesia's vision of becoming a more maritime-oriented nation, as articulated in the World Maritime Axis program by President Joko Widodo. Although support for Indonesia's participation in the BRI is quite strong, there is caution among respondents interviewed in this study. One perspective that emerged is the importance for Indonesia to maintain good relations

with China. China, as a neighboring country and the second-largest economy in the world, has the potential to become a major economic power in the future. Additionally, China is also Indonesia's largest trading partner. Therefore, fostering good relations, particularly in the economic aspect, is imperative. Another reason underpinning this is the potential access to alternative funding sources to support infrastructure development. In this context, the government appears to prefer a business-to-business (B-to-B) financing scheme for BRI projects rather than those funded by the government, which would only be involved in projects that cannot be executed by the private sector. The government is also striving to avoid similar issues experienced by the Hambantota Port in Sri Lanka.

Between the years 2014 and 2022, Indonesia has experienced a persistent trade deficit with China. Financing for infrastructure through the Belt and Road Initiative (BRI) is expected to increase the volume of imports from China, as Chinese investors tend to utilize spare parts, components, and equipment sourced from that country. Although these concerns appear to be justified, there are several factors that warrant consideration. First, regardless of the source of infrastructure financing, it is highly likely that Indonesia's imports will rise, given that a significant portion of the required resources must be imported. Second, the trade balance should not be viewed as a bilateral phenomenon separate from the global trade balance. Instead, it is more appropriate to analyze the trade balance within a broader context. Finally, Indonesia's overall trade balance may deteriorate as infrastructure development leads to an increase in import levels.

The government's only option in this scenario is to move forward with its growth plans. It is anticipated that improving infrastructure will increase the nation's competitiveness, which could eventually lead to an improvement in its trade balance. As a result, Indonesia must likewise work to prevent becoming overly reliant on technology from one country. To put it another way, it is essential to diversify your sources of technology. Concerns have been raised over the detrimental effects of BRI infrastructure financing on the government's financial burden and sustainability. The government's debt has grown by almost 40% in the last three years. With tax revenue making up less than 11% of GDP, the Indonesian government's ability to increase revenue is constrained (Kliman & Grace, 2018). Due to the primary fiscal imbalance that has resulted, the government must issue fresh debt in order to partially pay interest. Concerns over the government's capacity to control its debt risks have been highlighted by the recent, intense infrastructure construction. By lending to several governments beyond their repayment capacity, China has created a debt situation that places recipient countries in a state of dependency and vulnerability. The diplomatic influence generated by this strategy is enduring.

Although the value of bilateral commerce between Indonesia and China has increased, from US\$48.2 billion in 2014 to US\$133.6 billion in 2022, the relationship has caused considerable anxiety among Indonesians (Priamarizki, 2024). Increased imports from China have contributed significantly to the growth in bilateral trade, widening Indonesia's trade deficit with the country. Indonesia's indigenous industries have also been weakened by the rise of low-cost Chinese imports since the 2000s. Although Indonesia was one of the first countries in Southeast Asia to approve the ASEAN-China Free Trade Area (ACFTA), a large segment of the Indonesian business community voiced concerns when Beijing proposed the creation of the ACFTA in 2000. The public in Indonesia has become more vocal in their displeasure with China's increasing economic influence. In the Jakarta-Bandung High-Speed Railway project, where Beijing was instrumental, this sentiment was especially evident. Jakarta announced in October 2015 that China would be the project's main funder instead of Japan. The fundamental problem appeared to be financial in nature; China suggested a business-to-business arrangement to finance the project independently of Jakarta's state-backed funding. However, in the end, the project's completion required the Indonesian government to reallocate a portion of the state budget, which infuriated many Indonesians.

As is common in Southeast Asia, the Indonesian public has also grown dissatisfied with the use of primarily Chinese workers in Chinese investment projects and the negative social and environmental

effects of some Chinese-funded projects. When it was claimed that Chinese-owned companies fired Indonesian employees while retaining Chinese employees during the COVID-19 outbreak, frustration increased. The Widodo administration responded by delaying some Chinese nationals' work visas. The influx of Chinese laborers has also become a controversial issue in Jakarta, which is worried that it could spark anti-Chinese sentiment and possibly spark another round of widespread violence against ethnic Chinese, similar to what happened in the late 1990s.

