

# The Dynamic of Indonesia-China Relations in the Middle of South China Sea Dispute

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## Abstract

*This study attempts to analyze the dynamics of Indonesia-China relations in the last five years using a qualitative approach. The data used are the annual reports of Indonesian ministries and government agencies that focus on the area of marine protection. Based on the studies that have been carried out, it can be concluded that the Indonesian government is aware of the importance of investment from China for its development, however, the Indonesian government at the same time stands firm when it comes to matters of maritime territorial sovereignty. The reflection of the firm stance of the Indonesian government can be seen from the enactment of Law Number 32 of 2014 and Law Number 178 of 2014 regulates the management and protection of marine areas and gives a mandate to the Maritime Security Agency to coordinate the affairs of the outermost sea areas. Finally, in the event of an escalation in the South China Sea, the governments of Indonesia and China are trying to put forward a diplomatic approach to resolve affairs on the ground. This approach shows a commitment to maintaining regional stability.*

**Keywords:** Indonesia-China Relations; South China Sea; Territorial Sovereignty

## Introduction

China's maneuvers in the South China Sea are a serious concern for Southeast Asian regional leaders. Indonesia as one of the countries that has close ties to China is no exception to participating in monitoring China's military movements in the South China Sea by sending the Nipah warship in early January 2021 to conduct patrols in Natuna, Indonesia's outermost sea which is adjacent to the escalation zone.[1] On Wednesday, January 13, 2021, the Indonesian Maritime Security Agency intercepted the Chinese ship Xiang Yang Hong 3 which was conducting a survey in the Indonesian Exclusive Economic Zone. Chinese-flagged ships conduct surveys by utilizing the UNCLOS zone which allows ships belonging to foreign countries to pass. However, what made the Indonesian authorities pursue them was the action of a Chinese ship that turned off the Automatic Identification System (AIS) when crossing the North Natuna Sea, South Natuna Sea, and the Karimata Strait. The Indonesian Maritime Security Agency gave chase by sending a patrol boat KN Nipah 321.[1] The action of Chinese ships crossing Indonesian territory is not something new, violations have often occurred, especially since 2016. In 2021 the Indonesian government also found a Sea Glider in Indonesian waters which according to Indonesia is an espionage tool for foreign powers in the Indonesian seas. In addition, the Indonesian government is also concerned with the law passed by the National People's Congress which regulates the permit to use weapons for their Coast Guard when conducting patrols. Apart from Indonesia, countries in the region such as Japan also have the same concerns about China's military approach.

China itself is currently involved in a dispute with ASEAN countries in the South China Sea (SCS). The Chinese government through the "nine dash line" claim made countries such as Vietnam, the Philippines, Brunei and Malaysia file a series of protests against China.[2] The Philippines even earlier filed a dispute with the International Court of Arbitration to dismiss China's claim. Based on the decision of the Philippine court, it is said to be entitled to the islands around the Spratly Islands. China, meanwhile, does not recognize the court's decision.[3]

Although Indonesia does not have a territorial dispute with China in the South China Sea, the activities of fishermen from China and the maneuvers of Chinese coast guard troops that have crossed Indonesia's seas several times are considered serious violations by Indonesia. Therefore, Indonesian President Joko Widodo specifically made direct visits to Natuna Island in 2016 and 2020. President Jokowi's special visit was accompanied by a show of force from the Indonesian National Army (TNI). Then, since 2017 Indonesia has also proposed a name change to the North Natuna Sea as a notification to international parties about the existence of Indonesian territory. This name change was protested by China, but Indonesia continued its efforts in international agencies to gain UN legitimacy.

Relations between Indonesia and China in the last five years have been very dynamic. On the one hand, the Indonesian government opens itself to foreign investment to support the development of infrastructure projects in Indonesia, China as one of the countries that is actively offering investment projects in the infrastructure sector has received acceptance from the Indonesian government. When compared to Japan and Singapore, China is one of the new investors who have started to invest in large amounts. While on the other hand, China's attitude which tends to ignore international consensus in the South China Sea is an aspect that cannot be compromised with Indonesia. Indonesia has a firm stance regarding its sea area, Natuna, which is adjacent to the South China Sea.

