



Indonesia-China Relations within the Framework of ASEAN Policy

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Abstract

This study discusses the effect of China's economic revival on Indonesia's foreign policy orientation. Historically, the relationship between China and Indonesia, which had been severed in 1965 due to ideological conflicts and Indonesia's suspicion of China's support for the Indonesian communist party (PKI), has now started to re-establish since the 1990s, which began with China's economic growth. . The foreign policy of a country is often caused by a combination of unexpected external forces with unfavorable structural factors. The continued stalemate in China-Indonesia bilateral relations has equally serious consequences for China. In fact, China's diplomatic failure against Indonesia has cost China and that loss cannot be offset by the diplomatic gains generated by the opening of new relations with other ASEAN countries. This study tries to discuss this situation in depth using several approaches in order to find two variables that become the topic of this thesis, namely the rise of the Chinese economy and its influence on Indonesia's foreign policy.

Keywords: *Foreign Policy, Change, Economic Cooperation*

INTRODUCTION

This study will discuss the effect of China's economic revival on Indonesia's foreign policy orientation. The writer is interested in this topic because the relationship between China and Indonesia that had been severed in 1965 due to ideological conflicts and Indonesia's suspicion of China's support for the Indonesian communist party (PKI) has now begun to re-establish since 1990. It started with China's economic growth which went far beyond what was previously thought. Basically a country's foreign policy is often caused by a combination of unexpected external forces with unfavorable

structural factors (John Wong, 1987). The continuing stalemate in China-Indonesia bilateral relations has equally serious consequences for China. In fact, China's diplomatic failure against Indonesia has cost China, and that loss cannot be covered by the diplomatic gains generated by the opening of new relations with other ASEAN countries.

Referring to the history, in the past when Indonesia opened bilateral relations with China, the national interest brought by Indonesia under Sukarno's leadership was to carry out its economic and social revolution under guided democracy. In addition, the main factor that pushed Sukarno to open diplomatic relations with China was regarding the formation of Malaysia which he saw as a neo-colonial creation and a game of imperialist power to hinder Indonesia's hegemony against the Malayan states.

In launching a confrontational campaign to crush Malaysia, Sukarno also desperately needed diplomatic and material support from China. In addition, China's national interest in fostering relations with Indonesia is to fend off the influence of the United States and the Soviet Union. In the early 1960s, China's international position was deeply isolated due to its constant hostility to the United States and its political and ideological rift with the Soviet Union, as well as border conflicts with India. Therefore, China urgently needs an alliance with Indonesia to forge NEFO (New Emerging Forces) as a "United Front", and Indonesia in China's perspective has its own charm

because China considers Indonesia as a country with revolutionary potential, so that it can form a coalition with China to compete with the American and Soviet blocs (John Wong, 1987).

After the end of the cold war era with the changing international political arena marked by the fall of the ideology of communism and the growing establishment of liberal democratic ideology, it is a very interesting study to look closely at bilateral relations between countries. In particular for China, after experiencing the success of its economic reforms under the leadership of Deng Xiaoping who applied the concepts of a market economy and a centralized economy, it also affected China's position in relation with other countries (Umar Bakry, 1996). Therefore, by looking at some of the phenomena that have occurred in China, it will be very interesting to examine in depth its relationship with Indonesia's foreign policy, especially in the field of international trade. The study becomes more interesting considering that the current socio-political conditions are very different when Indonesia established its relationship with China in the 1960s, and the national interests which are the foundation of foreign policy are also very different. This study tries to discuss in depth using several approaches in order to find two variables that are the topic of writing this thesis, namely the rise of the Chinese economy and its influence on Indonesia's foreign policy.

