



**THE CHINA-UNITED STATES RIVALRY AND
HEDGING STRATEGY OF INDONESIA**

BY

MUHAMMAD RENDY ANWAR

**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS
(ASIA-PACIFIC STUDIES)**

THAMMASAT INSTITUTE OF AREA STUDIES

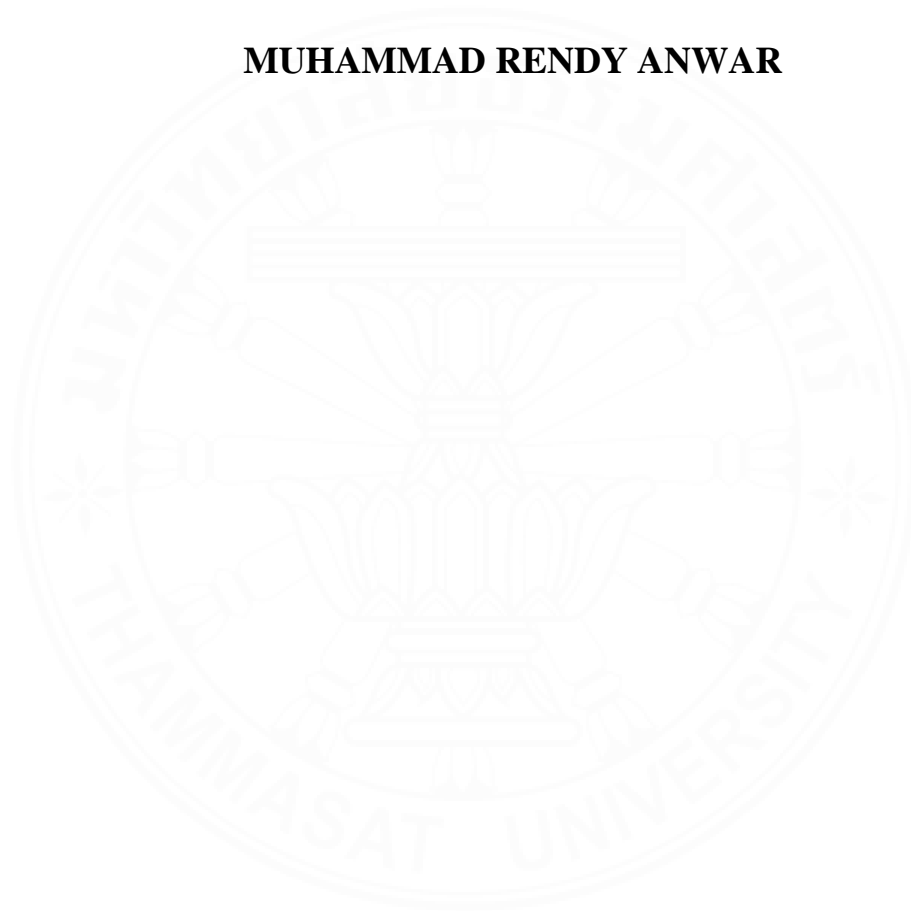
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ENTITLED

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was approved as partial fulfillment of the requirements for
the degree of Master of Arts (Asia-Pacific Studies)

on May 26, 2023

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Thesis Title	THE CHINA-UNITED STATES RIVALRY AND HEDGING STRATEGY OF INDONESIA
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Degree	Master of Arts (Asia-Pacific Studies)
Major Field/Faculty/University	Asia-Pacific Studies Thammasat Institute of Area Studies Thammasat University
Thesis Advisor	Associate Professor Sunida Aroonpipat, Ph.D.
Academic Year	2022

ABSTRACT

This study examined the hedging strategy as an alternative framework to balancing or bandwagoning. Hedging implies ambiguous behavior by a medium-power state to minimize risk and maximize benefits from unpredictable conduct by great powers. This research analyzes Indonesia during the Joko Widodo (Jokowi) administration (2014–2019 and 2019–present) as a case study on how Indonesia hedged against the geopolitical rivalry between the United States (US) and China in the Indo-Pacific region. Using five categories devised by Alfred Gerstl (perceptions; political-diplomatic engagement; economic engagement; limited balancing; and limited bandwagoning), Indonesia hedged against the US and China to maintain economic interdependence with China while countering Chinese assertiveness in Indonesia's exclusive economic zone (*Zona Ekonomi Eksklusif*; ZEE) in the South China Sea (SCS). Although Jokowi remained favorably disposed to China, Indonesia strove for economic diversification to avoid overdependence on China and enhance capital gains by strengthening strategic partnerships with other nations during his second term, including Australia, South Korea, and the US through the Indo-Pacific Economic Framework for Prosperity (IPEF), launched by US President Joe Biden in 2022. Jokowi's reported awareness that China poses an increasing sovereignty threat in the SCS led to more proactivity in his second term through military exercises with potential balancers such as the US, India, and Japan. Indonesia retains limited military

cooperation with China despite fears of communism and Chinese assertiveness. Diversifying military partners avoids military reliance due to suspicion of US interference in domestic affairs. Indonesia has also strengthened its role in the Association of Southeast Asian Nations (ASEAN) to avoid the great power rivalry. Instead of an economic-focused foreign policy prioritized during Jokowi's first term, he has become increasingly involved in regional and multilateral forums. This research augmented previous studies about hedging against China by examining US relations, with differences between Widodo's first and second terms and how they cohere with Indonesian foreign policy doctrine. A newly reconceptualized hedging framework was used to provide a comprehensive analysis.

Keywords: Indonesia, Foreign Policy, Joko Widodo, Hedging, China, United States of America

ACKNOWLEDGEMENTS

Without the never-ending support of the All-Powerful God Allah SWT and the financial assistance of a scholarship from MAPS Thammasat University, this research would not have been possible. I want to express my gratitude to Ajarn Chanin Mephokee, Chairman of the MAPS, who has actively worked to guarantee me the protected academic time I need to achieve my goals.

I appreciate having the opportunity to collaborate on this and other related projects with everyone. Each member of my thesis committee has given me a great deal of professional and personal advice and has taught me a lot about being in general and scientific research. I want to honor my committee members, Ajarn Sunida Aroonpipat, Ajarn Jaran Maluleem, and Ajarn Witthaya Sucharitanarugse. They have taught me more than I could ever credit here for here as my instructors and supervisors. They have demonstrated to me through their actions what a good scholar (and person) ought to be.

The people in my family have been more significant to me in pursuing this endeavor than anyone else. I want to thank my parents and my family in Jakarta, Medan, and Palembang, Indonesia, for their encouragement and love in everything I do. They are the ultimate role models. I particularly thank my MAPS peers Taquella, Christina Aheibam, Sarju Irengbam, and Ms. Yee Mar Aung, for their encouragement. A million thanks to Afissan Binetae, Sooraya Samae, Narinrat Pingsusaen, Nureen Boonpraman, Pang Asfam, MUSTU friends, and other supportive Thai friends I can't name one by one for helping me live while studying in Thailand.

Last but not least, *terima kasih banyak* to the Thammasat University's Indonesian students, particularly Andika Wahyu Afrianto, Emut Sukma Sejati, Yusuf Arya Yudanto, Teuku Fauzi, Basya Ali, and Muhammad Muzakkir who have been sharing ups and downs and supporting our Indonesian counterparts who are missing home. And I want to express my gratitude to my close pals Abosh Riofan, Usuk, and Juan Kevin who continue to stand by me even when we are apart.

Muhammad Rendy Anwar

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LIST OF ABBREVIATIONS

Symbols/Abbreviations	Terms
5PC	5-Point Consensus
ACFTA	ASEAN-China Free Trade Area
ADMM+	ASEAN Defense Ministerial Meeting Plus
AIIB	Asian Infrastructure Investment Bank
AMF	ASEAN Maritime Forum
AOIP	ASEAN Outlook on Indo-Pacific
APEC	Asia-Pacific Economic Cooperation
APT	ASEAN Plus Three
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asia Nations
AUKUS	Australia, the United Kingdom, and the United States
BKPM	<i>Badan Koordinasi Penanaman Modal</i> (Investment Authority)
BRI	Belt and Road Initiative
COC	Code of Conduct
CPPTP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
DOC	<i>Declaration of the Conduct of Parties in the South China Sea</i>
EAS	East Asia Summit
ECRL	East Coast Railway Link
EEZ	Exclusive Economic Zone
FDI	Foreign Direct Investment
FOIPS	Free and Open Indo-Pacific Strategy
G20	Group of 20
G7	Group of 7
GDP	Gross Domestic Product
GMF	Global Maritime Fulcrum

HSR	High-speed Railway
IA-CEPA	Indonesia-Australia Comprehensive Economic Partnership Agreement
IK-CEPA	Indonesia-Korea Comprehensive Economic Partnership Agreement
IKN	<i>Ibu Kota Negara</i> (State capital)
IND-INDO CORPAT	India-Indonesia Coordinated Patrol
IPEF	Indo-Pacific Economic Framework
Kemlu	<i>Kementerian Luar Negeri</i> (Ministry of Foreign Affairs)
MEF	Minimum Essential Forces
MOFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
MSR	Maritime Silk Road
NAM	Non-Aligned Movement
OLDEFOS	Old Established Forces
PCA	Permanent Court of Arbitration
PKI	<i>Partai Komunis Indonesia</i> (Communist Party of Indonesia)
PRC	People's Republic of China
QUAD	Quadrilateral Security Dialogue
RCEP	Regional Comprehensive Economic Partnership
SBY	Susilo Bambang Yudhoyono
SCS	South China Sea
SLOC	Sea Lines of Communication
TNI	<i>Tentara Nasional Indonesia</i> (Indonesian National Armed Forces)
TPP	Trans-Pacific Partnership
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
US	United States
UUD	<i>Undang-Undang Dasar</i> (State Constitution)

CHAPTER 1

INTRODUCTION

1.1 Background

The center of the global political constellation has switched to Southeast Asia due to China's economy and military rise compared to the US's ambition to reclaim its hegemony. The recent events in the South China Sea, followed by the strengthening of the Indo-Pacific strategy, have not only forcibly positioned Southeast Asia as a focal point of the geopolitical rivalry between China and the US but have also raised the complexity of the region's issues (Oktaviano et al., 2020).

Particularly about the escalating competition between the United States and China, which has threatened the Asia-Pacific region's protracted period of peace, stability, and prosperity, Indonesia and other ASEAN members have grown increasingly concerned (De Graaff & Van Apeldoorn, 2018) (Pu & Wang, 2018). Pessimistic predictions of an inevitable open conflict between the United States as the established power and an ascending China, in line with the "Thucydides trap" scenario, have been sparked by China's emergence as a new superpower challenging the United States unless serious efforts are made to prevent it (Freedman, 2017). With its immense economic might and assertive foreign policy, as seen by the ambitious Belt and Road Initiative (BRI) and its actions in the contentious South China Sea region, China is increasingly seen as a threat to the Indo-Pacific region's rules-based global order (Nordin & Weissmann, 2018) (Xinbo, 2018). Australia, India, Japan, and the United States make up the informal Quadrilateral Security Dialogue (the Quad), which was established in 2007 but was largely dormant for the first ten years. The Quad has been reactivated since 2017 to ensure the Pacific region is based on the rule of law (Saha, 2018). China tends to view the different Indo-Pacific efforts suspiciously, especially the Quad, which it perceives as a US-led containment tactic (Tan & Hussain, 2018).

Geo-economics has been a driving force behind the rebirth of interest in the Indo-Pacific idea. Substantial infrastructure investments are made as part of China's BRI, especially the Maritime Silk Road component, from southeast Asia to the eastern

coast of Africa (Hasegawa, 2018). The Indo-Pacific-spanning BRI has garnered much interest. On the one hand, China's massive investments have been applauded because they are accelerating the development of infrastructure in nations that need it; however, the BRI has also come under fire from several members of countries in an unacceptable state of debt and dependence, possibly putting those nations' sovereignty at risk. Some have even called China's BRI "predatory" investment (Anwar, 2020).

BRI initiatives have greatly improved China's relations with several Southeast Asian nations. Indonesia has seized the chance to participate in the program and incorporate it with the Global Maritime Fulcrum concepts unveiled by Indonesian President Joko Widodo (Jokowi) in 2014 as one of the major players in the area. To improve collaboration with Southeast Asian neighbors, Indonesia opened its maritime territories as part of the Global Maritime Fulcrum in reaction to China's rise (Yakti & Susanto, 2017). Jokowi's goal of GMF is to give the country its national identity as an archipelagic republic and a unified, dignified, prosperous maritime power. Given that Indonesia is situated between the Indian and Pacific Oceans, Jokowi has highlighted that regional dynamics determine the country's geostrategic future. In light of the intensifying struggle between the US and China in the Indo-Pacific, Indonesia's position as a maritime power can help shape the regional order (Mubah, 2019).

The GMF, however, is now just a fiction in foreign policy. Many consider the beginning of Jokowi's second term in 2019 to be the "official time of death" for the GMF. During the 2019 presidential debate, Jokowi said that Indonesia's diplomatic strength was built on its identity as the world's largest Muslim nation rather than highlighting its maritime orientation and GMF vision. The GMF was supposed to put Indonesia's middlepowership into action. However, it comes to little more than a geopolitical remark. Indonesia has yet to be able to utilize all of its marine potential. The BRI from China enters the picture here. Jokowi turned to the panacea that had come to represent his foreign policy when he realized that the GMF had experienced the same financial constraints as other infrastructure projects: economic diplomacy for investment. (Nauvarian & Pramudia, 2022).

Jokowi has publicly recognized that during his first time in office, he was criticized for ignoring and showing interest in foreign affairs (Muhibat & Kharisma, 2019). President Jokowi has made it abundantly apparent throughout his first and

second terms that he is a domestic president, focused on Indonesia's need for infrastructure development, bureaucratic reform, reducing red tape, and human capital development. Jokowi has emphasized that foreign policy needs to be based on providing significant benefits for all Indonesians (*diplomasi membumi*) (Anwar, 2023), in stark contrast to Yudhoyono's approach to summit diplomacy and international norm entrepreneurship. He has called on Indonesian diplomats to market Indonesian products abroad and to offer consular assistance to Indonesian nationals abroad. He also has prioritized international forums that are more essential to his developmentalist goals (Priamarizki & Marzuki, 2022).

Jokowi's second and final five-year tenure as president, in contrast, is expected to become more stable politically. Given the two-term constitutional limitation, public approval ratings are less significant than if he were running for reelection. Nevertheless, he was able to garner more votes in the election of October 2019 than in 2014. By including his former opponent, Prabowo Subianto, in the government, Jokowi has bolstered his power base and weakened the opposition (Arif, 2022; Rezasyah, 2023). Former Singaporean ambassador to Indonesia said that whereas Jokowi's first term was primarily concerned with domestic concerns, his second term was intended to impact foreign policy long-term (Desker, 2022). Jokowi may never be the kind of foreign policy leader his predecessor was (Fitriani, 2015). However, after five years of meeting and conversing with world leaders, he is now more prepared than he was when he first came into office.

The overall theme of Indonesian diplomacy under Jokowi's second term is still "down-to-earth diplomacy" (Pradipta, 2023) The country is still not punching above its weight. However, Jokowi's second term's dynamics diverged from his previous rigid foreign policy (Fealy & White, 2016). Indonesia has begun to speak up more in some areas where it was previously silent. Indonesia's actions in the South China Sea have not impacted China's revisionist behavior, partly because of China's enormous military power and intentional decision to avoid engaging in open conflict (Green et al., 2017). However, recent events in Natuna show Indonesia is not hesitant to confront China.

A \$3.5 million maritime training facility at Batam, near Singapore and the southern entrance to the Straits of Malacca, is being built by Jakarta and Washington

as of late June 2021. The planned center's proximity to trade routes between the South China Sea and the Straits makes the development crucial. The action is also the most recent indication that the United States is building up its presence in Indonesia to counter China's expanding clout in Southeast Asia (Rakhmat & Pashya, 2021).

Despite an earlier arms embargo imposed on Jakarta due to concerns about human rights, it must be noted that Indonesia and the US have maintained strong defense cooperation. They demonstrated their strong military cooperation during the Garuda Shield joint exercise, which took place in South Sumatra, East Kalimantan, and North Sulawesi from August 2 to 15, 2021 (The Jakarta Post, 2021).