The main questions of this research such as: how Indonesia-China relations have been in the last five years, what are the main considerations for Indonesia when it comes to protecting its maritime territory and how the two countries manage their differences regarding escalation in the South China Sea.

Researches regarding Indonesia-China relations mostly focus on bilateral relation which lies on trade, such as Anne Booth[4] in her analysis concludes that the relationship between Indonesia and China is based on the principle of comparative advantage because Indonesia's exports to China are mostly in the form of raw materials, while China's exports to Indonesia are in the form of finished goods. Relations between the two countries are increasing because of regional commitments marked by the ASEAN-China Free Trade Agreement (AFTA) which has been in effect since 2010. Each country in the region has its own approach in managing trade relations with China. Juniar [5]also conducted the same study which discussed the trade relations between Indonesia and China based on the supporting factors that make the two countries need each other amid the increasing status of China as an important power in the future.

Meanwhile, [6] underlined Indonesia-China relations from a historical perspective, where in the past the Cold War contributed to anti-China sentiment in Indonesia, diplomatic relations were practically frozen, then regime change in Indonesia opened a new page for more open relations between the two countries. and focus on trade matters. Although economic issues have become the glue of relations between the two countries, domestic political issues that are thick with identity politics that link ethnic Chinese in Indonesia with the domination of the economic and political sectors have become a stumbling block in Indonesia. Based on previous studies, there are important parts that have not been studied much, especially regarding escalation in the South China Sea. So for this reason this study is very necessary.

### ***Methodology***

Territorial integrity is the priority of the Indonesian government, this commitment is reflected in Indonesian foreign policy that lies on the purpose of protecting Indonesian national interest. In every election, the issue of sovereignty used to be a primary topic in the political agenda promoted by candidates. In responding development of the issue in the South China Sea, the Indonesian government and parliament are very careful in making policies. This study uses a qualitative approach with the aim of being able to interpret every policy made by the government and laws made in the last ten years. The products of laws and regulations that are made boil down to the importance of ensuring that Indonesian sea areas are not separated and are under Indonesian control.

In this study, the researcher collected electronic news related to the violations committed by the Chinese and the reactions given by the Indonesian government. The aim is to analyze the issue by using content analysis around the issue of the South China Sea and China-Indonesia relations. In addition, the researcher also collected laws and regulations related to maritime and border management, the legal basis for the establishment of the Maritime Security Agency (BAKAMLA). The existing data is then compared with reports from government and parliamentary institutions for further analysis. The researcher also conducted interviews with stakeholders who are directly involved in Indonesia's border management affairs, such as the Head of the Indonesian Coast Guard, Vice Admiral Aan Kurnia. After the data was collected, it was analyzed descriptively and then tested the validity of the data through interviews with researchers who are concerned with maritime issues and Indonesia-China relations.

### ***Research and Discussion***

#### **Indonesia's Position Related To The South China Sea**

Indonesia has an island called Natuna. The location is at the very end of Indonesia which is directly adjacent to Malaysia, Vietnam and Singapore. This island has an important historical footprint because it was part of the disputed territory between Britain and the Netherlands. Meanwhile, the location of Natuna with the South China Sea is 1443 kilometers. For Indonesia, the existence of Natuna is a sovereign boundary that cannot be changed and cannot be negotiated. Therefore, when there is a violation committed by foreign fishermen or the coast guard of a neighboring country, Indonesia shows its firmness.

Even in the first term of President Joko Widodo, there was a strict policy against foreign fishermen, every boat that was caught would be blown up and sunk in the sea. Indonesia's tough attitude is expected to send a message to Indonesia's neighboring countries to respect Indonesia's territorial sovereignty. Indonesia feels that the activities of foreign fishermen in Indonesia's marine areas have resulted in large losses.