When a country begins to receive funding from the BRI, it is not only money that flows in, but also Chinese workers, machinery, and other materials such as steel necessary for infrastructure development will arrive from China (Pratiwi et al., 2020). In general, China's bilateral strategy shows a limited emphasis on soft power tactics, frequently leading to a failure to respond to its partners' interests and concerns, which can eventually cause conflicts of interest and tensions (Sinambela et al., 2024). This becomes problematic when the country is unprepared to face such conditions. Insecurity within Indonesian society begins to emerge as they become vulnerable to the implementation of the BRI. For instance, during the construction of power plants, Indonesian workers may experience mistreatment and injuries due to companies failing to provide a safe working environment. Furthermore, the importation of textiles and steel from China leads to job losses for Indonesian workers. Consequently, the government loses full control over managing the country and is unable to ensure security for its citizens, such as job opportunities and basic needs.

B. The Direction of Indonesia's Foreign Policy Under the Administration of Prabowo Subianto (2024-2025)

The election of Prabowo Subianto as the president of Indonesia in 2024 may signify a shift in the country's foreign policy strategy, particularly concerning Indonesia's relationship with China as part of the BRI initiative. As the president of Indonesia, Prabowo will encounter several significant possibilities and challenges while navigating the complex geopolitical landscape. Upon taking office, Prabowo will aim to balance Indonesia's relations with global powers such as China, the United States, and regional allies. In light of the ongoing tensions between the United States and China, which have led to increased global polarization, the new administration must carefully weigh the advantages and disadvantages of forging overly close ties with any nation (Miswar, 2024). Although strengthening economic ties with China has been a primary objective for Jokowi's administration, Prabowo must also take into account the interdependence with China in balancing his relations with other countries such as the United States. Prabowo will continue Jokowi's distinctive policies, which include infrastructure development and industrial down streaming, to maintain close economic relations with China. Concerning the strategic competition between the United States and China, he urged both nations to act as responsible global powers. He contended that major powers can coexist, collaborate, and cooperate. Indonesia, he stated, is dedicated to fostering this type of engagement among the major powers (Khoe, 2024).

As the competition among major powers polarizes the region, Indonesia is likely to emphasize strategic separation – strengthening defense ties with the West while simultaneously enhancing economic engagement with China. In this context, Prabowo reflects an extension, if not an expansion, of his predecessor's policies (Laksmiana, 2024). Prabowo's capacity to put Indonesia's national interests first while maintaining a realistic and unbiased stance is crucial to his success in foreign policy. His qualifications in foreign policy helped him land the job. Perhaps the most 'internationalist' president Indonesia has had since Sukarno, the country's founder, is Prabowo, a retired special forces commander with U.S. training. Speaking multiple languages fluently, he traveled extensively overseas while serving as Joko Widodo's defense minister. He spoke with officials from 38 countries at least 84 times after winning the election in February 2024, and he was sworn in eight months later. He toured six nations, including China, the United Arab Emirates, the United Kingdom, and the United States, for over half of his first month in office. Prabowo's defense and security policy may also push Indonesia toward the West if it unintentionally becomes too close to China. The United States and Europe play a

major role in Indonesia's defense capabilities, from military drills to training and acquisition. In addition to growing economically interdependent with China and strengthening its security ties with Western countries, Indonesia may pursue some sort of strategic independence.

Prabowo feels that in order to show that it "respects the interests of all our neighbors and all major powers in the region," Indonesia's foreign policy should naturally take a non-aligned approach. Prabowo seems to personally embody and communicate the notion of non-alignment, which is contained in the phrase 'an autonomous and aggressive foreign policy,' more forcefully than most Indonesian foreign policy leaders. According to him, collaboration, compromise, and cooperation should always be Indonesia's top priorities. Prabowo openly urged moderation during Indonesia's maritime conflict with China in early 2020, months after becoming Minister of Defense, even stating that "China is a friendly and peaceful country." (Laksmiana, 2025). This viewpoint is consistent with avoiding a competitive posture overseas and interacting with big powers through economic engagement to provide Indonesia diplomatic breathing room.