Recently, Indonesia has actively upheld or promoted the norms and values that support ASEAN's centrality to reclaim its normative leadership position within the organization. A special meeting was called in Jakarta in April 2021 to discuss the military coup in Myanmar on the recommendation of Indonesia. Since then, Indonesia has remained committed to holding the military regime accountable and advancing humanitarian aid. Indonesia oversaw ASEAN's collaboration in the health sector and took command of the region's response to the COVID-19 pandemic. Additionally, it continued to advance ASEAN's views on the Indo-Pacific and revived the ASEAN Human Rights Dialogue in 2021. Given that it was widely believed that Indonesia would leave ASEAN when Jokowi first took office in 2014, this record was not too awful (Parameswaran, 2014). When Indonesia takes over as chairman of the regional organization the following year, there are strong expectations for it to propose fresh ideas to keep ASEAN relevant in the face of rivalry among great powers.

Indonesia has avoided becoming overly reliant on China. An overtly noticeable Chinese presence in Indonesia (especially the presence of significant Chinese workers) would have detrimental sociopolitical repercussions in addition to the potential economic implications of over-dependence on one source of investment (Anwar, 2019a). Although essential infrastructure projects have been awarded to China (like the Jakarta-Bandung high-speed rail project, where China's proposal defeated Japan's), Japan's involvement has remained strong. Japan has long been Indonesia's reliable economic partner and one of the top investors in the country's infrastructure and numerous economic sectors. It should be remembered that Japan got the contract to construct the significantly longer medium-speed railway between Jakarta and

Surabaya and has already begun construction. China and Japan are the two other major investors in Indonesia. While Singapore is the largest single investor, Indonesia gains from its competitiveness to secure contracts for various large-scale infrastructure projects. Jakarta has given China the contract to develop the Kuala Tanjung Port in North Sumatra and Japan to build the Patimban Port in West Java to demonstrate its impartiality toward Chinese and Japanese investment (Anwar, 2020). Around 80% of Indonesia's Covid-19 vaccinations came from China (Bland, 2021).

Indonesia is in a challenging situation because of the ongoing rivalry between the United States and China. However, Indonesia has a significant strategic advantage in the area and might gain from the two superpowers' efforts to increase their influence in Southeast Asia (Pradipta, 2023). As of now, Indonesia has had a fair amount of success in upholding its long-standing principle of a "free and active" foreign policy and its bilateral relations with the two major powers (Rakhmat & Pashya, 2021).

Many scholars have attempted to use structural realism to understand the strategies of various Southeast Asian nations. Divergent definitions of the hedging strategy have become the focus of the literature after years of discussion on the spectrum of alternatives between bandwagoning and balance of power. According to some authors, hedging entails finding a "middle ground" between bandwagoning and balancing (Goh, 2005). Others argued that hedging differs from bandwagoning, engagement, and balancing (Roy, 2005). Hedging can also refer to a minor power's ambiguous, mixed, and "opposite" positioning, which includes both characteristics of power acceptance and rejection (C. C. Kuik, 2016). Other academics characterize hedging as the result of a dual economic and security logic (Chen & Yang, 2013) or as a mixed strategy that incorporates economic, military, and diplomatic balancing or bandwagoning (Koga, 2017).

The dichotomy, or the balance of power's predominant emphasis on balancing-bandwagoning, has yet to be noticed as scholars adopt hedging as a notion that successfully describes secondary powers' behavior. Hedging's concept and its patterns, criteria, implementation, and identification still need to be determined. Indonesia's active engagement in international affairs without taking sides in a polarised world is established by the free and active principle in Indonesian foreign policy. It is said that Indonesia's hedging approach involves putting the free and active

principle into practice. The GMF is Indonesia's strategy to allocate all of the country's resources to hedge against potential threats while maximizing any opportunities brought about by the competition between the US and China (Caroline, 2021).

In conclusion, this research will analyze how the hedging strategy applies to Indonesia's foreign policy between Jokowi's first (2014-2019) and half of his second term (2019-2022). By comparing how Indonesia's foreign policy during the US-China rivalry between Jokowi's first (2014-2019) and half of his second terms (2019-2022) differs, this study will apply a hedging strategy to significant events to understand Indonesian foreign policy.

1.2 Research Question

The following questions would primarily direct this research, as the issues and difficulties in the region continue to make it difficult for governments to maintain their position in the middle: "How does Indonesia's foreign policy during the US-China Rivalry between Jokowi's first term (2014-2019) and half of his second term (2019-2022) fit into the hedging strategy?"

This study hypothesizes that his second term will see a more robust hedging posture. Jokowi still believes China is a partner in Indonesia's economic development. Indonesia might increase trade with China, which would improve Indonesia's economy and fulfills Jokowi's ambitions for infrastructure development through two-way trade, the GMF and BRI convergence, and the recently established Regional Comprehensive Economic Partnership (RCEP). Engaging with China benefits Indonesia in gaining funding for infrastructure projects through a joint framework between GMF and BRI (Economic pragmatism). However, Jokowi's perception also lies that Indonesia, whose territorial waters in the North Natuna Sea overlap with those of China, is nevertheless wary of Beijing's forceful maneuvers in the South China Sea. Limited balancing is conducted through upgrading its defense and engaging in strategic partnerships with the United States and other potential states to counteract Chinese assertiveness. Limited bandwagoning also occurs when Indonesia still holds military cooperation with China despite its limitation. Indonesia, the de facto leader of ASEAN, demonstrates its leadership and embraces all regional strategic partners to prevent the domination of

great powers in the Southeast region through ASEAN mechanisms such as the ASEAN Outlook on Indo-Pacific (AOIP), which includes the East Asian Summit (EAS).

1.3 Research Objectives

This research aims to study Indonesia's application of hedging strategies in dealing with the US-China rivalry during 2014-2022 (both first and second terms). Therefore, the research objectives are:

1. To identify Indonesia's foreign policy priorities under President Joko Widodo's administration
2. To explain the implications of the US-China Rivalry for Indonesia
3. To analyze and compare foreign policies between Jokowi's first and second terms using the framework of hedging strategy
4. To analyze and compare foreign policies between Indonesia and other ASEAN countries (Malaysia, the Philippines, and Vietnam)

1.4 Research Scope and Limitations

The study's chronological framework spans Joko Widodo's presidency between 2014 to 2022. This time frame is chosen because it will compare Jokowi's hedging posture during the first and half of his second term. Joko Widodo's second term, which coincides with rising tensions between the US and China, may see a policy change, as mentioned earlier. Shortening the study's duration also aims to increase its specificity and breadth. Significant events such as the transfer of US presidential power from Donald Trump to Joe Biden occurred during this time. The study only focuses on foreign policy related to the rivalry between the US and China in the region.

1.5 Thesis Structure

Chapter 1: Introduction (Background, research questions, objectives, and hypothesis)

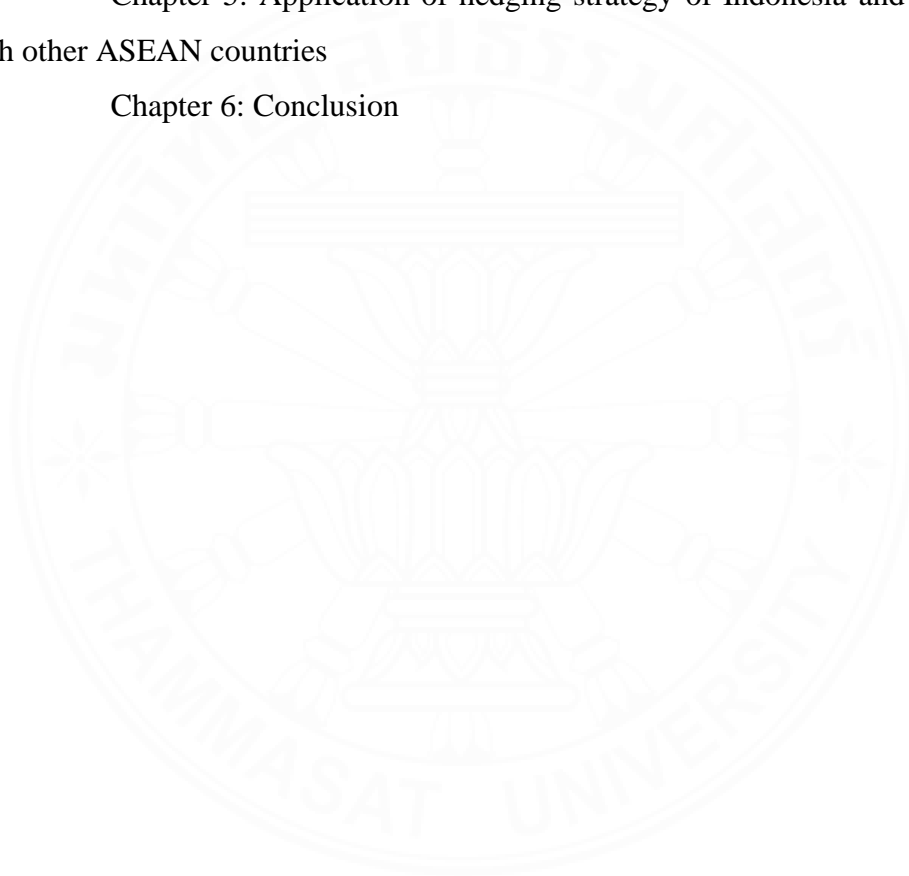
Chapter 2: Literature Review

Chapter 3: Methodology

Chapter 4: Overview of Indonesia's foreign policy

Chapter 5: Application of hedging strategy of Indonesia and comparison with other ASEAN countries

Chapter 6: Conclusion



CHAPTER 2

LITERATURE REVIEW

2.1 Literature Review

This section focuses on highlighting several studies that have been conducted related to Indonesia's hedging strategy.

2.1.1 Indonesia's Hedging Strategy in Facing United States–China Competition

Genta Permata Sari (2018) investigates how the hedging strategy may explain Indonesia's foreign policy toward China's Belt and Road Initiatives. The research problem is that while China, an immense power, may be problematic and threaten Indonesia's security, politics, and economics, Indonesia, a small state, has to work with China to improve its infrastructure.

According to Sari (2018), economic pragmatism and binding engagement are the fundamental hedging factors that manifest Indonesia's foreign policy towards China's Belt and Road Initiative. Under President Joko Widodo, Indonesia has a very urgent need, which is economic development. For President Joko Widodo, economic development was homework during his presidential time and a ticket to be re-elected in the presidential election in 2019. Through binding-engagement in cooperation through BRI, Indonesia is building a network and creating binding bilateral frameworks with China to increase the opportunity to have a voice and give the influence to have choices. The careful action that Jakarta concludes is setting conditions for cooperation with China regarding the flow of Chinese workers, proposing BRI projects according to Indonesia's needs, not China's. This is mainly to show the Indonesian public and China that Indonesia has bargaining positions in the cooperation and is not merely steered by China's needs. Indonesia proposes more infrastructure projects under the BRI flag and to counterpart Indonesia's visions on the Global Maritime Fulcrum. (Sari, 2018).

Mursitama and Ying (2021) emphasize hedging with balancing to deal with the BRI. The Indonesian government has created particular requirements concerning its national interests. The Coordinating Minister for Maritime Affairs and Investment announced that the government would tighten the criteria for all Chinese businesspeople who would invest in Indonesia. The requirements are as follows: (1) Chinese investors must employ Indonesian workers; (2) invested companies must produce goods with added value; (3) Chinese companies must transfer technology to local workers; (4) the Indonesian government prioritizes business to business (B to B) investment rather than government to government (G to G); and (5) the type of business being built must be environmentally friendly. The meeting of each corporate entity between the two nations can therefore be optimized by the Government of Indonesia's participation in BRI. In BRI, private businesses, state-owned enterprises (SOEs), and academic institutions collaborate.

Indonesia works with any nation interested in investing in it and its partnership with China. Some projects in Indonesia involve collaboration with nations other than China, including Australia, France, Japan, and Taiwan. Despite Indonesia's efforts to entice foreign investors, those who accepted the current offer from the Indonesian government are Chinese investors. Due to the perception that Indonesia's investment climate is less favorable than other ASEAN nations, several investors have moved manufacturing from China to Thailand or Vietnam. This issue is mainly caused by the high labor costs and the convoluted bureaucracy (Mursitama & Ying, 2021).

The way Indonesia handles the BRI is similar between Mursitama & Ying's (2021) and Sari's (2018). Although Mursitama and Ying (2021) do not utilize hedging as the primary framework for their analysis, they conclude that hedging with balancing is now the most effective option when working with China under the BRI framework instead of balancing and bandwagoning. To prevent Chinese dominance and opposition from the domestic population, it is vital to entice more investment from nations other than China. However, Sari (2018) only emphasizes two hedging strategy variables while using hedging strategy as her core premise. Because Mursitama and Ying (2021) evaluate perceptions through balancing and bandwagoning points of view, and because it is more recent, the author believes that their work is more thorough than Sari's. Sari's study has demonstrated how hedging is theoretically applied in this case,

which is essential because this research will apply hedging strategy as its guiding framework. Sari (2018) also interviewed an Indonesian official specializing in China-Indonesia relations to provide additional in-depth information. Unfortunately, Sari's and Mursitama & Ying's papers miss highlighting some crucial facts on how the Asia-Pacific area has evolved into a target for China and the United States' power projection. Their studies do not address the contentious disagreements between these two titans.

A. Safril Mubah (2019) argues more comprehensively that there are currently three threats to Indonesia's foreign security: (1) the intensifying rivalry between the US and China, (2) the South China Sea, and (3) territorial conflicts with neighboring nations. Indonesia is worried about the effects of this competition on regional stability and the Association of Southeast Asian Nations (ASEAN) unity. Competition between the two superpowers has been sparked by China's rise and US efforts to restrain its supremacy, which could jeopardize Southeast Asia's regional autonomy.

Mubah (2019) concludes that Indonesia's concept of an "Indo-Pacific cooperation umbrella" and its vision of a global maritime fulcrum is the Jokowi administration's replies to competing proposals made by the US and China in the Indo-Pacific. Jakarta has successfully integrated the Global Maritime Fulcrum with the BRI and simultaneously proposed an "Indo-Pacific cooperation umbrella" as an alternative to the Free and Open Indo-Pacific Strategy, taking into account that the US and China have strategic interests in the region and that Indonesia is not in a position to oppose them. Analyzed through Kuik's hedging behaviors (Cheng-Chwee, 2008), Indonesia has undertaken a dual hedging approach by increasing its economic ties with China (economic pragmatism) and maintaining US involvement in the region (limited bandwagoning). With the US and China's competitiveness intensifying, this tactic aims to mitigate any potential negative impacts on Indonesia. The two primary goals of this policy are to strengthen its maritime economy and preserve its national sovereignty. This has meant strengthening marine diplomacy in regional affairs to address critical issues like the South China Sea disputes and US-China rivalry in the Indo-Pacific area.

The escalating trade tensions between the two major countries negatively impact Indonesia and the regional order. The protectionism of the Trump administration has compelled Indonesia to strengthen its commercial connections with

China. However, the Jokowi administration has chosen to keep ties between Jakarta and Beijing steady in response to widespread worries about China's economic expansion in Indonesia. Jakarta has urged Southeast Asian states to adopt its Indo-Pacific idea to deal with the uncertain future brought on by US-China rivalry and maintain regional peace. Because it would be risky for Indonesia to extend an alternative proposal to the BRI and the Free and Open Indo-Pacific Strategy as an intermediate state, the country needs regional grouping (Mubah, 2019).

The significance of the hedging approach by Southeast Asian states is highlighted by Chand et al. (2018). Additionally, several states in the region continue to have close strategic alliances with the US, underscoring the need for hedging as a state policy. Despite indicating uncertain great power affiliation, a prominent aspect of hedging, many Southeast Asian states continue cooperating with China due to its significant economic influence.

As they give the two most compelling case studies in the region to evaluate the tendency for hedging behavior, Chand et al. (2018) concentrate on Indonesia and Vietnam. Both nations increasingly rely on trade with the PRC while involved in several political and economic issues with China. Because some of the most significant sea lines of communication (SLOC) pass through their exclusive economic zones, both also benefit from geography (EEZ).