The activities of foreign fishermen and Chinese coast guards in Natuna are the main concern of the Indonesian government, fishing activities and Chinese coast guard patrols under the pretext of the nine dash line and traditional routes are arguments that are difficult for Indonesia to accept. Therefore, to ensure that the territory of Indonesia remains safe, Indonesia places its military forces to guard the outer islands such as Natuna. The Indonesian military was asked to increase patrols and increase the activities of local fishermen with assistance from the Ministry of Maritime Affairs and Fisheries.

Indonesia's firm policy in Natuna can be understood as a preventive measure to avoid incidents in the past where Indonesia had to give up on releasing Sipadan and Ligitan to Malaysia after losing a dispute in international arbitration.

**Indonesia-China Relations: The Resurrection Of The China Economy And Indonesian Investment Needs**

Relations between Indonesia and China have indeed experienced significant developments, especially in the era of Joko Widodo's administration since the first period. This can be seen from the large amount of Chinese investment in infrastructure. The construction of the Jakarta-Bandung high-speed rail project which costs 600 trillion, for example, is a form of China's investment commitment in Indonesia. The high-speed train project was originally a project that was predicted to be managed by Japan because so far Japan has been a country that has worked on many infrastructure projects in Indonesia[7] China's move to invest in many countries is a derivative of China's foreign policy under the One Belt One Road (OBOR) scheme or more recently known as the Belt Road Initiative (BRI).[8]

Figure 1 Indonesian Export and Import January-February 2022



Source: Indonesian Ministry of Trade, 2022

Figure 1 showed the portrait of Indonesian export and import during January to February 2022 which explain the position of China (Tiongkok) as the big five of Indonesian trading partner. Indonesian export to China for non-mineral sector reached 7.24 million dollar, while import from China reached 10.48 million dollar. Data for 2021 released by the Investment Coordinating Board (BKPM) also showed that China occupies the second position with an investment value of US\$ 1.0 billion, able to overtake Japan, which has an investment value of US\$ 322 million. The country that occupies the top position as the largest investor in Indonesia is Singapore which has an investment value of US \$ 2.6 billion.[7] The sectors targeted by China's investment include the base metal industry, transportation, and electricity and gas. That is, China is targeting industries that do not require high-level technology. Meanwhile, the locations of choice for Chinese investment are targeting areas that already have basic infrastructure for industrial activities, such as Central Sulawesi, West Java and Banten.[7]

Through investment, China hopes to have an impact on increasing influence in the Asia Pacific region. This was confirmed by the presentation of Chinese leaders at the Asia Pacific leaders meeting (APEC) in 2013. Chinese President Xi Jinping stated that China would not be able to grow as an economic power if isolated from the Asia Pacific, while Asia Pacific would not be able to prosper without involving China.[9] The policies made in the Xi Jinping era, especially regarding SCS, show a significant change in

Beijing, that China no longer shows a low profile (taoguang yanghui) gesture but is now more persistent (fenfa youwei) in achieving its goals.[9]

President Xi Jinping's statement shows that in the past two decades China has indeed considered the Asia Pacific to be a trading partner while Asia Pacific leaders have not fully seen China's genuine commitment to economic expansion.[9] The Indonesian government itself sees the existence of Chinese investment as an opportunity to increase development in Indonesia, especially in the infrastructure sector[10, 11]

### ***Indonesian Sovereign Defense Doctrine***

Although Indonesia is not directly involved in disputes involving China and most of the ASEAN member countries, China's maneuver to build military installations on the Spratly islands has the potential to make China claim islands adjacent to the Spratly Islands, including Natuna. This is reinforced by the high activity of Chinese marine authorities and fishermen around the Natuna waters.

Indonesia chose to take a firm stand against China regarding the issue of the Natuna waters. Indonesia since the era of President Joko Widodo has experienced a paradigm shift in managing the region. Joko Widodo has a World Maritime Axis doctrine so that he gives all his attention to sectors that are directly related to maritime issues. The fact that thirty percent of Indonesia's territory is an ocean that has the potential to bring in foreign exchange for the country makes this policy very relevant for the Indonesian government. In the first period of Jokowi's administration, there was a firm policy against any acts of violation of Indonesia's territorial boundaries. The Ministry of Maritime Affairs and Fisheries under Minister Susi Pujiastuti issued a policy of blasting and sinking foreign fishing vessels that have been legally proven to have violated the law[12].