THEORETICAL FRAMEWORK

Indonesia's foreign policy is aimed at protecting national interests, especially development plans (Susilo Bambang Yudhoyono, 2004). In the midst of world developments that are marked by the fullness of the national interests of each country in the negotiation process at the bilateral, regional and multilateral levels, it will be important for Indonesia to determine its attitude and place a clear and precise position (Susilo Bambang Yudhoyono, 2004). In its implementation at the domestic level there is "power, government and law", while international politics "is a field of power, struggle, and accommodation" (Waltz, 1979). Targets in foreign policy, both short-term and long-term targets, must be clearly defined beforehand so that the costs and benefits can be more measurable and transparent. The main thing is how to link national development economic strategies and policies with the steps taken at the international level (Susilo Bambang Yudhoyono, 2004).

The international political system emphasizes the need for a framework for economic activity, so that although economic forces are real and have a profound effect on the distribution of wealth and power in the world, they always operate in the context of political struggles between groups and nations. -nation. The decline in political power after the end of the cold war raised hopes for a more stable, peaceful and prosperous international climate. But in reality, the development of the prosperity of nations is asymmetrical. In the current era of globalization, building relations with other countries as the effort to run the wheels of a country's economy is absolutely needed to be performed. In this increasingly globalized condition, Indonesia's diplomacy has become an important

key. It is our role to introduce Indonesia to the outside. To go there, an understanding of the global arena is needed, so that we are not trapped in involutive diplomacy and are still able to show the nationalism of a country in the midst of the increasingly strong pressure of internationalism (Robert Keohane, 1984).

A. National Interest

Morgenthau defines national interest as a concept that must be interpreted as power. Therefore, Morgenthau points to the national interest based on the definition of power, meaning that the position of power that must be owned by the state is the main consideration that gives shape to the national interest. The consequence of this thinking is that a national situation or goal must be evaluated and measured using the benchmark of the state's power position. Meanwhile, the essence of national interest according to Frankel is a whole value to be upheld by a nation. Frankel further said that the national interest can describe the aspirations of the state, and the national interest can be used operationally which can be seen in its application to actual policies and intended plans (Frankel,

1988). Thus, both the policy and the intended plan are oriented to the national interest. In actual practice, the national interest is not only created by a statesman but can also be created by other statesmen who believe that the state is merely a tool to meet the needs of its citizens. Both may make the same interpretation of the national interest, as long as the state is truly responsible for the welfare and meeting the national needs of its citizens.

B. International Trade.

International trade is a trade carried out by residents of a certain country with residents of other countries on the basis of mutual agreement. The population in question can be between individuals (individuals and individuals), between individuals and the government of a country or the government of a country with the government of another country. Another limitation regarding international trade is the process of exchanging goods and services between two or more countries with different laws and sovereignty by complying with internationally accepted regulations. International trade provides some advantages for the participating countries, because the state can sell its goods abroad which can increase the wealth and welfare of its population.

C. Foreign Policy

National interest is the whole value to be fought for and defended in international forums. Therefore, it can be said that the national interest is the key in foreign policy. According to Coulombis and Wolfe, foreign policy is a synthesis of national goals or interests with power and capabilities (Thomas Coulombis and John Wolfe, 1990). The implementation of foreign policy is carried out by government officials. Therefore, government officials have an influence on foreign policy. Besides government officials, socio-political forces, better known as pressure groups, also influence the formation of a country's foreign policy. The purpose of foreign policy is to embody the national interest. What the country desire for the future are set in their objectives. The government of a country determines various means sought to be achieved by taking various actions that indicate the existence of needs and goals.

The implementation of foreign policy is preceded by the determination of policies and decisions. Apart from that, some considerations that are accompanied by national factors as internal factors and international factors as external factors have to be noted. In addition, in the implementation of foreign policy, appropriate techniques and instruments must be chosen to achieve the goals that have been set.

METHODOLOGY

The research method used by the author in this study is qualitative descriptive method. This method is used because this study is a process of describing the framework of foreign policy. Methodology is not just a collection of research methods or techniques, but a whole foundation of

values (especially those concerning the philosophy of science), assumptions, ethics and norms that become the rules used to interpret and conclude research data, including criteria to assess the quality of the results of the study (Moh. Nazir, 1988). In collecting data, the researcher used literature study. Data analysis was carried out simultaneously with the data collection process (on going analysis) using data analysis techniques commonly applied in qualitative research. Qualitative data were analyzed using inductive analysis and logical analysis methods (Marshall & Rossman, 1989).