Despite conflicting claims on the Natuna Islands' Exclusive Economic Zone (EEZ), in the SCS, Indonesia and China have managed to preserve a relatively stable relationship. Due to these overlapping claims, there have been frequent high-seas encounters between fishing boats and coast guard vessels from both countries (Cochrane, 2017). Indonesia is now considered a *de facto* party to the maritime portion of the disputes despite China's nine-dash line map not asserting territorial claims on the Natuna Islands of Indonesia.

Despite this, Indonesia still has no perceived existential threat that would justify using expensive hard-balancing tactics on the political and economic fronts. Hedging, which involves soft balancing's natural processes, such as increasing domestic capability and forming strategic alliances with extra-regional countries, has emerged as the best strategic option. Despite these legitimate concerns, Sino-

Indonesian trade has soared to the point at the beginning of 2018; China had surpassed Japan as Indonesia's top investor, coming in second only to Singapore (Maulia, 2018).

Through the Malacca, Sunda, and Lombok Straits, Indonesia serves as a gateway into and out of the SCS due to its geographic location. Since many nations have a stake in Indonesia's political and economic stability. As a result, Jakarta can use this leverage to balance the influence of various regional and extra-regional nations. China and Indonesia have an asymmetrical power relationship, but Indonesia is becoming a middle power, which means it has capabilities that other neighbors do not (Chand et al., 2018).

Sulaiman (2020) offers a different view, whereas Chand et al. (2018) focus on Indonesia's hedging against China. Sulaiman (2020) discussed how Indonesia protects itself against the US-led QUAD. The purpose of US Secretary of State Mike Pompeo's trip to Jakarta was to get Indonesia to join the US-led Quadrilateral Security Dialogue more closely in addressing security threats from China. Indonesia has continuously maintained a neutral stance because of concern that it would be drawn into conflicts it does not want to be a part of. Indonesian military officers are typically uneasy about the prospect of a Democratic Party presidential candidate in the US. They think a Democratic government will prioritize human rights more and be more willing to interfere in Indonesia's internal affairs.

Sulaiman (2020) explains that Indonesia rejected a plan from the US to host spy planes because it would go against its longstanding neutral stance. An integral component of Indonesia's strategic culture is an independent, engaged foreign policy that avoids formal military alliances. Closer ties to the US could jeopardize Indonesia's expanding commercial and investment ties with China. Whether the US can be counted on to maintain its friendly policy towards Indonesia is debatable.

The Indonesian military was aware that the Arab Spring took place under Obama's watch and that the US interfered in the internal affairs of Arab countries under the guise of protecting human rights. Indonesia will need to continue playing the hedging game, welcoming the outreach of the Trump administration while keeping cautious of any sudden shift in US policy that would harm Indonesia's interests. If Biden won, that might be in jeopardy. The subject of human rights would again come

up, mainly concerning Papua and West Papua, which is still a sensitive subject for Indonesia (2020).

According to Mubah (2019), Indonesia's double-hedging strategy allowed Jakarta to successfully dodge both Washington and Beijing. Indonesia has not entirely accepted the Free and Open Indo-Pacific Strategy and the BRI. Chand et al. (2018) focus on how Indonesia's geographic location benefits its efforts to build diplomatic, economic, and security ties with other countries rather than just China. The section is completed with Sulaiman's analysis (2020) of how Indonesia protects itself from US-led security initiatives. Mubah (2019) concludes by analyzing hedging against China and the United States, even though the three research focuses differ. Additional research is necessary to properly comprehend Indonesia's double-hedging strategy, particularly in light of Biden's inauguration as president.

2.1.2 Hedging Behavior of Southeast Asian Countries

Southeast Asian nations have adopted strategies to deal with the issue and avoid siding with either state as the rivalry between China and the United States has grown. Some of them have used hedging not only to increase advantages but also to reduce risks. The author uses Malaysia, the Philippines, and Vietnam as examples of countries adopting hedging.

In the second term of Mahathir Mohamad, Gerstl (2020) finds how Malaysia hedges itself against China. Mahathir emphasized the advantages of the two-way connection, mainly through the New Silk Road, and generalized tighter economic links with Beijing. Along with outlining the dangers, he also addressed the risks - economic dependence, diminished autonomy, and Chinese immigration. Additionally, domestic policy, in his opinion, is responsible for reducing these risks. Mahathir verbally, even more, downplayed the risks that China's actions posed to Malaysia's territorial integrity and its claims to sovereignty in the South China Sea. Instead, the main, though more intangible, threat to Malaysia was portrayed as restricted freedom of navigation. The PRC was not depicted as directly posing a threat.

Liu (2021) emphasized the importance and necessity of looking beyond conventional literature that portrays smaller countries such as Malaysia as merely being on the receiving end of the bigger powers' diplomacy or just reacting through rebalancing or hedging strategies. The resumption of the East Coast Railway

Link (ECRL) and Mahathir's support for Huawei (despite the US embargo and the threat of trade sanctions) confirmed an earlier claim that Malaysia's foreign policy toward a rising China is reliant on three key factors: fulfillment of Malaysia's long-standing pro-ethnic Malay policy (including through Malays' participation in BRI-related projects like the ECRL), encouragement of the nation's economic development and reindustrialization. Furthermore, these fundamental conditions can be translated into foreign policy alternatives in part because China has been willing to take into account Malaysia's internal interests and minimize potential tensions based on its long-term economic and geostrategic concerns.

Having a similar view to Malaysia regarding Chinese economic benefits, Chao (2021) argues that the Philippines' Duterte has been closer to China's BRI. The Philippine government has a favorable attitude toward China. However, Filipinos are wary about engaging with China because of its actions in the South China Sea. The Filipino business sector supports this collaboration since it is a significant business opportunity. The Philippines' government has tried to combine China's funding and technology with the Philippines' "Build, Build, Build" infrastructure program. Because of the positive attitude toward China and poor relations with the United States, the Philippine government adopted a hedging strategy in dealing with the U.S.-China relationship.

Gerstl (2022) states that Rodrigo Duterte had the following approach to China when he was elected president in June 2016: He adopted a more cooperative strategy, in contrast to his predecessor Aquino, to forge close political, diplomatic, and economic ties with Beijing. In the first three years of his administration, he minimized the legal and diplomatic significance of the Arbitral Tribunal's judgment to gain economically from the BRI and lessen the risk of a conflict in the South China Sea. To accomplish this dual goal, he created a connection between Chinese investments and concessions in the South China Sea. Duterte, all things considered, steadily softened Manila's earlier hedging approach to the PRC. This was consistent with his assessment of China's superior power, which was similar to Mahathir's view, the Philippines' inability to militarily confront the rising giant, the economic opportunities provided by the BRI, and his failure to capitalize on the strategic value of the US as a counterweight against Beijing—the latter mainly because of his personal critical views on

Washington. However, Duterte's public criticism of the US was mostly a combination of defiance and symbolism. Notably, the planned split from the US never materialized. Even though cooperation was more challenging under Obama, the alliance nevertheless worked in reality, particularly regarding security issues.

Vu et al. (2021) underline that Vietnam, a country that shares a border with China, has been acting more ambiguously compared to the previous two. Particularly concerning China and the BRI, Hanoi's methods are paradoxical, indicating either bandwagoning (support), rejection (balance), or even both at once. The Vietnamese's seemingly conflicting ideas of China's goals, both general and specific to the ambitious BRI, are the foundation of this complex mixture. Because of its unpredictable, aggressive behavior in the political and security domains, the Vietnamese see China as a continual threat. The Vietnamese believe that an assertive China with a developed economy, modern science, sophisticated technology, a vibrant cultural heritage, and a roughly similar political system could be advantageous to Vietnam's development. According to Kuik (2021), Vietnam is called a "heavy hedger" and maintains close party-to-party ties with the CCP while simultaneously announcing its "four no's" meant to reassure and deter Beijing. Vietnam's hedging strategy is put into practice due to complex perceptions acting as guiding factors.

Vietnam's hedging policy toward China is deliberate, consistent, believable, and relatively robust, as Gerstl (2022) demonstrates. Intriguingly, the BRI and China's actions in the South China Sea, in particular, as well as negative perceptions of China in general, are crucial to this. Compared to the other Southeast Asian nations, the PRC is seen as a more powerful nation, and its strategic objectives are questioned more seriously. The government's application of a security lens to significant economic developments is a major factor in the latter. The Vietnamese leadership, therefore, views the BRI with ambivalence: On the one hand, it sees the BRI as a weapon to increase China's hegemony over Vietnam, but on the other, it acknowledges some economic advantages for Vietnam. A two-edged sword is created by the growth of trade and investment and the greater economic and infrastructure integration of China's South and Vietnam's North.

A less than positive reason for Malaysia, the Philippines, and Vietnam's hedging strategy could be that they want to avoid aligning with either China

or the US—or, more importantly, they do not want to be forced to. Gaining political, economic, and security advantages from all major powers, including the hedging target, is a good reason. The political-diplomatic and economic interaction of China and other important partners are the components of the four hedging strategies where there are the most commonalities. The PRC, Malaysia, the Philippines, and Vietnam all have strong links and have benefited from the BRI. The New Silk Road best represents the continuously expanding commercial exchange with China. The BRI is not only seen as an opportunity; there are also significant concerns, though these are typically minimized in official discourse. Fears of Beijing's debt-trap diplomacy, lower project standards in China that have a detrimental influence on good governance, and Chinese immigration, the concern that is most contentious at home, are a few of them (Gerstl, 2022).

Malaysia and Vietnam employ a planned and consistent hedging approach. Despite certain logical adjustments, continuity plays a significant role in these tactics. The cooperative and confrontative strategies under Malaysia's hedging strategy were carefully adopted and thoroughly balanced flexibly and pragmatically. Malaysia's overall hedging approach might be "soft" or "light." Vietnam's hedging approach, in contrast, makes heavy use of the limited balancing measures available because China is generally viewed as posing a greater risk. The restricted balancing component has evolved with a "fourth no" in response to Beijing's actions in the South China Sea. The Philippines' hedging plan is the least planned and spontaneous (Gerstl, 2022).

These three case studies of Southeast Asian countries using hedging techniques can be used to conclude that some countries in the region use similar and unique tactics. The essential key strategy of those three has been limited balancing. Vietnam, out of the three countries, has the strongest hedging strategy due to its proximity to China, which can be a direct threat. The Philippines and Malaysia employ a less powerful kind of hedging. These academic works compare how Southeast Asian countries develop different hedging strategies on their respective leaders' perceptions and national interests. Given the region's common threat, Indonesia might also use a similar strategy.

2.1.3 Conclusion

The gaps between the articles being reviewed must be filled. Economic relation with China is the main focus of Chand et al. (2018), Sari (2018), and Mursitama and Ying (2021). Although necessary, the security issue with China has not been highlighted much in the literature. Chand et al. (2018) particularly mention why Indonesia should consider hedging against China militarily. However, the strategy recommended by Chand (2018) might need improvement since the regional dynamics have been changing fast. Sulaiman (2020) focuses on the United States, while Mubah (2019) discusses both superpowers. Gerstl (2020), Chao (2021), Liu (2021), Vu et al. (2021), and Gerstl (2022) provide different responses by different influential states in Southeast Asia when dealing with China. This study will widen the subject to include China, the United States, and other potential balancing partners to fill in the gaps between those scholarly works. This study will also act as a follow-up to earlier efforts, focusing on 2019 to 2022, particularly during Jokowi's second term (including some policy changes) and the escalating tensions between China and the United States in the region.



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Conceptual Framework

3.1.1 Hedging Strategy

The word “hedging” was initially taken from financial terminology. The phrase is introduced into international relations to provide a different approach from balancing and bandwagoning. Hedging, which sits between balancing and bandwagoning, is the third choice of approach, according to scholars like Kang (2007) and Tessman and Wolfe (2011). Additionally, the goal of hedging contributes to improving the balance of power theory by providing a more complex account of state behavior. The traditional balance of power theory contributes to the theoretical sparsity in understanding the strategic interaction between states, especially the great power, by explaining in detail the behavior of the state through balancing and bandwagoning; however, simplification will also limit theory in analyzing patterns of interaction between countries, and this will blind us from looking at regional and global dynamics as a whole (Koga, 2017).

In contrast to “balancing” and “bandwagoning,” the term “hedging” is introduced in the IR literature and integrated into “balance of power” theory (Goh, 2005; Jackson, 2014; Kang, 2007; Murphy, 2010; Roy, 2005). Either internal or external balancing constitutes balancing. In contrast to external balancing, which is a state’s effort to form an alliance or alignment for its own security, internal balancing is a state’s effort to increase its own defense capabilities, such as by developing its economy for arms-buildup, increasing its defense budget, improving its defense policies, and advancing its defense technology and equipment (Quinn & Gibson, 2017). To acquire advantages and ensure security at the expense of autonomy and chances to work with other powers, bandwagoning is characterized as “alignment with the source of danger” (Schweller, 1994; Walt, 1990). Bandwagoning and balancing both carry risk and uncertain strategic implications. For instance, when internal resources are distributed improperly during internal balancing, the domestic infrastructure may

become unstable. Risks of “entrapment” and “abandonment” are associated with external balancing (Snyder, 1984). Bandwagoning carries the risk of losing autonomy due to the political dominance of stronger governments. In this context, “hedging” is essentially a combination of “balancing” and “bandwagoning,” and this counteraction cancels out the risks of each action (and, to some extent, its benefits), thereby gaining the advantage of buying time to decide whether the state should balance or bandwagon until the strategic landscape’s future direction is clarified, or achieving the advantage of maintaining the state’s neutral position in a way that maximizes autonomy (Koga, 2017).

The concept of strategic hedging, as Kuik (2021) defines is:

An insurance-seeking behavior with the following three characteristics: (a) a refusal to take sides or be forced into a rigid alignment; (b) attempts to pursue opposing or conflicting measures to offset multiple risks across domains (security, political, and economic); and (c) a propensity to diversify and cultivate a fallback position. These distinguishing characteristics add to the “alignment” literature by allowing researchers to separate hedging from the two widely discussed IR study strategies of “balancing” and “bandwagoning.”

Hedging stands in contrast to balancing and bandwagoning, which entails (i) a blatant decision in which a state chooses one power over another; (ii) unambiguous, single-directional measures of either countering a threat (in the case of balancing); or maximizing profits (and minimizing losses, in the case of bandwagoning); and (iii) putting all of a state’s policy eggs in the basket of the align. In all three aspects, hedging is different from balancing and bandwagoning. According to the extent of hedging literature, hedging is not just a “middle” position but also an “opposite” and “fallback” position (Kuik, 2021).

According to Glen Munn, Jonathan D. Pollack, and Evelyn Goh, as cited in Kuik (2008), hedging is a strategy used by states in times of high uncertainty and high risks to balance risks by carrying multiple policy options to have mutually opposite effects. However, when there is unipolarity, small states might use the

behavior of the hedging approach to deal with situations that endanger them and place restrictions on them (Salman & Geeraerts, 2015). Hedging, according to Evelyn Goh, is “a collection of strategies intended to avoid (or plan for eventualities in) a situation in which states are unable to settle on more obvious options like balancing, bandwagoning, or neutrality” (Goh, 2005). Hedging pushes states to be more proactive in reacting the fast-changing situation in the region, which differs from being neutral as the latter tends to be more passive (Anwar, 2023). Hedging is “a method to prevent the worst while striving to develop the best,” according to Rizal Sukma (2009). According to Evan A. Laksmana (2016), the second definition of hedging is “aligning with great powers through positive involvement yet planning for contingencies.” According to John D. Ciorciari, developing nations seek to have an open strategic choice or more options, which is why they choose the hedging approach (Ciorciari, 2010).

When discussing hedging, we must know the risks that force a state to hedge. The three categories of risks in international politics are political, economic, and security-related. Some of these risks result from the actions of state or non-state actors. In contrast, others are caused by structural factors like a decline in the world economy, a breakdown in domestic politics, or a systemic change in how power is distributed. These risks will likely negatively impact small states regardless of where they come from. These small states lack the resources to deal with structural shock and reduce those risks on their own, partly due to internal constraints of the states that tend to attract exploitation by outside parties. (Cheng-Chwee, 2008).