Hasyim Djalal as a former Indonesian diplomat at the United Nations who was also involved in drafting the 1982 United Nations Convention for the Law of the Sea (UNCLOS) emphasized Indonesia's position in the South China Sea in his article explaining that Indonesia's position had no other motive than to create peace, stability and cooperation for the achievement of development in the region.[13]

In addition, Indonesia is also strengthening institutions that are directly related to marine protection. Since 2014 the Indonesian government has established the Maritime Security Agency (BAKAMLA), an agency that has greater authority than previous institutions.[14] In addition to strengthening the marine guard authority, Indonesia is also increasing its military presence in Natuna by integrating three forces under umbrella called by the TNI Commander as the Integrated TNI Unit since 2018. According to TNI Commander Hadi Tjahjanto, the concept of integrating three forces in Natuna is a new model to respond to potential threats in the outer region. The existence of the outermost island guard troops received special attention from President Jokowi when attending the 75th TNI Anniversary celebration on October 5, 2020.[15]

The establishment of BAKAMLA has proven to be effective, as can be seen from patrol activities that have succeeded in identifying, arresting and expelling violators. In March 2016, for example, BAKAMLA managed to intercept a Chinese marine guard who violated the law by entering Natuna waters, which was followed by a protest by the Indonesian Foreign Minister to China. Subsequently, in May 2016 the Indonesian Navy made arrests of Chinese fishermen which was followed by protests from the Chinese side because they considered their fishermen's actions to be unlawful.[16]

Table 1

## The Incident Between Indonesia and China in Natuna Waters 2016-2020

No	Years	Incident
1	21 March 2016	Indonesian Foreign Minister Protests China Coast Guard Ship Enters Natuna
2	31 May 2016	China Protests Arrest of Crews/Fishermen in Natuna
3	20 June 2016	China protests the shooting of fishing boats by the Indonesian Navy
4	23 June 2016	President Jokowi Meeting on a Warship in Natuna
5	17 August 2016	Indonesia Sinks 60 Foreign Fishing Boats
6	7 January 2020	China Sends 2 Coast Guard Ships to Natuna
7	7 January 2020	Indonesia Conducts Air Patrol
8	8 January 2020	President Jokowi Visits Natuna
9	8 September 2020	Indonesian Foreign Minister Defuses US-China Tension in South China Sea

Source: Indonesian Coast Guard, bakamla.go.id, 2022.

Based on the data described in table 1, it can be seen that in the last five years there have been at least nine incidents that show the actions and reactions of the Indonesian and Chinese governments. China's attitude of repeating similar actions in Indonesian waters shows China's high confidence. China's confidence is indeed supported by the increase in China's military capacity in the last decade in line with China's economic growth. China's military expenditure increase consistently for the last ten years. SIPRI data for 2020 confirms China's military budget of 252 billion US dollars.<sup>[17]</sup> In addition, China's military ranking ranks third as the country that has the largest power in the world behind the United States and Russia.<sup>[17]</sup>

Although China has military superiority in the region, Indonesia does not see China's military power as the main consideration, Indonesia is instead trying to use a multilateral approach to bring up the problems that occur in the South China Sea. Indonesia expressly provides boundaries that China cannot tolerate, especially regarding territorial sovereignty. Indonesia also has the credentials as the world's largest Muslim country with influence in the Islamic World. So that Indonesia does not want to respond with a military approach to violations by China in Natuna.