FINDINGS

It is important to pay attention to China, because this most populous country has awakened from its slumber during the end of the Second World War. China's influence on the world seems so great—that it is paradoxically difficult for those tasked with seeing the big picture to understand. By all measures, China's economy is growing rapidly. For all countries, annual economic progress reports

are made in the form of gross domestic product, which is the sum of the values of all goods and services traded in a country's economy (Ali Alatas, 2006).

In 2003, China's GDP reached 41.4 trillion. By this measure, China is the seventh largest economy in the world. The United States economy is by far the largest in the world; with a 2003 GDP of 410.1 trillion, the country's economy is seven times larger than China's. Since China began reforming its economy a generation ago, the country has grown by an official rate of 9.5 percent. Any country in the early stages of its economic reform often rises rapidly, but not as rapid as China. The country is approaching its 30-year journey and during that time its economy has nearly tripled. The rise is second to none in modern history.

For other countries, China's growth has played an important role as a customer as well as a supplier. Japan and Germany have recently enjoyed a large trade surplus with the country because China is now the world's largest buyer of factory machinery, and it needs equipments made by Germany and Japan to produce machinery and electronics made by them. These resourceful countries sell China the raw materials that will be reshaped in its factories as well as the energy resources they need to run them. In 2003, according to calculations by Stephen Roach, principal economist at Morgan Stanley, Chinese people bought seven percent of the world's oil, a quarter of all aluminum and steel, nearly a third of the world's iron ore and coal, and 40 percent of the world's cement. There is a tendency that the number will increase in the future.

Referring to the opinion of economist Jeffrey Sachs from Columbia University, an advisor to various countries, he stated that it is certain that if there is a country that will replace the United States in the world market, it would only be China, suggesting that nations should take positive steps to build significant cooperative relations with China, because by 2050 the Chinese economy can reach 75 percent larger than the previous economy. Indonesia currently is experiencing an endless storm. The high level of inflation, poverty, unfavourable condition for investment, bad political maneuvers by government add to the list of this country's record.

A nation is said to be honorable if its people have a decent standard of living, free from extreme poverty, because it would be very dishonorable if the majority of Indonesia's population is poor and even reaches absolute poverty. The President of the Republic of Indonesia, Susilo Bambang Yudhoyono, said that there are ten steps to take in order to make Indonesia a respectable nation. One of the steps mentions that Indonesia must play an active role in international relations by not only considering the conditions of its own country but also thinking about the conditions of other countries that have the potential to establish bilateral cooperation (Susilo Bambang Yudhoyono, 2006). The new Indonesian government, under the leadership of President Susilo Bambang Yudhoyono and Vice President Jusuf Kalla, has a mandate to make tough changes to get the government back on track. In an effort to restore the national economy in the midst of this wave of globalization, foreign policy needs to be focused on bilateral cooperation with East Asian countries, ASEAN+3 (Japan, South Korea, and China), East Asia Community and APEC at the regional level, as well as other groups. -

specific groups on a global level.

As an emerging country, China is a trade partner and main market for Indonesian products through the provision of various fields of raw materials needed, as well as being an important source for the provision of its small and medium-sized technology. Former President Abdurrahman Wahid emphasized the importance of Indonesia-China relations in the future, as reflected in his idea of an alliance of Indonesia, China, India, Singapore and Japan (Smith, 2001). In the SBY administration, cooperation between Indonesia and China is expected to increase in real terms with the declaration of a strategic partnership between Indonesia and China. China is expected to be not only a potential market for our local product but also a crucial source for small and medium technology including technology in weaponry.