However, even some of their innovative new approaches have significant drawbacks, most notably the absence of well-defined operationalization criteria for hedging. In other words, it is still early to conceptualize hedging. Hedging should give smaller powers insurance from the uncertainty of a stronger power’s behavior. Hedging is “a strategy that works for the best and prepares for the worse,” according to Kuik (2008). Although this idea is widely accepted in the literature (Cheng-Chwee, 2008), early studies on hedging did not clearly distinguish between hedging and other strategies like balancing and bandwagoning. The line between hedging and, in particular, balancing is indeed hazy, not least because the latter “is occasionally nebulous” in its subcategories, such as harsh and soft balancing (Goh, 2006). “Balancing implies a targeted and clear endeavor to negate the military

advantage of a questionable foreign power,” claims Ciorciari (2019). Hedging, on the other hand, “facilitates cooperative interaction with the feared foreign power” through a “less focused strategy.”

Hedging is seen by Goh (2005), Kuik (2008), and Koga (2017) as a mixed policy approach. Thus, “a behavior in which a state attempts to offset risks by pursuing several policy alternatives that are intended to have mutually counteracting effects (...)” is the definition of hedging (Cheng-Chwee, 2008). This theory assumes that hedging behavior extends beyond the political-diplomatic, security, and economic spheres. Instead, to effectively plan for limiting risks and comprehensively maximizing opportunities, a successful hedging strategy must include policies and approaches from all three policy areas. According to certain authors, a hedging strategy should focus on the security or non-security domain. These authors, however, are more constrained (Lim & Cooper, 2015).

The concept of hedging has its roots in financial theory. States, businesses, and individuals make additional inverse investments to balance financial risks associated with unfavorable price movements of their investments. In reality, this is a diversified risk-benefit strategy where the goal is to have the portfolio’s advantages (gains) outweigh its risks (losses). Hedging in IR should be conceived of as beginning with the idea of reducing risks. As a result, in IR, hedging can be conceptualized in its most basic form “as a risk management approach” (Haacke, 2019). Instead of defining threats, a hedger responds to risks and uncertainties through policies. Hedging differs from balancing and bandwagoning because they later deal with threats rather than risks due to the distinction between risks and threats (Ciorciari & Haacke, 2019). However, the idea of hedging should consider the potential risk of materializing as a threat (Haacke, 2019).

Additionally, the idea of hedging should not only be used to reduce risks; a hedging strategy can also be used to gain from the relations with the hedging target (Goh, 2016). Hedging in IR is also, by nature, a pre-cautionary and reactionary approach. Direct political and economic engagement is a key hedging strategy for both aspects since, if effective, it can pay off even “with a potentially dangerous foreign power while reducing the risk of a severe security threat (...)” (Ciorciari & Haacke, 2019). Secondary powers can benefit from current and future economic and security

benefits from the hedging target in an almost opportunistic way through a comprehensive hedging plan while retaining their insurance choices through close links with other countries. Therefore, a hedger can use a single strategy to seek both “risk-contingency” and “returns-maximizing” options (C. C. Kuik, 2016).

Alfred Gerstl (2022) wants to provide a modest addition to the theoretical discussion and empirical analysis of hedging in Southeast Asia by using a re-conceptualized hedging framework that is based on Kuik (2008) and has significant revisions made by Le Hong Hiep (2013). Indirect balancing, dominance-denial, economic pragmatism, binding engagement, and limited bandwagoning are the five components that Kuik offers. Gerstl’s framework also applies five elements, but they are fundamentally different: (1) a hedger’s perceptions of the threats and opportunities posed by a potential hedging target, and (2) a hedger’s perceptions of the strategic importance of potential balancing partners. Other elements include (2) political-diplomatic engagement, (3) economic engagement, (4) limited balancing, and (5) limited bandwagoning. Some of Kuik’s components have new names, but this is not done just for show; it is done to highlight significant differences, such as the expansion of the balancing component and the prominence and complexity of the engagement dimension. Gerstl also disagrees with Kuik’s “dominance-denial” because preserving a regional balance of power through maintaining (nearly) equal relations with all superpowers has historically been a core goal of both ASEAN and Southeast Asian governments (Jackson, 2014). However, one of the three elements—political-diplomatic, economic engagement, and restricted balancing—includes the same aspect of dominance denial (Gerstl, 2022).

Gerstl’s (2022) revised hedging framework maintains analytical strength by being purposefully wide but not so broad as to become arbitrary. The five elements collectively represent a mixed policy portfolio of aggressive and cooperative measures that a hedger can use simultaneously. Adding a section dealing with a hedger’s perceptions is the added value of this framework (Gerstl, 2023). Le (2013) makes the compelling assumption that how a country prioritizes and makes use of the policy tools that a hedging strategy provides “depends on a state’s security perception of the partner to which the strategy is to be applied,” which is the basis for its inclusion

and prioritization in the framework. Gerstl's (2022) re-conceptualized hedging framework consists of the following five components:

I. *Perceptions*

The four other components examine whether and *how* a country hedges against a stronger power. The first component, "perceptions," determines *why* a country hedges rather than following a balancing or bandwagoning approach. The explanatory variable "perceptions" looks at how the hedger perceives the risks that the hedging target poses in terms of security (specifically about sovereignty and territorial integrity), economics (specifically concerning becoming dependent), and domestic politics (endangering autonomous decision-making). Second, it examines perceived opportunities with the hedging target in domestic politics (increasing regime legitimacy due to socio-economic development sparked by improved bilateral security and economic contacts), economics (increased exchange), and security (overall increase). The final sub-criteria shows that domestic motivations can be significant even though hedging responds to systemic factors. Perceptions can come from the leader, elites, ministries, parliaments and public opinions (Gerstl, 2023).

In the first component, perspectives of potential balancing partners, such as other major powers and international organizations, will also be assessed. The comprehensive dimension of "perceptions" is operationalizable due to the selection of distinct sub-criteria. However, it is crucial to emphasize that although the perceptions shape foreign policy, they are typically deeply ingrained in their nation's established foreign policy traditions and practices. A foreign policy typically emphasizes consistency, so national interests and how people see them do not vary from day to day.

II. *Political-Diplomatic Engagement*

Two parts comprise the hedging target's engagement: "political-diplomatic" and "economic engagement." Political-diplomatic engagement examines the state and degree of relations with the hedging target and other major powers; it can be measured by the number of political visits and the depth and quality of agreements (Le Hong, 2013).

III. *Economic Engagement*

A state seeks to maximize the economic gains from its relations with the hedging target and other vital partners through "economic engagement." It includes

criteria for business, trade agreements, investments, tourism, student exchange, and other things.

This framework enhances Kuik's associated components by considering the hedger's relationships with other important partners. This broadening is crucial to provide the essential comparative context for the economic and political influence of the hedging target. This makes it possible to determine whether the hedger has any risk mitigation choices, such as potential business and security partners.

IV. *Limited Balancing*

Limited balancing entails both soft balancing, or the use of non-military bilateral and multilateral partnerships with other states and international organizations to limit a great power's freedom of action, and balancing by internal means, or the strengthening of a nation's economic capabilities and military self-help capacities. Contrary to strict balancing, no official military coalitions or alliances are formed (Han & Paul, 2020). However, the term "hard balancing" does not necessarily justify that a nation maintains a formal security partnership with a superpower.

V. *Limited Bandwagoning*

Bandwagoning, according to Stephen Walt (Walt, 1990), involves "aligning with the source of danger" and is driven by "the opportunities for benefit" (Schweller, 1994). By doing this, the weaker side acknowledges that the stronger partner will reap the advantages of the gains made together more quickly (Mearsheimer, 2014). The less effective type of limited bandwagoning might be described as an agreement between the hedging target and the hedger to coordinate on specific policy matters. In contrast to traditional diplomacy, the weaker party must make more concessions. This concept considers the likelihood that a state cooperates with a superpower in some fields while maintaining close overall ties to other countries. Generally, the secondary power aims to avoid becoming overly dependent or losing its autonomy (Cheng-Chwee, 2008).

The last two components of the framework cover the security dimension. Here, the objective is "to enable productive forms of engagement while lessening the likelihood of a potential threat and reducing its scope for impact" (Ciorciari, 2019, p. 528). Regarding hedging as a mixed policy approach, this contribution claims that forms of both balancing and bandwagoning can be applied in

a hedging strategy without blurring the very concept of hedging (but cf. Ciorciari and Haacke 2019: 370). ‘Limited balancing’ and ‘limited bandwagoning’ are conceived deliberately broadly but below the threshold of pure balancing and pure bandwagoning. The reason is that in applying one of the latter two approaches, the overall behavior in politics, economics, and security could not be classified as hedging.

The framework’s final two elements cover the security dimension. Here, the goal is to “allow effective forms of engagement while lowering the probability of a possible threat and narrowing the scope of its impact” (Ciorciari & Haacke, 2019). Gerstl (2022) argues that bandwagoning and balancing strategies can be used in hedging without distorting the definition of hedging as a mixed policy approach. Limited balancing and limited bandwagoning are intentionally broad concepts that fall short of pure balancing and pure bandwagoning. The rationale is that when one of the latter two approaches is used, overall political, economic, and security conduct cannot be categorized as hedging.

Assessing the hedger’s behavior in the four components of political-diplomatic engagement, economic engagement, limited balancing, and limited bandwagoning reveals how it uses a combination of cooperative and confrontative approaches to reduce the perceived risks posed by the hedging target. This evaluation also illustrates how the hedger uses the advantages of closer relationships with the hedging target. A reality check, or determining whether the hedger’s actual action is consistent with its vocally expressed perceptions, is also provided by assessing all five components.

This re-conceptualized hedging approach has given a framework for examining not only the actions of the state but also its leaders’ and citizens’ perspectives. This conceptual framework is believed to be more thorough and precise than Kuik’s. This framework has been used to assess three different hedging techniques by three different Southeast Asian countries (Malaysia, the Philippines, and Vietnam) approximately during the same period as the case study on Indonesia. It is not only an alternate framework to balancing and bandwagoning. By initially examining Jokowi’s perceptions, this framework is crucial for explaining Indonesia’s strategy during the US-China Rivalry during his second term.

3.2 Operationalization of Conceptual Framework

To serve as a model for the methodology used in this study, the author will use the re-conceptualized hedging strategy approach to look at Indonesia's hedging strategy against the US-China competition during Jokowi's first and second presidential terms. The conceptual framework for the study is as follows:

Table 3.1

Operationalization of the Hedging Framework of Indonesia as cited by Gerstl (2022)

Component	Criteria
<p>(Why does Indonesia hedge?)</p> <p>1(a) Perceptions towards the hedged country (China)</p> <p>1(b) Perceptions towards other potential partners</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Security: Sovereignty in the South China Sea (North Natuna Sea) • Economic: asymmetric economic relations, overdependency • Domestic Politics: Anti-China sentiment by public and opposition parties <p>Opportunities:</p> <ul style="list-style-type: none"> • Increased economic exchange • Stabilization of the region • Increased legitimacy for the ruling party due to economic development <p>The strategic value of other potential partners to avoid overdependence on China:</p> <ul style="list-style-type: none"> • Defense and economic cooperation with other regional powers (US, India, Japan, South Korea) • Engagement through ASEAN and other multilateral forums
<p>How does Indonesia hedge?</p> <p><i>Political-Diplomatic Engagement</i></p>	<p>The domestic decision-making process, the number of political visits between Jokowi and Xi Jinping (including ministers, parliament, political parties, and other institutions), and agreements reached between the two countries</p>
<p><i>Economic Engagement</i></p>	<p>Trade, FDI, Infrastructure cooperation between Indonesia and China (Belt and Road Initiative & Global Maritime Fulcrum), and domestic decision-making process</p>
<p><i>Limited Balancing (Confrontation)</i></p>	<ul style="list-style-type: none"> • Military upgrade (Internal balancing) • Bilateral and multilateral defense cooperation (ARF, ADMM+) (Soft balancing) • Domestic decision-making process
<p><i>Limited Bandwagoning (Cooperation)</i></p>	<p>Security and political agreement between Indonesia and China, including its domestic decision-making process in Indonesia</p>

This thesis will cover five components of Gerstl's argument regarding Indonesia's hedging approach. Apart from foreign policy analysis, the examination will

also include an analysis of the domestic decision-making process by the Indonesian government (including ministries, parliament, political parties, etc.). First, by examining perceptions of the Indonesian leader, the author will look into why Indonesia hedges. The author will discuss Jokowi's views on the opportunities and risks associated with China. It will also be possible to identify perceptions toward other potential partners, such as the US, Japan, India, and South Korea. In order to measure the degree of political-diplomatic engagement between the two states, state visits and agreements made between Indonesia and China, including engagements with possible regional partners and multilateral institutions, will be analyzed. Third, the author will examine the relevance of economic ties between Indonesia and the hedged country (China). This also includes the importance of ties with other possible partners to avoid overdependence on China.

Fourth, to more effectively prevent Chinese encroachment in the South China Sea, the author will look at Indonesia's limited balancing component, which includes its domestic military buildup and bilateral and multilateral security partnerships with other regional countries. Fifth, the relationship between Indonesia and the threat source of threat (China) will be examined. This involves a coordination agreement between the hedging target (China) and the hedger (Indonesia). Despite the potential for Indonesia to bandwagon itself with China, it nevertheless keeps close ties with other regional allies.

3.3 Data Collection Methods

The qualitative method will be used in this research by utilizing discourse analysis. A set of non-numerical, non-statistical, and non-measurement-focused approaches for describing political phenomena are included in qualitative methodologies. Instead, a qualitative method makes judgments based on the description and observation of non-numerical facts. At the same time, discourse analysis emphasizes the significance of language in its context. It focuses on how people use language to accomplish particular goals and the social aspects of communication (Luo, 2019).

This method is thought to be the most appropriate because the research aims to explain how Indonesian foreign policy is defined by its use of hedging strategies in

the context of the escalating US-China competition. This study employed a descriptive-qualitative approach in the qualitative method to provide comprehensive output and critical analysis.

3.4 Sources of Data

Data will be gathered from primary and secondary sources to make the study more thorough. The term “primary source” refers to information collected by the researcher directly through experiments, surveys, and other means. The author conducted interviews with scholars or academics and government officials about this study as it relates to the interviews. The three possible interviewees would likely be:

1. Adjunct Prof. Mag. Dr. Alfred Gerstl, MIR (President of Central European Institute of Asian Studies (CEIAS) and the author of *Hedging Strategies in Southeast Asia* (2022))

2. Drs. Teuku Rezasyah, MA., Ph.D. (Associate Professor of International Relations Study Program, Faculty of Social and Political Sciences, Padjajaran University, Indonesia, and also a partner of Commission I of Indonesian National Parliament (DPR))

3. Prof. Dewi Fortuna Anwar, MA., Ph.D. (Research Professor at the Research Center for Politics-National Research and Innovation Agency (PR Politik-BRIN) and former Deputy for Government Policy Support of the Secretariat of the Vice President of Indonesia)

4. Mr. Baskara Pradipta (Coordinator of East Asia, Center for Policy Strategy for the Asia Pacific and Africa Region, Ministry of Foreign Affairs of the Republic of Indonesia)

Secondary sources are also crucial for this research since they provide additional information and viewpoints. The secondary sources will be books, academic articles, government reports, etc. Data obtained will be processed in three steps: data reduction, data visualization, and conclusion.

CHAPTER 4

OVERVIEW OF INDONESIAN FOREIGN POLICY

4.1 Foundation and Historical Background (Pre-Jokowi Era)

Indonesia's significance in regional and international affairs can be strongly attributed to its abundance of strategic resources and vast population. Resources and a clear vision held by Indonesia's leaders are just two reasons for Indonesia's rise on a regional and global scale. Since Indonesia gained its independence, the world has recognized its leadership. Despite being a fledgling country, leadership in the region became one of Indonesia's post-colonial distinguishing features. However, it seemed that the country was becoming unstable due to internal problems. Leadership goals and perspectives on nationalism and independence were closely intertwined. These viewpoints supported Indonesia's engagement with the international community (Thompson, 2014).

