

CHAPTER I

INTRODUCTION

1.1 Background

Projecting national strength to achieve national interest and securing the nations in international relations is a must for states to do. In fact, most of the dynamics of international relations are shaped through the steps of states in international political security issues for the sake of their national interest. Acting as a sovereign state, Indonesia actively fights their national interest through their foreign policies. With the policy of free and active and “rowing between two reefs” to be the guidance in conducting their foreign affairs in political security issues, Indonesia has built their domestic strength through hard security measurements such as military and politically. Arm in arm with the policy of free and active, Indonesia that have population strength at 261.1 million , military strength at 14th largest in the world , economic strength that allows them to enter G-20, set their interest of conducting political-security issues in 2 main primary objective such as to preserve internal and regional stability conducive to national development and second is to protect the territorial integrity of Indonesia and safeguard the people’s place of abode.

Through that, Indonesia has successfully achieved its interest in political security through the bilateral platforms and the multilateral platforms. Several

achievements that Indonesia has done and actively contributing on to are Non-Bloc Movement, solving disputes in Cambodia with other ASEAN members and making ASEAN as the most stable region while creating strategic bilateral partnerships with other countries.

Despite that, there is still ongoing struggle Indonesia has to face in achieving their interest. According to USINDO review, Indonesia faces a largely benign, if worsening, external strategic environment. Through that 2 main primary objectives, the writer sets up a box of issues in Southeast Asia that became the political-security challenge for Indonesia consist of US-China competition that includes the South China Sea issues, terrorism issues, and struggles for partners and influence in the region.

Historically, US and China are Indonesian partners. The strategic partnership, constant contribution for ASEAN forums, joint military operation are some of the lists of collaboration the US and China have made with Indonesia in strengthening security and stability. However, despite their partnership status, Indonesia has to face the challenge where both partners compete in the issues that most likely endanger Indonesian government interest too.

The competition itself begins when Chinese government rises economically, shown a stable shift of political power, and also the expansion of the military. This then rises nationalism based policy made by China. With that spirit, he then empowered to turn the foreign policy according to the national interest that is set as the non-negotiable bottom-line of national survival. Seeing the rise of the

Chinese government and the threats it might possess, Obama ,who had vowed to be the first American Pacific President in 2008, then created the foreign policy called ‘Pivot to Asia’.¹ Originally made to fit the aspiration of Obama as the first pacific president of America, Obama was motivated to seek a region where US was able to collaborate economically, politically, and military for the sake of supporting US and other countries goal and a place with significant security issues, US under Obama set the policy to rebalance Asia²³

In response towards US interest in pivoting to Asia through bilateral and multilateral engagement, Indonesia under the leadership of Susilo Bambang Yudhoyono responded in a welcome manner.⁴ The good relationship between them have given birth to creation of Plan of Action 2009, comprehensive partnership, military to military engagement, counter-terror capacity building where the US put Southeast Asia as the second front battle, and they also have a

¹ John, Ford. "The Pivot to Asia Was Obama's Biggest Mistake." The Diplomat. January 24, 2017. Accessed October 02, 2017.

<http://thediplomat.com/2017/01/the-pivot-to-asia-was-obamas-biggest-mistake/>.

² Allen, Ron. "Here's Why President Obama Is Pivoting Toward Southeast Asia on Policy." NBCNews.com. February 16, 2016. Accessed October 02, 2017.

<https://www.nbcnews.com/news/us-news/heres-why-president-obama-pivoting-to-ward-southeast-asia-policy-n519621>.

³ "U.S. Rebalancing Towards the Asia-Pacific: The Defence-Security Dimension." China Policy Institute: Analysis. January 26, 2015. Accessed October 02, 2017.

<https://cpianalysis.org/2015/01/26/u-s-rebalancing-towards-the-asia-pacific-the-defence-security-dimension/>.

⁴ "Fact Sheet: U.S.-ASEAN Relations." National Archives and Records Administration. Accessed October 02, 2017.

<https://obamawhitehouse.archives.gov/the-press-office/2015/11/21/fact-sheet-us-a-sean-relations>.

way to welcomed each other in international stage through forums in ASEAN and other international forums or groups such as G-20. ⁵ Through this strong partnership of US in Southeast Asia through ASEAN and Indonesia, US then gain its strength in political security application in Southeast Asia. Immediately, US has actively involved in the issue of Asia specifically the South China Sea that brings flame to Chinese government. ⁶

China then shows its firm attitude through several steps such as standing against the US focusing on expanding their maritime borders with 9-dash-line for South China Sea that claimed zones of several members of ASEAN and actively showing its power through their navy existence in the zone of South China Sea. ⁷ In response to US-ASEAN relationship, China immediately responded with strengthening bilateral relationship with ASEAN members such as making strategic partnerships with countries that have the same interest including Laos, Indonesia, Malaysia and also by the creation of ASEAN-China summits, cooperation in ASEAN COMMUNITY, and other ASEAN forums.