Prabowo is probably going to carry on his predecessor's domestic policy legacy, nevertheless. This mostly entails the ongoing development of the country's infrastructure. Prabowo has stated that he intends to continue Jokowi's controversial 33 billion USD plan to build a new capital city in the jungles of Borneo. Furthermore, despite the fact that they usually depend on Chinese financing and incur enormous debt, a number of other important projects, such as high-speed rail networks, are scheduled to proceed under Prabowo's direction. Like his predecessor, he wants to see Indonesia become an industrialized country. The goal of Jokowi's industrial "down streaming" strategies will be to boost domestic value creation under Prabowo's direction. Additionally, Prabowo is committed to maintaining export restrictions on raw commodities like copper (beginning in 2024), nickel, and bauxite, which were put in place during Jokowi's leadership and have caused controversy in Europe.

Since production, processing, and refining took place in the importing countries, Indonesia spent many years exporting its raw materials and without participating in other phases of the value chain. For example, Jakarta is currently seeking to capitalize on the world-largest nickel resources to capitalize on the growing demand for nickel, which is necessary for the production of batteries for electric cars. Indonesia wants to create more value in its own country instead of just being a supplier of raw materials, so it has banned exports and encouraged foreign businesses to invest in domestic production, processing, and refining. This approach has worked so far, especially for nickel. Since 2020, Indonesia's exports of nickel products have increased by almost 100% as a result of significant investments made by Chinese companies, in particular (Heiduk, 2024). Indonesia-China relation under Prabowo Administration is similar with its predecessor Joko Widodo with Indonesia still relaying on China investment towards Indonesia manufacturing capabilities and infrastructure with Prabowo policy encouraging Industrialization. Interdependency between Indonesia-China is still relevant in Prabowo Administration. Indonesia is expecting to still have China as its largest trade partner and largest source of investment.

5. CONCLUSION

The Belt and Road Initiative (BRI), launched by China in 2013, has had a significant impact on the patterns of interdependence between China and Indonesia. The aim of this initiative is to enhance infrastructure connectivity and strengthen economic cooperation across various sectors. The argument that the BRI policy can increase interdependence is also reflected in the rise of investment activities, trade, and exchanges between the two countries, which have been driven by the BRI. On the other hand, the growing reliance on Chinese investment may pose fiscal risks for Indonesia, particularly concerning debt and project sustainability. Therefore, it is essential to diversify investment sources and strengthen domestic infrastructure to mitigate dependence on a single country.

The interdependence relationship peaked during the era of Joko Widodo, characterized by his commitment to developing the much-needed infrastructure in Indonesia. The Belt and Road Initiative (BRI) presents an opportunity for Indonesia to attract foreign investment that can be utilized for the advancement of Indonesian infrastructure. Consequently, the intensity of bilateral relations and interdependence between Indonesia and China has increased dramatically. Although Indonesia's budget deficit has significantly risen in the short term due to ambitious infrastructure development, the election of Prabowo Subianto as Indonesia's president in 2024 has led to slight changes in the country's foreign policy towards China, particularly regarding the BRI. Prabowo has upheld and implemented the principles of an independent and active foreign policy, enabling him to navigate the complex geopolitical waters amid rising global polarization. He believes that Indonesia's non-provocative actions and emphasis on cooperation can maintain the country's status as a non-aligned nation. In his efforts to manage interdependence with China, Prabowo has adopted a strategic separation approach to foster economic cooperation with China, balanced by defense cooperation with various Western nations such as the United States, Germany, and the United Kingdom.

The interdependence between Indonesia and China during Prabowo's administration remains pertinent to discuss, as it illustrates the bilateral relationship between the two nations. This interdependence indicates that both countries rely on each other; China seeks the natural resources and geopolitical advantages that Indonesia possesses, while Indonesia requires infrastructure investment and technology from China. Nevertheless, challenges such as reliance on Chinese products and the socio-economic impacts of BRI projects, including potential job losses and debt influence, continue to be a concern. Overall, the BRI has the potential to enhance China's position as a dominant power in Southeast Asia; however, Indonesia must manage the associated risks of this cooperation to avoid falling into a detrimental or exploitative dependency relationship.

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