The main tenets of Indonesian foreign policy have been "free and active," or "*bebas aktif*," ever since the country's founding. It became Jakarta's guiding principle when dealing with other nations in the regional and international arena. With these few words, Indonesia declared its independence from any alliance or political bloc present on the international stage. Additionally, it suggests Jakarta's determination to expand its influence within the international community (Andika, 2016).

Mohammad Hatta, the first vice president of Indonesia, suggested that by adhering to the "Free and Active" principle, Indonesian foreign policy should attempt to "row between two reefs." In essence, this meant that Indonesia would forge its path and chart its course in international affairs, acting as an active participant rather than merely as an observer and displaying a strong sense of nationalism and self-assurance in dealing with the outside world (Hatta, 1952). Indonesia's rejection of colonialism and its commitment to help create a world order based on freedom, lasting peace, and social fairness are spelled out in the Preamble of the 1945 Constitution (Anwar, 2019b). The first Asian-African Conference was held in Bandung, Indonesia, in 1955. The conference established the 10 Bandung Principles, which rejected rigid and aggressive

bipolar divides in favor of principles for peaceful coexistence. This led to the Non-Aligned Movement (NAM) in Belgrade, Serbia, in 1961 (Acharya & Tan, 2008).

Following the conclusion of the Cold War, Indonesia's domestic politics put its neutrality to the test. Hatta's perspective, which strongly emphasizes independence and pragmatism, helped Sukarno change the domestic political system by supporting his new objective in 1957 to integrate the Western liberal system. In addition, Sukarno quickly rejected Liberal Democracy in 1959 and embraced guided democracy as his political stance. His primary strategy was anti-colonialism that was radicalized, as evidenced by three main aspects. First, in 1962, Irian Jaya was granted sovereignty. Second, the opposition's campaign against the Malay Federation to resist British control in the region. Third, the formation of Old Established Forces (OLDEFOS) sought to destroy colonial restrictions concerning the "Jakarta-Phnom Penh-Beijing-Pyongyang Axis." On several crucial issues, Sukarno's anti-colonialism was cultivated more toward the communist camp.

Additionally, this garnered the movement a radical reputation, particularly in Western conceptions, as demonstrated by the NAM membership that is communist (Anwar, 1994). Most Indonesians feel proud of the "completion of national integrity through a strong anti-colonialist attitude," notwithstanding the politicized domestic politics of Sukarno's reign (Sukma, 1995). The economy reached its lowest point under Sukarno, who also drastically reduced any opportunity for neo-imperialists and capitalists to enter the country by prohibiting foreign investment and raising import tariff barriers (Smith, 2000).

Suharto's tenure (1965–1998) saw Indonesian foreign policy centered on maintaining the normalization of relations between Jakarta and Kuala Lumpur and reestablishing the "original" foreign policy of "free and active." The urgency to incorporate foreign policy into the UUD 1945 Constitution and state's doctrine, Pancasila, develops. *Pembangunan Nasional* (national development), sometimes translated as economic interest, was another idea President Suharto brought to Indonesian foreign policy to connect external and internal variables. This was accomplished by getting foreign aid, leading to Indonesia tilting more toward the West. His autocratic style of rule also had an impact on how foreign policy was carried out.

Under his leadership, the Indonesian Military (TNI) had a significant role in the Department of Foreign Affairs (Deplu) (Smith, 2000).

In contrast to his predecessor, he believed China's communist subversion posed the greatest threat to Indonesia's security and political stability. In a struggle for control as President Sukarno's successor, the Communist Party of Indonesia (PKI) launched an attempted coup d'état against Army leaders, and Beijing was accused of being heavily involved. From 1967 to 1990, the Suharto administration outlawed the PKI and terminated Indonesia's diplomatic ties with China (Simon, 1969). In the latter stages of the Cold War, Indonesia established tight ties with Western nations, particularly in defense, to the point where its ties with the US were seen as a de facto alliance (Sudarsono, 1979).

After Soekarno handed over power to Soeharto, one of the crucial objectives was to end the turbulence of the 1960s while also improving Indonesia's reputation in the area. The founding declaration of ASEAN in 1967 served as the cornerstone of Indonesia's post-Sukarno foreign policy. Indonesia's active engagement in forming ASEAN succeeds in demonstrating its reputation as a kind and decent neighbor for the region's countries. For Indonesia, membership in ASEAN has political significance as well. According to Dewi Fortuna Anwar (2010), ASEAN serves at least six political purposes for Indonesia, including preserving the nation's international reputation, preserving regional harmony, protecting Indonesia's national security, promoting regional order, acting as a bargaining tool in international negotiations, and raising Indonesia's international status in the world.

Albeit the rivalry between the major powers has continued, the Cold War's end brought an end to the ideological divisions between communism and capitalism on a global scale, making it possible for Indonesia to live up to its "Free and Active" principle by pursuing a truly omnidirectional foreign policy. According to Susilo Bambang Yudhoyono (SBY), president of Indonesia from 2004 to 2014, the country's foreign strategy is based on having "one million friends and zero enemies" (Piccone & Yusman, 2014). It declares progress in as many areas of bilateral and multilateral engagement as feasible. This goes hand in hand with fostering world peace and justice, conducting better investment policies for development, democracy, and regional

integration, safeguarding migrant workers and maintaining national unity, and adopting better effective foreign policy mechanisms.

The Soekarno and Soeharto administrations' foreign policy framework was somewhat absorbed by contemporary foreign policy. Nevertheless, Yudhoyono is more engaged in coordinating the NAM and willing to work with international organizations like the UN. In addition, Indonesia's assistance to turbulent regions like Afghanistan and Iraq demonstrated its legitimacy as a mediator of world peace and justice. Yudhoyono enhanced his foreign policy goal and vision over his two terms as president. He continued to pursue ASEAN leadership during his second term through ASEAN+3, ARF, APEC, and the Asia Summit (Puspitasari, 2010).

Additionally, SBY launched a significant foreign policy to engage in a wider range of international activities. He successfully got Indonesia to qualify as the only Southeast Asian nation to join the G20. Indonesia was also involved in tackling global issues, including preventing climate change and strengthening democratic principles in developing nations (Tan et al., 2016).

Due to ASEAN's growing globalization, Indonesia has conveyed its viewpoint based on its independent doctrine. Indonesia strengthens ASEAN's independent dimension to support ASEAN's relevance in the region amid intense geopolitical turmoil. It is a calculated move to limit ASEAN's leverage over outside forces and prevent excessive reliance on outside partners. Marty Natalegawa described this as "dynamic equilibrium," highlighting that the region's dynamic situation can be addressed (Andika, 2016).

While the purpose appeared to be unclear, the policy doctrine was obvious. The actual internal scenario revealed that Yudhoyono's administration had less success in closing the gap between domestic and foreign policy (Andika, 2016). His method of diplomacy placed more emphasis on raising the nation's profile abroad than on making headway on the trickiest diplomatic problems. Although Yudhoyono's Indonesia was widely seen as a rising power and a significant developing market, much of this praise was given to Indonesia because of its inherent size and successful economic performance. A goal of "one million friends and zero enemies" and an "all directions foreign policy" by definition avoid difficult decisions. Hence Yudhoyono's foreign

policy vision was frequently vague and avoided difficult choices, like many of his domestic initiatives (Connelly, 2015).

Yudhoyono's great international prominence progressively became a domestic political problem in his second term. His critics claimed that to be viewed as a global statesman, he sacrificed Indonesia's interests in favor of cordial connections with other international leaders. Pundits criticized Yudhoyono specifically for his efforts to improve the lackluster living conditions of Indonesian migrant workers abroad, which they claimed lacked the vigor necessary to address the scope of the issue, and for his apparent reluctance to execute foreign nationals who had been given death sentences by Indonesian courts (Connelly, 2015). Religious disputes brought on by hatred tend to grow. Although the Indonesian Constitution guarantees everyone the right to practice their faith freely, minority official religions like Christianity nonetheless risk prejudice. Shiite and Ahmadiyya Muslims are two minority Muslim faiths that are increasingly the targets of hostility and persecution (Andika, 2016).

4.2 Joko Widodo's Foreign Policy and the Global Maritime Fulcrum (GMF)

Joko Widodo, often known as Jokowi, represents a new direction in Indonesian politics. Jokowi, unlike his predecessors, did not advance through the military or the political party structure to become president. Jokowi's ascension started in 2005 when the prosperous businessman was persuaded to run for mayor of Surakarta (Solo), located in Central Java (Connelly, 2015).

After the SBY administration ended, Jokowi was elected to take over as president in 2014. Foreign policy in Indonesia has changed significantly since he came to office. Jokowi's political career began after he became the successful mayor of Surakarta. He gained widespread recognition in Indonesian society due to his ability to run the city. This led to him winning the election for governor of Jakarta, where he achieved the political success that eventually allowed him to win the presidential palace in the 2014 democratic elections supported by the Democratic Struggle Party (PDI-P). Jokowi's background as a non-politician has made his narrative intriguing (Tarno, 2017).

Jokowi is new to diplomatic skills. In addition to having no strong opinions regarding Yudhoyono's interest in changing these concepts, he does not hold any strong opinions about the professional's foundational abstract ideas, such as the regional security architecture or the balance of power. Jokowi views himself more as a home reformer than a global statesman (Rezasyah, 2023). He is only interested in foreign affairs since it might help him further his goals for domestic reform (Connelly, 2015).

Retno Marsudi, his foreign minister, said shortly after she assumed office that Jokowi had sought to "bring diplomacy back to earth" (diplomasi membumi), rejecting Yudhoyono's emphasis on summit diplomacy and ceremony, and serve the people in practical ways. For instance, Jokowi has ordered Indonesian diplomats to act as marketers for Indonesian products abroad, the support he doubtless would have liked to have received when he was a businessman. Additionally, he has given special attention to consular support for Indonesian migrant workers abroad (Djumala, 2015; Pradipta, 2023). As foreign policy begins at home (Rezasyah, 2023), putting the people's interests at the center of Indonesia's foreign relations might be seen as understanding his word. Its primary goal is to meet the needs of the Indonesian people. This notion is also a result of comparison with his predecessor. The previous Indonesian foreign policy, "thousand friends - zero enemies," appeared disconnected from domestic requirements. With this strategy, foreign policy frequently takes center stage while lacking domestic foundations. As a result, in reality, Indonesia has frequently been seen as having benefited less from international diplomacy than other countries. In light of this, Jokowi's administration has adopted a novel strategy known as "*diplomasi pro-rakyat*," or pro-people diplomacy. Domestic needs are positioned as the core of Indonesia's foreign policy (Connelly, 2015). Jokowi's pro-people diplomacy was officially stipulated in MOFA's Strategic Plan 2015–2019, which emphasized border settlement, stabilization of Indonesia's role in ASEAN, strengthening economic diplomacy, protection of Indonesian citizens and legal entities abroad, and Indonesia's role in global cooperation (Ministry of Foreign Affairs of the Republic of Indonesia, 2015)

This is a unique approach for Jokowi to expand his strategy for advancing the national interest. Jokowi has a more pragmatic approach than his predecessors and is less ideological. Although practically all presidents' international policies are

extensions of domestic politics and national interests, Jokowi is more likely to be pragmatic (Rezasyah, 2023). His foreign strategy prioritizes luring economic cooperation, particularly trade, tourism, and investment (Pradipta, 2023). Jokowi wants to give Foreign Minister Retno, Luhut, and his team more leeway to handle foreign policy than Yudhoyono did with his bold ideas. Jokowi's foreign policy has three characteristics: I) rely heavily on his cabinet members for connections and leadership in international affairs; II) place more emphasis on economic strategy and luring investment; and III) show less concern for "big ideas" like Korean peninsula issues (Tarno, 2017).

Jokowi believes that Indonesia is an archipelagic state whose identity and prosperity are tied to its insular waters. He also believes that Indonesia's dignity depends on the state's capacity to defend itself from numerous attempts to weaken it both within and without. These two beliefs are at the core of Jokowi's vision of Indonesia's place in its development as a nation. These presumptions serve as the foundation for Jokowi's foreign policy, which is also based on the strong defense of national sovereignty and an emphasis on Indonesia as a maritime hub. These issues frequently overlap because Indonesia's borders are largely found in its seas, yet they also stand independently (Connelly, 2015).

In his inaugural address as president in October 2014, Jokowi identified Global Maritime Fulcrum (GMF) as his top priority for the next five years of government. To be clear and precise, the strategy is more of a new vision that the state leader has gained, and its execution must fall inside the "Free and Active" corridor. Its necessity to engage with the outside world is its character in terms of foreign policy. As a result, the current government continuously sticks with "Free and Active" (Tarno, 2017).

In front of a global audience, the Global Maritime Fulcrum was officially launched on November 13, 2014, in Naypyidaw, Myanmar, as part of the ASEAN Summit. With the ancient maritime phrase "*Jalesveva Jayamahe*," which translates to "victorious in the sea," Jokowi wants to restore Indonesia's reputation as a "maritime state." The culture has a significant connection to Indonesian maritime dominance, which was the long-standing motive, particularly during the Majapahit and Srivijaya kingdoms. Illegal, unreported, and unregulated (IUU) fishing, overfishing, naval

upgrades, EEZ streamlining, coastline shipping, and creating an Asia-Pacific maritime power alliance will all be monitored during its adoption (Nainggolan, 2016).

The GMF's substance is complex and explicitly related to maritime issues, including maritime culture, marine resource protection, maritime connectivity, marine diplomacy, and maritime security. First and foremost, the advancement of marine culture is to reassert the Indonesian people's status as maritime people. Because the Indonesian people's ancestors were seafarers, it is important to preserve and promote their identity for the sake of the whole Indonesian country and state. Second, by fostering the growth of the fishing industries, the development of marine resources strives to create food security from marine natural resources. The primary focus of this second pillar development initiative is on the fishermen. Third, infrastructure development and maritime linkage aspire to unite Indonesia by building Sea tolls, deep seaports, logistical networks, the shipping sector, and marine tourism. Fourth, the major objective of developing marine diplomacy is to lessen or avert disputes that might take place in Indonesia's maritime area. Fifth, the expansion of maritime defense seeks to establish a powerful regional naval force to safeguard the sovereign territory and marine resources and establish risk-free and open trade channels in the country's interest (Gindarsah & Priamarizki, 2015).

The territorial policy concerns how a country strives to control the territorial region and its resources, which is practiced and represented in geopolitics (Flint, 2021). According to this description, implementing Indonesia's vision for the GMF can be considered an effort to reorient Indonesia's strategic interests because the five pillars of the GMF comprise state policies of territorial boundaries and the utilization of resources in them.

Although GMF covers all sector of seafaring, the domestic economy is the main focus. Therefore, his goal is to advance domestic issues before engaging in international issues. However, his broader foreign policy goal has four basic pillars. The first is promoting Indonesia's status as an archipelagic state. Second, expanding middle power diplomacy's worldwide influence, and third, intensifying cooperation in the Indo-Pacific area. Fourth, more foreign ministry reform places a stronger emphasis on economic diplomacy. The maritime industry is given top emphasis in this situation. Retno Marsudi, Indonesia's foreign minister, stated specifically on January 8th, 2015,

that “maintaining Indonesia’s sovereignty, increasing the protection of Indonesian nationals, and intensifying economic diplomacy” is the country’s top foreign policy priority. Due to its side effects, this foreign policy framework has prioritized defending Indonesia’s interests while upsetting its neighboring countries, namely China and Australia (Tan et al., 2016). Additionally, parliamentary and domestic political rivalry might choke off progress.

The Government established Presidential Decree No. 16 concerning Indonesian Maritime Policy as the framework for carrying out the GMF vision. The Presidential Regulation is a general set of instructions for marine policy and measures for its execution through the maritime sector’s plans and activities of Ministries and Agencies to speed up GMF implementation. The maritime strategy of Indonesia serves two purposes. In order to materialize Indonesia as GMF, it serves as a guide for Ministries, Agencies, and local governments in terms of planning, implementing, monitoring, and evaluating the development of the maritime sector. Second, it serves as a guide for community and corporate participants in the growth of the marine sector to actualize Indonesia as GMF. The National Document of Indonesian Maritime Policy and the Action Plan for Indonesia’s Maritime Policy are the two texts that make up Indonesia’s maritime policy. The Presidential Regulation’s provision intends to hasten the execution of and realize the objectives outlined in the GMF’s vision (“Presidential Decree no. 16 of 2017 concerning Indonesian Ocean Policy,” 2017).