The competition then gets more intensified after China change the leadership

⁵ Xenia, Dormandi. "Prepare for the Future Threats?" 2014.
<https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Americas/pr0612dormandy.pdf>.

⁶ Xenia, Dormandi, and Rory Kinane. "Asia Pacific Security : A Changing Role for United States ." 2014.
https://www.chathamhouse.org/sites/files/chathamhouse/home/chatham/public_html/sites/default/files/20140416AsiaPacificSecurityDormandyKinane.pdf.

⁷ Xenia, Dormandi, and Rory Kinane. "Asia Pacific Security : A Changing Role for United States ." 2014.
https://www.chathamhouse.org/sites/files/chathamhouse/home/chatham/public_html/sites/default/files/20140416AsiaPacificSecurityDormandyKinane.pdf.

throne to Xi Jinping in 2012. With a merge of Deng's "keeping low profile policy" and Hu's "assertive policy", Xi created a foreign policy to create a massive national rejuvenation for China.⁸⁹ The assertive policies include increasing military budget up to 120 billion dollars, actively developing military presence and island building in the disputed area of South China Sea. These actions then made China to be listed as an official threat to the Pentagon and also to the Indonesian government.¹⁰

In responding to China's aggressive movement that went against Indonesia's top 2 interests, Indonesia always addresses it by playing safe through international forums such as ASEAN forums through Maritime Security Inter-Sessional Meeting, Expanded ASEAN Maritime Forum, ASEAN Regional Forum, ASEAN Defense Ministers Meeting Plus, and also East Asian Summit and UN.¹¹ This act then considered as rebalancing act between US-China in order to secure Indonesia's interest during SBY era. A quite brave action to be taken yet not

⁸ Leon, Whyte. "China's Elegant, Flawed, Grand Strategy." *The Diplomat*. July 25, 2015. Accessed October 02, 2017.

<http://thediplomat.com/2015/07/chinas-elegant-flawed-grand-strategy/>.

⁹ Dingding, Chen. "Xi Jinping's Evolution of Chinese Grand Strategy." *The Diplomat*. December 02, 2014. Accessed October 02, 2017.

<https://thediplomat.com/2014/12/xi-jinpings-evolution-of-chinese-grand-strategy/>.

¹⁰ Xenia, Dormandi, and Rory Kinane. "Asia Pacific Security : A Changing Role for United States ." 2014.

https://www.chathamhouse.org/sites/files/chathamhouse/home/chatham/public_html/sites/default/files/20140416AsiaPacificSecurityDormandyKinane.pdf.

¹¹ KEMLU. "FUTURE DIRECTION OF INDONESIA – CHINA COMPREHENSIVE STRATEGIC PARTNERSHIP." 2013.

<http://kemlu.go.id/Documents/RI-RRT/Joint%20Statement%20Comprehensive%20Strategic%20Partnership.pdf>.

effective enough in stopping the competition between US-China. The competition continuously arises as both countries become bolder in achieving their interest.

After SBY and his policies, Indonesia has a new leader in 2014 named Joko Widodo. With a slight experience in international politics yet strong team in advising him, Jokowi take a different stance in setting the government's interest that affect the way Indonesia views the competition as well. Under Jokowi's, Indonesia has a policy that is "pro-people", focuses on people welfare, more pragmatic and economic-based than SBY, that is also supported by the strategy of Global Maritime Fulcrum. The policy then motivated the actions of prioritizing the infrastructure policy, removing ASEAN as the foreign policy cornerstone, revolving Indonesia's defense culture in buying weapons to boosting creation for weapons, setting an aspiration of creating Indonesia as a maritime fulcrum of the world which either create a signal of challenging the US Navy or Chinese active maritime movement in the region (South China Sea Issue), Jokowi successfully begin the administration with a shift the view of "low profile-accommodative" Indonesia to be more ambitious and confident Indonesia.

¹² This movement then sent a new signal of threat yet opportunities for both China and US for their partnership deals with Indonesia as well as ASEAN members that rely on Indonesia's leadership role for security and stability of ASEAN.

¹² Diplomat, The. "Indonesia foreign policy under Jokowi." The Diplomat. January 11, 2017. Accessed October 02, 2017. <https://thediplomat.com/tag/indonesia-foreign-policy-under-jokowi/>.

Proven through the direct visit Jokowi's made to D.C not long after his administration started resulting in a goodie bag of maritime assistance for infrastructure and apparatus. ¹³ Not long after the US support, Jokowi's administration had the bravery to sink China's vessels in their maritime territory, visiting Natuna, the claimed territory of China, for the first time, planning on creating a new base in Natuna, and changing the name of South China Sea to North Natuna Sea. Enough to made the citizens of Indonesia worries due to China's power in economic and security and the government of China worries.