Based on the data obtained from the Ministry of Economy, there are several significant cooperation frameworks built between the Chinese government and the Indonesian government, including:

A. Political and Security Cooperation (Ministry of Economy, 2006)

1. Increase the intensity of regular bilateral relations and interactions in an effort to improve the communications and to enhance dialogue on bilateral, regional and international topics of mutual interest and concern.
2. Continue to promote mutual understanding and support regarding our commitment to the principles of mutual respect for the independence, sovereignty and territorial integrity of the two countries. China supports the Government of the Republic of Indonesia in its efforts to maintain national unity and territorial integrity. Indonesia reiterates its determination to continue adhering to the one China policy and its recognition that the Government of the People's Republic of China as the sole official government representing all of China and Taiwan is an inseparable part of China and supports China's peaceful reunification process.
3. Support efforts towards effective reform and wider democratization of the United Nations system, with a view to enhancing multilateralism, strengthening the role of the United Nations in maintaining and promoting international peace and security and sustainable development, as well as ensuring wider participation and sharing of roles in between developing countries in the decision-making process.
4. Strengthening cooperation with Asian and African countries through the New Strategic Partnership for Asia-Africa (NAASP) as well as with the Non-Aligned Movement (NAM) and Group of 77 countries in facing the challenges of globalization and the changing world environment and in ensuring that developing countries take full benefit from globalization.
5. Reaffirming ASEAN's role in building regional cooperation through the declaration of the ASEAN Community and China's role in supporting ASEAN's efforts through programs such as BIMP-EAGA.
6. Take part in pushing all nuclear-armed countries to sign the Southeast Asia Nuclear Weapon-Free Zone Treaty Protocol. China will sign the Protocol as soon as the solution to the unanswered questions regarding the protocol is reached and accepted by all parties concerned.
7. Increase the implementation of the Declaration on the Conduct of Parties in the South China Sea as a way to make the South China Sea a basis for cooperation and a bridge of friendship.
8. Promote mutual trust and confidence in the defense and military fields with a view to building up each other's defense industries and actively investigate the possibility of establishing defense and security consultation mechanisms.
9. Encourage cooperation between law enforcement and intelligence agencies in dealing with non-traditional security issues such as terrorism, drug smuggling, human trafficking, money laundering, cyber crime, and other transnational organized crimes

through the implementation of existing cooperation agreements ; actively explore the possibility of establishing a consultation mechanism; and promote other areas of cooperation that are appropriate and in accordance with the national laws of each country.

10. Cooperate closely on maritime issues by improving the capacity of human resources and establishing a mechanism for maritime consultation and cooperation.
11. Strengthening cooperation in efforts to eradicate terrorism in all its forms and manifestations. Both countries rejected the idea of linking terrorism with religions or ethnic groups and emphasized that the campaign against terrorism must be carried out fully in accordance with the purposes and principles of the United Nations Charter and comply with universally recognized international legal norms.

B. Economic Cooperation and Development

1. Promote greater cooperation at the bilateral, regional and international levels in supporting economic growth based on the principles of equality, mutual benefit, complementarity, and diversity to enhance economic partnerships and at the same time establish economic independence.
2. Strengthen cooperation in international organizations to ensure that developing countries fully benefit from the multilateral trading system and the free trade process in a fair and balanced manner. Both countries need to stress the importance of strengthening cooperation in efforts to meet the goals of the United Nations Millennium as well as the target of international development.

CONCLUSION

Indonesia's foreign policy is aimed at protecting national interests, especially development plans. In the midst of world developments which are marked by the increasing national interests of each country in the negotiation process at the bilateral, regional and multilateral levels, it is very important for Indonesia to determine its place in the right position. In other words, we must "recognize the impact of the sustainability of international regimes on the ability of the states with shared interests to cooperate.

Since the New Order government, Indonesia's foreign policy has adhered to the theory of concentric circles (concentric circles formula). The first concentric circle is ASEAN which is considered as the "corner stone" of Indonesia's foreign policy. Outside this circle, Indonesia needs to strengthen cooperation with countries that are members of the Pacific Island Forum, The South West Pacific Dialogue and tripartite consultations between Indonesia, Australia and East Timor covering the area in concentric circle II. Included in the second concentric circle are the countries covered by the ASEAN+3 cooperation (Japan, China and Korea).

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