Because Indonesia’s maritime policy does not significantly change the current government policies in the maritime sector, it is generally thought to lack the potential to stimulate the implementation of GMF by community expectations. Three factors support this argument. First, while several maritime projects are listed in the Presidential Regulation, it is unclear whose institution is coordinating with the necessary Ministries and institutions to ensure that the program functions synergistically. Second, the paper ignores global maritime challenges in favor of domestic maritime matters. For instance, this document briefly discusses the South China Sea’s problems. This marine policy’s existing military initiatives, such as plans to build a naval base, set up ship maintenance facilities, and purchase ships, are from the Ministry of Defense and the TNI. Third, while the marine policy may serve as a legislative framework for achieving the GMF vision, it makes no new program

recommendations that might represent a breakthrough in attaining Indonesia's goal of becoming a GMF (Laksmana, 2017).

The GMF is not yet implemented to its full economic, political, and military potential. Construction of the Sea Toll, also known as "*Tol Laut*," a strategic infrastructure to create national interconnection through maritime routes composed of 160 seaports, 50 pioneer shipping lanes, and 193 pioneer shipping lanes, is one of the GMF implementations in the economic sector that is a part of the central government's program. The creation of the Sea Toll is intended to boost national competitiveness on an international scale for both Indonesian goods and human resources. Increasing the capacity of the national economy will benefit from the program's success. Through funding and investment initiatives under the BRI initiative, the administration of President Joko Widodo is collaborating with China to achieve the development of the Sea Toll. Because several infrastructure projects connected to the Sea Toll have indeed been completed successfully, this phase is viewed from an economic viewpoint as highly successful. However, from a political standpoint, the building of the Sea Toll through the BRI program design is thought to be more advantageous for Beijing because Indonesia's substantial debt to China may limit Indonesia's ability to exert diplomatic pressure on China abroad (Sriyanto, 2018).

The local government also carries out GMF, as demonstrated by the Natuna Local Authority in the Riau Islands Province, which developed infrastructure as part of a marine-based development strategy to integrate the fishing industry and maritime tourism. However, a variety of barriers have prevented these attempts from becoming successful. Transportation, infrastructure, and promotion issues have prevented the progress of the marine tourism industry. Illegal fishing, a lack of expertise in fish processing technologies, and distribution issues outside of the island of Natuna are obstacles to the progress of the fishery industry (Ahmad, 2020).

The government has worked to grow the maritime industry as the manifestation of GMF in the defense sector. The effort to balance the rivalry between the major powers using multilateral and bilateral diplomacy is one of the areas of concern. These initiatives are carried out following the free-active foreign policy principle. In this situation, Indonesia aims to act as a middle power to help the region, particularly the maritime sector, resolve its political and security issues. However, the GMF implementation has not yet been sufficiently successful. Ineffectiveness is caused

by several factors, including corruption, ineffective bureaucracy and regulations, flaws in the financial system and infrastructure, and insufficient strength of marine defense and security agencies, including the Navy and the Maritime Security Agency (Aufiya, 2017).

The Indonesian government recognizes that the navy and other armed forces play a significant part in the GMF. Additionally, the Indo-Pacific area, which serves as Indonesia's strategic environment, is experiencing rapid geopolitical change, accompanied by increased maritime threats. As a result, the Government engages in naval development to meet this challenge by purchasing warships, maritime patrol aircraft, radar systems, submarines, and naval defense systems based on the Minimum Essential Forces (MEF) theory. Due to the restricted defense budget, these efforts have not been successful (Zulkifli et al., 2020). The narratives illustrate that despite significant challenges, the GMF goal is still being implemented. Regarding this, all parties involved must work together effectively to improve GMF implementation to realize Indonesia's goal of being the global maritime fulcrum.

4.3 Joko Widodo's Second Term Foreign Policy (2019-2022)

President Jokowi has made it abundantly apparent throughout his first and second administrations that he is a domestic president, focused on Indonesia's need for infrastructure development, bureaucratic reform, reducing red tape, and human capital development. His administration has frequently come under fire from critics and observers for paying little attention to foreign policy and international affairs. Jokowi has emphasized that foreign policy needs to be based on providing concrete benefits for everyday Indonesians (*diplomasi membumi*) (Anwar, 2023), in stark contrast to Yudhoyono's strategy to summit diplomacy and global norm entrepreneurship. He has called on Indonesian diplomats to advertise Indonesian products abroad and to offer consular assistance to Indonesian nationals abroad. He has also prioritized international forums that are more pertinent to his developmentalist goals (Priamarizki & Marzuki, 2022).

Jokowi lacks a strategic concept. Foreign policy struggled with the Indo-Pacific rhetoric from 2014 to 2019 during his first five-year tenure, casting Indonesia as the world's maritime center (GMF). Jokowi is not prioritizing the GMF view on the state's international agenda during his second term, which began in 2019. Instead, he

prioritizes strengthening Indonesia's contributions to international multilateral organizations and economic diplomacy. Without the GMF, Indonesia has failed to recognize the importance of geopolitical factors in its foreign policy. Jokowi's objectives have superseded the marine vision for image-building and technocratic, economically driven international relations. Jokowi might aim for a bigger global position, primarily through the G20 (Anwar, 2023). He seems to aspire to leave a comparable legacy of global leadership as his predecessor from ten years ago, Susilo Bambang Yudhoyono (Wicaksana, 2022).

Having won his first presidential race in 2014 with a platform packed with strategic goals, Jokowi's first term (2014–2019) fell short in foreign policy. The only thing Jokowi was passionate about more than his disinterest in international matters was domestic economic policies and infrastructure development (Anwar, 2023). Jokowi dislikes “the formality of diplomacy and public speaking,” in contrast to his predecessor, SBY (Bland, 2013). Jokowi also had to spend the early years of his administration fortifying his position through coalition building and power sharing because he had no experience with elites or military backgrounds in Indonesian national oligarchic politics.

Jokowi's second term's dynamics diverged from his previously restrained foreign policy (Fealy & White, 2016). Indonesian foreign policy priorities under Jokowi's second period did not change much. Minister Marsudi emphasized the “4+1 priorities” on the official Strategic Plan 2020-2024, which prioritized economic diplomacy over previous priorities, which made it the third priority. The following priorities are protection diplomacy, sovereign diplomacy, increasing Indonesian regional and global contribution and leadership, and additional priority and human resource diplomacy for a better quality of Indonesian diplomats (Ministry of Foreign Affairs of the Republic of Indonesia, 2020). Although economic diplomacy is the main priority on his second term, Indonesia has begun to speak up more in some places where it was previously quiet. Indonesia's actions in the disputed South China Sea have not impacted China's revisionist behavior, partly because of China's enormous military power and willful decision to avoid engaging in open hostilities (Green et al., 2017; Rezasyah, 2023). However, recent events in Natuna show that Indonesia is not afraid to challenge China. He attended the United Nations General Assembly for the first time in 2020, albeit virtually, after sending then-vice president Jusuf Kalla to represent him during his first term in office (Sutrisno, 2020).

The year 2021 presented new difficulties for Indonesian foreign policy. The nation confronted several strategic issues, some of which were brand-new, and others had already been exacerbated. Indonesia has recently been actively defending or supporting the norms and values that support ASEAN's centrality to reclaim its normative leadership in the organization (Suoneto, 2021).

Indonesia took the diplomatic initiative inside ASEAN, calling the group's foreign ministers to meetings aimed at constructing a cohesive regional approach to the country's crisis and denouncing and voicing its worries about the coup in Myanmar (S Strangio, 2021). The group's leaders met in April 2021 and, with the enthusiastic support of Indonesia and the ASEAN Secretariat, adopted a Five-Point Consensus meant to defuse the political situation in Myanmar. Demands for an immediate end to violence, peaceful negotiations between opposing factions, the supply of humanitarian aid, and the creation of an ASEAN Special Envoy to head the bloc's efforts were among the issues on which there was agreement. However, few were implemented, raising concerns about ASEAN's capacity to deal with the Myanmar situation and Indonesia's ability to steer the group in the way it sees fit (Suoneto, 2021).

Indonesia oversaw ASEAN's collaboration in the health sector and took the helm of the region's responses to the COVID-19 pandemic. Additionally, it continued to advance ASEAN's perspective on the Indo-Pacific and revived the ASEAN Human Rights Dialogue in 2021. Given that it was widely perceived that Indonesia would leave ASEAN once Jokowi first took office in 2014, this record is not too awful (Parameswaran, 2014). When Indonesia takes over as chairman of the regional body in 2023, there are big expectations for it to step up with fresh ideas to keep ASEAN relevant in the face of major powers rivalry.

Indonesia's stance on the Russia-Ukraine crisis highlighted its "free and active" foreign policy by supporting Ukraine while maintaining relations with Russia. Additionally, Jokowi attempted to use Indonesia's G20 chairmanship to open the door for an end to the Russo-Ukrainian War. Volodymyr Zelensky, the president of Ukraine, was offered an invitation to the G20 Summit in Bali in November 2022. He also defied efforts from the US and some of its allies to exclude Russia from the group's meetings. On what has occasionally been referred to as a "peace mission," Jokowi sat with Zelensky and Russian President Vladimir Putin in late June or early July 2022 in Kyiv and Moscow, respectively, and expressed his desire to act as a mediator. Both leaders received invitations from Jokowi to the Bali G20 Summit. In Moscow, Jokowi also

requested that Putin remove the Black Sea blockade so that Ukraine, a major global grain producer, may ship this crucial food staple once more in the wake of the impending food crises (Emont, 2022).

Sharp differences about whether or not to include Russia's invasion of Ukraine were present at the numerous G20 ministerial meetings throughout the year 2022, which prevented the production of a joint communique. Before the summit, all G20 meetings only generated the Chair's Statements because the US and its allies wanted a strong denunciation of the Russian invasion of Ukraine to be incorporated into all result agreements. However, Russia blocked such a move. The G20 Summit in Bali has been hailed as an absolute success despite substantial skepticism over high-level attendance and consensus on the final result. Most of the G20's senior leaders participated, including representatives from China, the G7 nations (Canada, France, Germany, Italy, Japan, the UK, and the US), and Russia through its foreign minister. A successful result of Indonesia's G20 presidency was the "G20 Bali Leaders' Declaration," which included tangible projects in the three key areas and was delivered online by the president of Ukraine. There were not any walkouts to indicate disapproval when conflicting leaders ascended the podium. The success of Indonesia's "free and active" foreign policy and middle power diplomacy can be in large part attributed to its capacity to engage all parties on opposite sides of the Russian-Ukrainian war, which played a major role in the decision to release the "G20 Bali Leaders' Declaration" (Anwar, 2022) (Anwar, 2023).

Although Jokowi's second period is still ongoing for three years, some critical events have shaped and influenced the formulation of Indonesia's foreign policies after his second inauguration. Biden's ascension into power, the COVID-19 pandemic, the Myanmar coup d'état, the Russia-Ukraine War, the reinvigoration of QUAD, and the birth of AUKUS have been challenges and opportunities for Indonesia. Through those significant regional events, Jokowi's foreign policy strategy is being tested, as he has to prove to the public and international community that Indonesia can cope with the situation. More importantly, it also shows how Jokowi can fulfill public expectations and national interests, especially the domestic economy, which he currently prioritizes over others.

4.4 Conclusion

The 'free and active' has been the main cornerstone of Indonesian foreign policy from 1945 until today. The term means that Indonesia would forge its path and chart its course in international affairs, acting as an active participant rather than merely as an observer and displaying a strong sense of nationalism and self-assurance in dealing with the international community. However, different Indonesian leaders implement different styles of their policies. They were starting from left-leaning Soekarno, right-leaning Soeharto, multilateral-oriented Yudhoyono, and transactional-oriented Joko Widodo.

Joko Widodo has been trying to revive the notion of a 'maritime state' where there were two great maritime kingdoms of Majapahit and Srivijaya by introducing the GMF. Nevertheless, the GMF lacks support due to financial and resource constraints. Widodo was also criticized in his first period due to his ignorance of foreign policy and transactional approach. Although Jokowi still prioritizes economy as its main diplomatic priority, yet he has been trying to show up on international fora in his second period.

Rapidly changing regional geopolitics, geoeconomics, and Jokowi's contrasting background compared to other previous Indonesian leaders created a new paradigm for analyzing Indonesian foreign policy. With his unique outlook and priorities, we would be able to see how Indonesia can manage expectations from its domestic and international communities. As critics have targeted Jokowi since he came into power in 2014, he has been proving that with his team, he follows what his predecessors have done but also comes out with out-of-the-box strategies. Indonesian foreign policy strategies under his presidency are fascinating, especially during the intense great power rivalry and the increasing multipolarity. Jokowi should be consistent on the free and active notion to cope with the emergence of the new "Cold War."

CHAPTER 5

INDONESIA'S HEDGING STRATEGY UNDER JOKO WIDODO ADMINISTRATIONS

This chapter is focused on the findings and discussions of how the US-China rivalry reflects Indonesia's foreign policy or strategies to cope with the uncertainty in the region. This chapter is divided into four sub-chapters. This chapter will begin by analyzing how Indonesia positions itself in the contest between the two giants. Second, an analysis of Indonesia's hedging strategies using the reconceptualized framework of hedging by Gerstl in two different periods of Joko Widodo (2022). This chapter will be wrapped up by comparing Indonesia's hedging strategies with three other Southeast Asian countries, as explained by Gerstl (2022).

5.1 Indonesia between the US-China Rivalry

The world has seen the rise of China, the return of Russia, the emergence of India, the dynamism of Japan, and several other economic powerhouses, as well as the growing role of middle powers and regional organizations, after a short period of unchallenged US supremacy and talks of a US "unipolar present" in the post-cold war years, which witnessed the fall of the Soviet Union and the end of the bipolar world order (Anwar, 2023; Krauthammer, 1991).

In particular as an export market and a source of foreign investment, China has emerged as a crucial and essential economic partner for states in the Indo-Pacific region. However, Beijing's use of its enormous economic resources to exert political pressure on other nations to protect its perceived interests, as well as Beijing's increasingly aggressive policy in asserting its territorial claims, particularly in the contentious East China Sea and South China Sea, have alarmed neighboring countries (Hasegawa, 2018; Rezasyah, 2023). China is allegedly ditching its prior goal of a peaceful rise under President Xi Jinping in favor of a more revisionist stance that pays scant attention to international laws, notably in the contested waterways, which can endanger regional stability and security. India, a non-aligned nation, has been forced to

forge stronger ties with the United States as a result of the conflict on their shared border and China's expanding clout in the Indian Ocean region. Australia and Japan are both military allies of the United States, and both countries have been subject to retaliatory economic sanctions from China for adopting policies deemed hostile to Beijing. The Quadrilateral Security Dialogue (the Quad), that had lain dormant since its founding in 2007 with the aim of restraining, if not containing China, has been resurrected in 2017 under the premise of ensuring freedom of navigation in the Indo-Pacific (Tan & Hussain, 2018). Australia will be able to purchase nuclear-powered submarines through the new security agreement that Australia, the United Kingdom, and the United States (AUKUS) signed in September 2021. This will allow Australia to increase the power of its navy. In the Indo-Pacific region, a renewed strategic alignment led by the United States to counterbalance China is definitely taking shape.

Southeast Asia is without a doubt the region most impacted by the existing international realities, particularly the emergence of China and the continuous US-China rivalry, whether we are witnessing an order in transition or simply a power shift. Southeast Asian nations were split into opposing ideological camps during the Cold War, and the area served as a theater for great power conflicts pitting the US and its allies against local communist forces backed by the Soviet Union and China, as demonstrated by the protracted War In Vietnam (Murfett, 2012). The Association of Southeast Asian Nations (ASEAN) and its member states, who have learned from the Cold War experience, do not want to see the region once more used as a pawn in great power confrontations or forced to choose between the two superpowers. Picking sides in the current US-China conflict runs the very significant danger of dividing ASEAN, which now includes all eleven Southeast Asian nations, trying to undermine the relative peace, stability, as well as prosperity that the region in general has benefited from in the decades ever since end of the Cold War. This is because of the huge diversity among ASEAN member states.