Confirming that Indonesia is still leaning towards the US, US then confident to bring Indonesia to TPP and strengthen joint military cooperation. However, a shift in pendulum happened when Donald Trump assumed office in 2017. Through the commitment of Trump in making America great again, that seems to emphasize his priority for trade and leverage US' economy which later confirmed by Pence's visit to Indonesia that highlights US' major interest in keeping the relationship for trade and investment of US-Indonesia as beneficial as possible. ¹⁴ Deprioritized the political security issue to be highlighted by Trump's administration, Jokowi then responded in trade policy that tends to lean over China instead of US due to a better deal that Chinese government provides for

¹³ Joseph Chinyong, Liow. "What Jokowi takes home to Indonesia." Brookings. July 29, 2016. Accessed October 02, 2017. <https://www.brookings.edu/blog/order-from-chaos/2015/10/29/what-jokowi-takes-home-to-indonesia/>.

¹⁴ "Vice President Mike Pence arrives in Indonesia." The White House. April 21, 2017. Accessed October 02, 2017. <https://www.whitehouse.gov/blog/2017/04/21/vice-president-mike-pence-arrives-indonesia>.

Indonesia's needs in leveraging its economy through investment and trade. Indonesia's political security movement for China then softened as the US seems to decrease its interest in maintaining security partnership with Indonesia during Trump early administration. ¹⁵This was proved lately by Chinese government Panda Diplomacy that signaled a very good relationship between China and its partner as well as signaling a new partnership that cost 28 billion rupiah¹⁶

Seeing this challenging role Indonesia have to play in the strategic environment of US-China competition where the rising possibility for conflict that will bring loss to the interest of maintaining territorial integrity as well as security and stability for the region and internal interest of Indonesia, it left the writer with curiosity and then motivated to write this thesis. This paper discusses the unique foreign policy of Indonesia along with the ideology of Pancasila as a guidance for this huge challenge in the strategic environment as well as the worsening political security environment between US-China that exist right now that certainly have a change to damage Indonesian interest in regional stability and territorial integrity. We will analyze that through several cases that happened in the past that can help in analyzing the country's pattern of behavior in facing the great power in SBY's

¹⁵ The Jakarta Post, "Indonesia leans toward China," The Jakarta Post, , accessed February 20, 2017, <http://www.thejakartapost.com/news/2016/09/06/indonesia-leans-toward-china.html>.

¹⁶ Ananda Nabila, Setyani. "Diplomasi Panda: Cara Tiongkok jaga relasi bilateral." Rappler. Accessed October 02, 2017. <https://www.rappler.com/indonesia/berita/183297-diplomasi-panda-cara-tiongkok-jaga-relasi-bil>

era and Jokowi's era where we intertwined with the issues that shakes Indonesia's interest due to the big power's policy. This paper will also include several pieces of advice for Indonesia in particular for its expected reaction and policy that should be made in regards to its status as the strategic & powerful state in Southeast Asia when facing great power especially right now the US is facing a shift in power and China is getting stronger in Asia through the eye of political security.



1.2 Research Question

1.2.1 What are the challenges and opportunities that arise for Indonesia from the political security competition between two great powers, US and China as the independent variables?

1.2.2 What are the Indonesian foreign policies including its SWOT in facing the competition between US and China political security competition in Southeast Asia?

1.2.3 How that challenges and opportunities that arise from the US-China competition in political-security issues in Southeast Asia affect Indonesian government behavior as the dependent variable?

1.3 Research Purposes

The purposes of this research are listed as below:

1. To explain about political-security competition between US and China in Southeast Asia during 2008-2017

2. To explain about Indonesian foreign policies that are taken during in the midst of political-security competition between US and China in Southeast Asia during 2008-2017

1.4 Research Contribution

According to its question and its objective, this research aims to contribute to the current situation in world politics especially for the Republic of Indonesia and possible policy it would take in order to develop Indonesia to be a more advanced country in every aspect. This research hopefully will help other researchers in understanding political-security competition between US and China in Southeast Asia during 2008-2017 and the policies Indonesia have taken. This research also aspires to be useful for academic purposes that will elevate the academics in Universitas Pelita Harapan.

1.5 Structure of Writing

1.5.1 Chapter One

This chapter emphasized the background of the research, research question and its objective, as well as what contribution it will make including the structure of writing. The background discussed more on the recent condition of superpower

with US and China as the independent variable as well as Indonesia as the dependent variable

1.5.2 Chapter Two

This chapter discusses the framework of thinking. It mainly showed the review of literature that act as supportive sources to the aim the objective and answer the question of the research. This chapter also explains theory that is applicable to understanding the phenomenon between independent variable and dependent variable

1.5.3 Chapter Three

This chapter discusses what methods that were used in order to aim the objectives and answer the question of the research. This chapter highlighted the qualitative method that was used during the making of this research and also the strategy in creating the thesis.

1.5.4 Chapter Four

This chapter acted as the core part of the research. It mainly analyzed and discuss the data that have been collected in the efforts of answering the research questions. The chapter focused on capturing the big picture of the competition, the grand strategies of all variables, the policies of dependent variables in two

different era of the dependent variable

1.5.5 Chapter Five

The last chapter summarized the whole discussion and analyzation that have been made in order to connect the 1st chapter till the 4th chapter and answer the research question and objectives.