### **Indonesia And ASEAN Consensus In Responding To China In The South China Sea**

On several occasions, Indonesia has expressed its views on developments in the South China Sea by underlining the importance of maintaining regional stability. Regional stability is considered the key to spur economic growth in member countries and partner countries. The amount of Chinese investment in this region is also a factor that is often conveyed by Indonesia when dealing with China. Developments in the South China Sea have also received reactions from external forces. The United States has always considered ASEAN as a strategic partner that must be maintained. Even Hillary Clinton when occupying the position of US Secretary of State said that the future is the "Asian century". Hillary's statement shows the US commitment in the Asia Pacific region.<sup>[18]</sup>

In fact, in the South China Sea dispute there are direct disputes involving China with member countries such as Malaysia, the Philippines, Vietnam and Brunei. This situation, of course, had never been imagined by ASEAN leaders. Since ASEAN was established until now, the Southeast Asian region is a relatively stable region and is free from armed conflicts between countries. Such conditions are the ideals of all ASEAN countries.

Countries involved in disputes with China are based on modern international law, so they feel more entitled than China. The dispute over these claims has even

escalated into a military escalation as in 2014, as the May issue of the Wall Street Journal captured an image of clashes between Vietnam and China's maritime security authorities in the South China Sea.[19]

Developments in the South China Sea in the last ten years are very different from previous years. This can be seen from China's reaction when the Philippines filed a lawsuit in 2013 to the international arbitration tribunal in The Hague with the aim of refuting China's claims to islands in the South China Sea. In 2016 international arbitration in The Hague granted the Philippines' request. The Philippines considers China to have proven to have violated international norms, thus bringing the dispute case to international arbitration, in the court's decision it was determined that the Philippines was entitled to the island which had been under their control. The decision of the arbitral tribunal is considered as the legitimacy of the disputing countries to reject China's claims.[20]

Although the Philippines has received legitimacy from the international tribunal, China has ignored the arbitration award by continuing its activities on the islands that are the subject of dispute. CSIS in 2017 released a report on Chinese military activity in the Spratly Islands which is building military installations, including weapons arsenals, sensor systems, radar systems and long-range missile storage areas.[21]

The Philippines under the leadership of President Rodrigo Duterte chose to act cautiously so that territorial disputes do not lead to military conflicts and even wars with China. A spokesman for President Duterte said the Philippines was in a position to monitor any Chinese movements in Fiery Cross, Subi and Mischief. The attitude of Duterte who chose to be soft on China by the Singapore media is said to be related to the high number of Chinese investments in the Philippines.[22]

China's attitude that ignores international norms by continuing to build military installations then triggers the readiness of ASEAN countries to prepare for the worst if they have to face off militarily in the South China Sea. ASEAN seeks to ensure its region avoids armed conflict involving China and member countries. ASEAN sees that there is still an opportunity to prevent open war by creating an understanding with China in the form of a Code of Conduct. This COC for some time is still effective to stifle China. However, provocations carried out by the Chinese military in the South China Sea often trigger reactions from ASEAN member countries. As done by the Philippines by holding joint exercises with the United States navy.

The presence of the United States is a new issue that deserves the attention of ASEAN countries. Because on the one hand, ASEAN hopes that stability in the region will be maintained, while on the other hand, the US, which has close ties to ASEAN member countries, considers China to be the main threat for the next few decades. The US is trying to keep pace with China in the South China Sea by sending a war fleet and conducting routine patrols.

### **Conclusion**

Based on the studies that have been done, it can be concluded that Indonesia-China relations tend to be dynamic because of the need to interact with each other in a more open world. Indonesia-China economic cooperation has increased significantly in the last five years. However, there is one issue that puts Indonesia and China in a different position, the escalation in the South China Sea. Where Indonesia does not want to compromise when it comes to territorial sovereignty.

Although the two countries are on a different stand, both countries are trying to use a diplomatic approach to reduce the disagreements that often occur in the field. This step is to ensure stability in the region. Indonesia has a long-term plan to catch up with its neighbors in Southeast Asia in terms of competitiveness.

Indonesia realizes that it is lagging behind in the field of infrastructure development, so when China offers a prestigious project through infrastructure projects, Indonesia accepts it with open arms. China's strategy to develop its influence through investment is effective, although at the same time China's aggressive defense

policy in the South China Sea has become a special concern for ASEAN countries. Indonesia as one of the key players in the region strives to maintain balance and ensure that the ASEAN region does not become a theater of conflict involving China and other major powers.

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