The revival of great power competition and the uncertainty it has caused in the Indo-Pacific region for Indonesia have highlighted the significance of its "free and active" foreign relations doctrine and non-alignment doctrine, preventing Jakarta from being forced to choose between backing China or even the United States. In accordance

with the 1955 Bandung Spirit of peaceful coexistence and the ASEAN Treaty of Amity and Cooperation (TAC) in Southeast Asia, the growing polarization has also compelled Indonesia to take a more active role in fostering larger regional discussions and cooperation (Anwar, 2008). As elites' perceptions of the advantages and risks of close ties with Beijing tend to differ, trying to manage relations with China, optimizing the benefits, and mitigating the risks, has emerged as a key theme in Indonesia's foreign policy. This is due in part to the fact that relationships with China have persisted to be a contentious issue in Indonesian internal politics (Anwar, 2019a).

Theoretically, Indonesia has an eclectic set of policies in response to China's rise, the escalating US-China rivalry, and the regional unpredictability. There are unquestionably meaningful legacies from past administrations since President Joko Widodo's administration entered office in 2014. The Belt and Road Initiative (BRI), the Indo-Pacific Strategy, the Regional Comprehensive Economic Partnership (RCEP), sponsored by China, and the Comprehensive and Aggressive for Trans-Pacific Partnership (CPTPP), which evolved and changed from the Trans-Pacific Partnership (TPP), originally sponsored by the United States, have all been significant challenges that the Indonesian government has faced and responded to (Iksan & Soong, 2022).

Between 2004 and 2014, the foundation of relations involving Indonesia and China was the requirement to promote reciprocal diplomacy. Beijing is rising as a significant Asian power and a rival to the United States, which is why. This has sparked a significant shift toward increasing cooperation, both bilaterally and regionally with ASEAN nations as well as with China. As trade ties with China expanded, Indonesia's economy grew more dynamic and sustained granular growth was reached with China and India, two other rapidly expanding nations (Iksan & Soong, 2022).

Other facets of the relations between China and Indonesia are characterized by attitudes held by Indonesian society regarding Chinese immigrants. This was a replacement for the Indonesians, who had held the title of largest Chinese diaspora population in the world during the Suharto era and had significantly contributed to the restructuring of the Chinese economy (Novotny, 2010). Although the level of interdependence among both Indonesia and China had increased, the urban middle class in Indonesia did not firmly support it. Low awareness from Soebagjo and

Pattiradjawane's public opinion survey provided a concrete indicator (Herlijanto, 2017b). Additionally, it is demonstrated that unfavorable perceptions of Chinese migrants who worked on construction projects financed by China's foreign debt have consistently risen, particularly during the 2014 and 2019 election years.

Two regional trade blocs have historically evolved in Southeast Asia: the TPP, led by the United States, and the RCEP, sponsored by China. Reviewing the TPP, it was established to solve challenges of the twenty-first century, including e-commerce, competitiveness, and issues of competitive market, as well as to modernize the trade rules as a pillar of Asia. The TPP was established to stop China from establishing rules and regulations for international or world trade systems, just as President Obama stated.

The Indonesian economy and military still lag behind those of the United States and China. As a result, Indonesia is somewhat forced to approach the United States and China in attempt to further its own national interests. Evidently, when considering the respective strengths and capacities of the three nations, Indonesia places itself as a medium power in relation to the United States and China. In fact, Tunsjø convincingly demonstrates that China has already narrowed the gap with the United States along crucial measures of security and economics by 2015 (Goldstein, 2020). It is possible to predict that a bipolar world would eventually replace a multipolar one.

The fundamental argument centers on Indonesia's place as a middle power in the present and the future. Indonesia is unquestionably not a small nation and isn't yet a major power. Foreign policy forces, Indonesia's national development strategy, and the strategic rivalry on the USA-China competition must all be dealt with simultaneously by the middle power nation. The hedging concept is used in this study to operationalize the argument. Examining how the middle power may manage its hedging strategy against the USA and China's power rivalry and eventually protect national interest is worthwhile and interesting.

5.2 Indonesia's Hedging Strategies under Joko Widodo's First Period

5.2.1 Jokowi's Perceptions of Risks and Opportunities

Indonesian President Jokowi stated in his 2014 presidential campaign that he wanted to make his country a “global maritime fulcrum” (GMF), highlighting the fact that Indonesia is an archipelago spanning more than 3,000 miles spanning some of the most important sea lanes of communication in the world. Jokowi expanded on the GMF after being elected president by laying out the five components of his maritime fulcrum agenda. The first pillar would be cultural, with the goal of reviving Indonesia's marine identity and culture, which, in his opinion, have been lost as a result of the country's emphasis on agricultural and manufacturing development. The second pillar is an economic one that aims to manage marine resources while establishing control over food sources, particularly fisheries. Third, a development pillar aimed at enhancing maritime connectivity and infrastructure to lower Indonesia's high transaction costs and increase economic competitiveness. A diplomatic pillar to support attempts to resolve maritime problems is the fourth. Fifth, a pillar for marine defense in acknowledgment of Indonesia's geostrategic position as a nation that spans two oceans and whose archipelago are open to invasion by outside forces (Syailendra, 2017).

Jokowi declared the GMF to be the top priority for the nation, but the idea wasn't thoroughly discussed with the appropriate ministries before it was revealed, and it lacked definition and guidelines (Kompas, 2016). Due to the different approaches each ministry has chosen in putting the GMF concept into practice, leading to a bureaucratic competition. The Ministry of Marine Resources and Fisheries, for instance, sees the GMF exclusively as a matter of conserving marine resources, with a focus on the requirement to stop illegal, unreported, and unregulated (IUU) fishing activities within Indonesia's sovereign maritime areas. The Navy, on the other hand, has as its first priority safeguarding the integrity of the nation's territory, including its EEZ and territorial seas. Indonesia's maritime governance system is complicated, encompassing a wide range of entities with overlapping and competing responsibilities, which heightens competition. Additionally, some agencies, like the Navy, are interested in publicizing the Chinese threat in order to win more funding for the Navy's expansion,

while other agencies, like the Army, which is more politically potent, are interested in the reverse (Syailendra, 2017).

Jokowi's focus is on the infrastructure pillar of the GMF. Jokowi came to power determined to revamp Indonesia's dire infrastructure, particularly maritime connectivity. As a former businessman, Jokowi fully understands that high transportation costs negatively impact Indonesia's business climate. Moreover, Indonesia's outer islands are much poorer than the main islands and enhancing connectivity would help alleviate poverty. Indonesia requires a substantial amount of investment to realize this project, and China has emerged one of the most important partners. It is estimated that Indonesia needs around US\$450 billion to realize its infrastructure development plan, consisting of building roads, railways, ports, and power plants, and is relying on investors and state-owned companies to fund 70 percent of its infrastructure needs (Syailendra, 2017).

China sees Indonesia as a crucial partner in its efforts to put its 21st Century Maritime Silk Road (MSR) plan into action (Jiao, 2013). Both nations expressed a desire to strengthen their cooperation after recognizing prospects to link the MSR and GMF, particularly in the areas of infrastructural connections and the maritime industry (Koran Tempo, 2014). President Xi Jinping announced China's intention to take part in large-scale projects for infrastructure development in Indonesia during the commemoration of the 60th Asian-African summit. On the other hand, Jokowi has openly criticized Western financial institutions while endorsing the China-led Asian Infrastructure Investment Bank (AIIB) (Sambijantoro, 2015). Indonesia plans to use loans from the AIIB, which was founded with the capital of US\$100 billion to fund the MSR, to pay for a third of the estimated US\$5.6 billion cost of expanding its ports and maritime roadways (Brummitt & Amin, 2016). This shows how crucial the AIIB is to financing the GMF project. In conclusion, Jokowi's major objective in regard to Beijing is to attract investment.

A fundamental problem that has a considerable impact on bilateral ties is how China and the Chinese are perceived in Indonesia (Fitriani, 2021). The Chinese minority in Indonesia as well as the PRC have been attacked by deteriorating identity politics, which freely mixes together China as a nation, PRC nationals, and ethnic Chinese descendants of earlier Chinese immigration to Indonesia. Indonesians

are in awe of China's incredible progress and cultural diversity, but they also dread China's economic hegemony over their country and worry about its aggression in the South China Sea. Concerns concerning the effects of China's rising exist. Both the general population and elites have a dominant view of China as the world's leading economic power (Fitriani, 2022).

The political elites of Indonesia hold a variety of opinions about China, which has a lot to do with their reluctance to make significant BRI commitments. Jokowi's reformists looked to China as a modernizing role model and a source of finance for infrastructure investment. However, certain Islamic group leaders, former top government officials, and retired generals have a negative opinion of China. The suspicious parties were worried about a probable migration of numerous Chinese laborers as well as China's anticipated desire to use investment to control strategic spots in Indonesia (Negara & Suryadinata, 2018). As a result, the Jokowi administration was unable to fully commit to the BRI due to the absence of elite coherence.

Chinese-Indonesian businessmen tend to be fond of China; in recent years, many have sent the younger generation there to work or study (Fitriani, 2018). There is no clear direction among elites and Jokowi's supporters since opinions are split between those who have an optimistic view of China and those who are wary of Beijing (Herlijanto, 2017a).

Studies have shown how Indonesians view China in specific contexts. Indonesian diplomats were found to have mostly unfavorable impressions of Chinese objectives, but they nevertheless supported the project and believed it would somehow benefit Indonesia, according to a study on the BRI (Yeremia, 2020). The influx of Chinese laborers into Indonesian projects, the concern over Chinese economic dominance, China's assertive position in the North Natuna Sea, and the ethnic Chinese issue have all hampered bilateral economic cooperation under the BRI (Fitriani, 2021). As China proved to be the most charitable country in donating medical supplies, medications, and vaccines, Indonesians had the most favorable emotion towards China during the Covid-19 pandemic (Seah et al., 2021).

Jokowi has urged the country to seize opportunities for the sake of national interest given that Indonesia is situated at the epicenter of the US-China conflict in the South China Sea (Teresia, 2015). Due to a conflict between China's nine-

dash line and Indonesia's Exclusive Economic Zone (EEZ), the Jokowi administration is involved in South China Sea conflicts. The Natuna Islands' border with Indonesia lies within China's nine-dash line claimed territory. During his trip to Washington on October 27, 2015, Jokowi made a forceful statement to reaffirm Indonesia's position on the South China Sea disputes. Jokowi emphasized during a speech at the Brookings Institution that "We condemn any efforts by any state to control and rule the sea and convert it into a battleground for strategic conflict" (Yong, 2015).

To conclude, Jokowi has a vision to transform the Republic into the "Global Maritime Fulcrum", noting the glory of the ancient archipelago as a great maritime power. He realized that much money was needed to support his ambitions. He viewed China as a potential financier due to China's massive economic power. However, his perceptions towards China are not translated the same to other elites due to public fear of communism, the influx of Chinese labour, and the sovereignty threat. Widodo, as a businessman, tended to neglect it as fulfilling his ambitions was more necessary towards the development of the state.

5.2.2 Political-Diplomatic Engagement

Over time, Indonesia's policy towards China has undergone significant changes that have been influenced by both local political reasons and trends in great power competition. Relations between China and Indonesia began emerged in 1950, when China became the first communist nation to approach Indonesia after it gained independence from the Dutch. In the 1950s, relations improved as a result of a shared commitment to nonalignment and promoting the interests of developing nations. However, Indonesian suspicions of communism and uncertainties about the allegiance of the Indonesian Chinese population hindered relations between the two countries. Early in the 1960s, President Sukarno (1945–1955) established a close relationship with China as he increasingly tied his political fortunes towards the Indonesian Communist Party (PKI) at home. General Suharto (1965-1998) severed ties with China in 1967 due to the country's suspected involvement in the 1965 coup and countercoup that overthrew Sukarno and installed General Suharto (1965-1998) as the country's leader. China was seen as Indonesia's main external menace during the Suharto regime (Storey, 2000).

The enormous changes in Indonesia's relations with China were paralleled by equally drastic changes in the country's relations with Washington. At the end of the Sukarno era, Indonesian relations with the US were practically at breaking point due to Sukarno's adamant anti-Western nationalism and tight links with the PKI, the Eastern Bloc, and China (Weinstein, 2007). The United States and Suharto's Indonesia, on the other hand, forged close military, commercial, and political connections as a result of their shared anti-communist stance. Suharto's Indonesia restored diplomatic ties with China in 1990 as a result of the conclusion of the Cold War, but Jakarta remained wary of Beijing. Indonesia's strong ties with Washington started to deteriorate at the same time it started to engage China, as Washington increased pressure on Jakarta to democratize and denounced its violations of human rights, notably in East Timor (Syailendra, 2017).

Indonesia maintains difficult relations with the US and China, particularly with the latter, while having strategic partnerships with both countries. For many years, Indonesia had stronger ties with the United States than it did with China in terms of foreign policy. But it appears that Indonesia and China are developing deeper bilateral ties under the Jokowi administration. Since the thawing of their diplomatic ties from 1967 to 1990, the most recent trends have represented good advancements in Indonesia-China relations. Relations between the two nations were not fully repaired following their normalization until Presidents Yudhoyono and Hu Jintao formed a Strategic Partnership in Jakarta in 2005. The cooperation was elevated to a Comprehensive Strategic Partnership in 2013 with agreements to collaborate in a wide range of functional areas, from military operations to education. The partnership has been expanding mutual cooperation in the areas of business, politics, security, and culture. Similar to this, for the past ten years, US-Indonesia ties have been evolving strategically. Obama and Yudhoyono established a Comprehensive Partnership in 2010 to increase high-level participation in intergovernmental and interpersonal exchanges. As Joko Widodo traveled to Washington in October 2015, this partnership was upgraded to a Strategic Partnership as a result of its success. The importance of the partnerships between Indonesia and both China and the US indicates that Jakarta sees them as important partners (Mubah, 2019).

China was the destination of President Jokowi's first international trip following his inauguration on October 20, 2014. Jokowi met with President Xi in a bilateral setting on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Summit in Beijing in November 2014, in addition to other notable Chinese figures. Jokowi stated that Indonesia will support the Asian Infrastructure Investment Bank (AIIB), which is headed by China, as the nation needed Chinese assistance in building its infrastructures (Witular & Widhiarto, 2014).

The next year, Jokowi visited Beijing once more and had a private discussion with Xi. Eight Memorandums of Understanding (MoUs) covering collaboration in economics and finance, space development, and the building of a Jakarta-Bandung High-Speed Railway were signed by both leaders (Cabinet Secretariat of the Republic of Indonesia, 2015). During his state visit to Washington that year, Jokowi and Obama jointly released a statement on cooperation in maritime, defense, economics, and energy (The White House, 2015). Jokowi attended both the G-20 Summit in Hangzhou, China and the US-ASEAN Summit in 2016 respectively.

Jokowi voiced his optimism that "the Belt and Road projects will further deepen economic cooperation between the two nations, particularly as Indonesia emphasizes on infrastructure development, connectivity, and a maritime fulcrum" at the first Belt and Road Forum in Beijing in 2017. In his meeting with Xi, Jokowi extended an invitation to China to collaborate with Indonesia on large-scale projects like the North Sumatra Kuala Tanjung Port facilities, the seaports and airports linked to the North Sulawesi Bitung-Manado-Gorontalo access roads, and the North Kalimantan power plant projects. The implementation of the 2017–2021 Indonesia–China Comprehensive Strategic Partnership, the China Economic and Technical Cooperation, and the facilitation of the Jakarta–Bandung High-Speed Rail Project were all signed in front of both leaders (Cabinet Secretariat of the Republic of Indonesia, 2017).

In 2019, then Vice President Jusuf Kalla also traveled to China to participate in the second Belt and Road Forum and meet with Xi on a personal level. Kalla observed the signing of 23 MoUs between Indonesia and China on the sideline of the event, which covered business partnerships, industry initiatives, and research

partnerships. In order to facilitate BRI projects, Indonesia decided to set up four corridors in North Sumatra, North Kalimantan, North Sulawesi, and Bali (Ilmie, 2019).

Trump's presidency saw a decline in Washington's political and diplomatic influence in the Indo-Pacific. Like other nations in Southeast Asia, Indonesia felt neglected by the US, and relations between the two countries deteriorated. President Donald Trump did not travel to Indonesia while in office, despite the country being mentioned in both the 2019 Indo-Pacific Report and the 2017 National Security Strategy. He also missed out on the chance to engage with Indonesian leaders at all four East Asia Summits. Jakarta did not agree with the Trump administration's anti-Chinese stance. Being too close to Trump was viewed by Indonesian authorities as a political disadvantage, which reflects why Jokowi never paid Trump a visit at the White House. Therefore, there were no significant agreements seen between two nations during this time (Tran, 2022).

Additionally, the Indonesian government promoted its Indo-Pacific proposal during the EAS session. Marsudi distributed a concept paper titled the Indo-Pacific Cooperation Concept (IPCC) to the attendees of the 8th EAS Foreign Ministers' Meeting in August 2018 to introduce the Indo-Pacific strategy (Suryadinata, 2018). As a key member of ASEAN, Indonesia took the lead in introducing the Indo-Pacific notion. Members of ASEAN were less eager to express their inclinations for the idea, though. The members' differing opinions on the FOIP revealed a persistent division over the Indo-Pacific frame as the main cause of this problem. Cambodia, Malaysia, Laos, and the Philippines were mostly silent on the subject, while Singapore expressed concerns about contrasting the FOIP with China's preferred interpretation of a hierarchical regional order (Lee, 2018). Members of ASEAN were wary of Jakarta's focus on strategic thinking in relation to Indonesia. President Jokowi's portrayal of the Indian and Pacific Oceans as a "one geo-strategic theatre" was introduced by Indonesian Foreign Minister Marsudi in her annual speech in January 2019, and she asserted that "ASEAN must be proactive in a strategic reaction to changes in the region" (Weatherbee, 2019). The term "single geostrategic theatre" was used by the IPCC to reflect the choices of political leaders. The inclusion of a strategic dimension, which would have fueled great power rivalry in the developing Indo-Pacific area, was resisted by other ASEAN members. Although other countries did not agree with it, Indonesia,

a key member, underlined the Indo-Pacific region's strategic importance (Yoshimatsu, 2022).

Indonesia's genuine and steadfast commitment to the Indo-Pacific idea paid off. At the retreat session of the 34th ASEAN Summit in Bangkok in June 2019, ASEAN leaders approved a vision for the Indo-Pacific region known as the ASEAN Outlook on the Indo-Pacific (AOIP) (Anwar, 2023; Rezasyah, 2023). Support from Thailand, the 2019 ASEAN chair, was a crucial element in achieving this outcome. Indonesia was able to provide more persuasive documents and widen the scope of its proposal thanks to Thailand's specific ideas, which were made in the chair's place. This helped allay other members' reservations about Indonesia's excessive presence (Chongkittavorn, 2019)

China's expanding regional influence was closely related to Indonesia's Indo-Pacific strategy. Since Beijing saw the area as encompassing not just a continental area but also the Pacific and Indian oceans, it made natural to incorporate Indo-Pacific conceptual features into the MSR (He, 2018). However, Chinese political leaders gave a dismissive evaluation of the term, with Foreign Minister Wang Yi stating that "they are like the seafoam in the Pacific or Indian Ocean: they may get some attention, but soon will dissipate" in response to a question about the Indo-Pacific ideas. Due to its perception of the Indo-Pacific initiative as a US-led containment plan, China tended to view it with skepticism (Anwar, 2020). Because ASEAN states, including Indonesia, have been welcomed into China's economic networks as part of the BRI, the majority of them have been reticent to take a strong stance on the Indo-Pacific idea, which China views as a containment effort. Their acts may be seen as political accommodation because they effectively supported China's position. Indonesia presented the IPCC, which used the term "Indo-Pacific," in such general ASEAN conditions and urged its fellow members to accept it as ASEAN's official policy. The AOIP, which was based on the IPCC, incorporates the standards that the US stresses, including respect for international law and freedom of navigation and overflight, alongside China's preferred standards, like inclusion and the win-win strategy (Yoshimatsu, 2022).

As its members participate in China's economic linkages focused on the BRI, Indonesia's suggestion to allow ASEAN to propose an independent Indo-

Pacific strategy could be seen as a hedging strategy to protect ASEAN's political autonomy. At a time when the US-China-ASEAN security triangle and the geopolitical balance with stabilizing impacts are being upset, there was undoubtedly a risk that "China may try to squeeze out Southeast Asia as its own sphere of influence and utilize the BRI as a tool of geopolitical leverage" (Rana & Ji, 2020). Due to ASEAN's importance, the political influence brought about by the BRI's economic could also have the ability to undermine ASEAN's internal unity and ASEAN-led regionalism. By promoting a regional endeavor using the title "Indo-Pacific," Indonesia aimed to counter Beijing's political and economic sway in Southeast Asia.

The Indonesian government expressed reluctance at the promotion of the Indo-Pacific region by the United States and its allies as a conceptual strategy to counter China. Retno Marsudi applauded the Indo-Pacific concept, which was "based on the principle of openness, spirit of cooperation, and a habit of conversations," when she met with US Defense Secretary James Mattis in Jakarta in January 2018 (Suryadinata, 2018). However, Marsudi emphasized that "the notion should not be employed as a containment tactic" at the 25th Pacific Economic Cooperation Council (PECC) General Meeting in May 2018. (Shekhar, 2018). Instead, in order to avoid alienating any significant players in the Indo-Pacific area, the Indonesian government embraced the inclusive principle. Joint remarks with Australia and India demonstrated this preference (Febrica, 2021). In May 2013, Marty Natalegawa, a former foreign minister of Indonesia, identified a "trust deficit" issue in the international relations of the Indo-Pacific area (Weatherbee, 2019). Then he suggested the Indo-Pacific Treaty of Friendship and Collaboration (IPTFC) as a way to utilize ASEAN's institutional strength built up over years of regional cooperation in the face of shifting regional geopolitics. One of the guiding principles of the IPTFC was inclusivity, which extended beyond democratic governments to include China and Russia, two nations who signed the Bali EAS Declaration (Suryadinata, 2018).

Indonesia tried to assert its international influence as a key power in Southeast Asia within the complex Indo-Pacific politics. In its first term, the Jokowi administration mostly avoided regional diplomacy, especially ASEAN's multilateralism, due to Jokowi's exclusive concentration on local economic development (Connelly, 2016). The administration, however, modified its position to

emphasize ASEAN's importance in advancing the Indo-Pacific strategy. In order for ASEAN to remain relevant and maintain its centrality, Jokowi said during the 32nd ASEAN Summit in April 2018 that "ASEAN must be able to play a role in building the framework of Indo-Pacific cooperation" (Sapiie, 2018). In addition to confirming ASEAN's unique status in the developing Indo-Pacific region, ASEAN centrality also strengthens Indonesia's political clout and gives it a particular place in the regionalism of the Indo-Pacific.

To summarize, local political reasons and trends in great power competition have influenced Indonesia's policy towards China. Indonesia and China have developed deeper bilateral ties under the Jokowi administration, expanding cooperation in business, politics, security, and culture. Jokowi invited China to collaborate on large-scale projects, signed 23 MoUs, and set up four corridors to facilitate BRI projects. Engagement with the US was low during Trump's administration due to his inward-looking foreign policy. Aware of the geopolitical rivalry, ASEAN leaders approved the ASEAN Outlook on the Indo-Pacific (AOIP) due to Indonesia's commitment to the idea and support from Thailand. Indonesia's Indo-Pacific strategy was considered a hedging strategy to protect ASEAN's political autonomy and counter Beijing's political and economic sway. ASEAN's centrality strengthens Indonesia's political clout and gives it a place in the regionalism of the Indo-Pacific.

5.2.3 Economic Engagement

In the 2000s, bilateral ties between China and Indonesia rapidly improved. Jakarta came to the realization that China might be able to help it with its ambitious infrastructure plans. President Widodo extended this understanding by tying China's Belt and Road Initiative (BRI) to his GMF masterplan. To capitalize on its status as the largest archipelagic nation through the fulfillment of the GMF, the Jokowi administration needed a sizable investment fund for the development of infrastructure and communications. The administration was forced to explore for other offshore funding sources because state coffers couldn't support large-scale infrastructure projects. A total investment of 4796 trillion Indonesian Rupiah (US\$358 billion) was needed to reach the government's infrastructure target by 2019, according to the National Medium-Term Development Plan 2015-2019. State-owned firms may provide

up to 22% of the finance, with the central and local governments contributing up to 41%. In light of this, 37% of the cash required to come from other sources (Mursitama & Ying, 2021). Chinese commercial loans were provided by state-owned banks rather than through government-to-government grants, and both of these factors made China a favorable source of funding in this regard. Chinese foreign aid and concessional loans were primarily intended for the development of infrastructure (Anwar, 2020).

Jokowi met Chinese President Xi Jinping five times during his first two years in office, viewing him as a fellow “results-oriented” leader. He also joined the Asian Infrastructure Investment Bank (AIIB), which was established by China (Strangio, 2020). Both parties agreed that “the initiative of the 21st-Century Maritime Silk Road outlined by Xi Jinping and the Global Maritime Fulcrum initiated by Jokowi are complementary to each other,” aiming to “advance maritime infrastructure connectivity,” according to a joint statement released during Jokowi’s first official visit to Beijing in March 2015. The Jokowi administration was expected to benefit from China’s help for BRI infrastructure development in order to achieve the country’s GMF aim of transforming into a maritime great power (Yoshimatsu, 2022).

High expectations for the BRI from the Jokowi administration resulted in a radical shift in the direction of an important infrastructure projects in Indonesia. A thorough feasibility study for the first high-speed rail project in Southeast Asia was carried out by Japan in 2013 at the request of the Indonesian government, which intended to build a high-speed train line connecting Jakarta and Bandung, the provincial capital of West Java. China increased its support for this railroad project after Jokowi was elected president in October 2014. In March 2015, the two countries signed an MoU on collaboration for the building of the Jakarta-Bandung high-speed railway. In September 2015, the Indonesian government made the ultimate choice to give China the project. China agreed to require no state budget or loan guarantee from the government and pledged to complete the project faster than Japan’s plan, which was a crucial deciding factor (Yoshimatsu, 2018). As the BRI’s centerpiece project, China started building the high-speed railway between Jakarta and Bandung in January 2016.

Indonesia’s decision to build national railway networks was driven by worries about Chinese economic progress. Despite awarding China a contract for the construction of the high-speed rail line between Jakarta and Bandung, Indonesia

prevented Beijing from consolidating its hegemonic position in the nation's rail industry. The Patimban Seaport project, the Java-Sumatra Interconnection Transmission Line project, the Jakarta Mass Rapid Transit (MRT) North-South and East-West lines projects, and others all engaged Japan. The Indonesian government asked Japan to participate in a railway project to connect the 720 km-long route between Jakarta and Surabaya, the provincial capital of East Java within 10 months following the start of the Jakarta-Bandung high-speed railway project in January 2016. This requirement ran counter to the economic justification that China will continue to invest in the railway project to create harmonious railway networks, given that the Jakarta-Bandung project was originally envisioned as one leg of a lengthy route connecting the state's capital and its second largest city (Yan, 2021). This new railway project was presented to Japan as a kind of restitution for its significant involvement in the Jakarta-Bandung project. At the same time, by forgoing the ease of railway intra-system compatibility, Indonesia made sure that China would not entirely dominate the nation's high-speed railway networks (Wu & Chong, 2018). By diversifying its partner countries for aiding in the construction of railway networks, the Indonesian government aimed to protect itself against the possibility of becoming overly dependent on China (Anwar, 2023; Rezasyah, 2023).

The Indonesian government worked to attain a policy objective to maintain a respectable position in the face of uncertainty in its bilateral relations with Beijing about the BRI. By realizing the GMF would develop into a potent maritime power, the Indonesian government sought to secure a crucial state role. The administration took an engagement strategy option by confirming the compatibility between the BRI and GMF and choosing China as the contractor of the Jakarta-Bandung high-speed railway project since the BRI may be a key source of funding for infrastructure development under the GMF. These policy alternatives can be seen as China's economic accommodation. By diversifying another significant project to a rival, the administration avoided China's monopoly on the development of national railway networks. To reduce the risk of dependence by broadening economic ties, this policy option could be viewed as economic hedging (C.-C. Kuik, 2016). Compared to other Southeast Asian nations, the administration was slow to fully commit to the BRI,

and this cautious stance was largely due to ongoing worries about the influx of Chinese employees and the authenticity of technology transfer from China.

This study also demonstrates how tighter economic ties and integration with China are now and in the future as a result of the significant contributions made by Chinese diaspora businesspeople in Indonesia as well as big enterprises on infrastructure projects (Laksmana, 2011).

According to a 2012 study, the oil and gas, mining, manufacturing, and other extractive industries made up more than 95% of all American investment in Indonesia. The importance of manufacturing, the largest FDI industry for US businesses, is increasing (American Chamber of Commerce in Indonesia, 2013). It is really interesting to observe how China's infrastructure-focused investment differs from American manufacturing-focused investment.

In Eastern Indonesia, where the majority of their mining locations are located, US businesses had employed about 35,000 people in the mining sector. In its operational area, one of the largest US corporations in Eastern Indonesia between 2006 and 2011 generated up to 96.9% of the regional GDP and over 2.2% of the overall GDP (American Chamber of Commerce in Indonesia, 2013). However, Freeport-McMoran Copper, a US-based international gold mining business, has been in operation since 1973. It has established and operated in Indonesia for about 50 years, greatly boosting the country's economic development.

In conclusion, in the 2000s, bilateral ties between China and Indonesia improved, and President Widodo extended them by tying China's Belt and Road Initiative (BRI) to his GMF master plan. To capitalize on its status as the largest archipelagic nation through the fulfillment of the GMF, the Jokowi administration needed a sizable investment fund to develop infrastructure and communications. Chinese commercial loans were provided by state-owned banks rather than through government-to-government grants, and both factors made China a favorable source of funding in this regard. President Xi Jinping met Indonesian President Joko Widodo five times during his first two years in office, and both parties agreed that the initiative of the 21st-Century Maritime Silk Road outlined by Xi Jinping and the Global Maritime Fulcrum are complementary to each other. Indonesia was expected to benefit from

China's help with BRI infrastructure development to achieve the country's GMF aim of transforming into a great maritime power.

Worries about Chinese economic progress drove Indonesia's decision to develop railway networks. To prevent Beijing from consolidating its hegemonic position in its rail industry, the Indonesian government asked Japan to participate in a railway project to connect the 720 km-long route between Jakarta and Surabaya within 10 months following the start of the Jakarta-Bandung high-speed railway project. This was presented to Japan as a kind of restitution for its significant involvement in the project. Indonesia diversified its partner countries to protect itself from becoming overly dependent on China. The Indonesian government sought to maintain a respectable position in its bilateral relations with Beijing by confirming the compatibility between the BRI and GMF and choosing China as the contractor of the Jakarta-Bandung high-speed railway project. This policy option was seen as China's economic accommodation, avoiding China's monopoly on developing national railway networks. This study also demonstrates how tighter economic ties and integration with China are now and in the future due to the significant contributions made by Chinese diaspora businesspeople in Indonesia and big enterprises on infrastructure projects.

5.2.4 Limited Balancing

Given that Indonesia is an archipelagic nation made up of more than 17,000 islands, maintaining its national integrity has always been challenging because of its porous borders. Therefore, marine security is a matter of national security for Indonesia. Indonesia's keen interest in maritime security prompted it to participate actively in discussions surrounding the United Nations Convention on the Law of the Seas (UNCLOS), where it attempted to push for the archipelagic principle, which states that island countries like Indonesia have sovereignty over both the land area covered by their islands and the waters that connect them. When UNCLOS went into effect in 1994, Indonesia obtained control over its waters. As a result, Indonesia has a significant national interest in seeing that major powers uphold UNCLOS (Syailendra, 2017).

Due to China's support for the PKI, Indonesia has historically perceived its main security challenges as being internal. Especially after Beijing issued its Law on Territorial Seas in 1992 and seized Mischief Reef from the Philippines a few

years later, Indonesia likewise developed reservations about China's irredentist claims in the South China Sea. There are no land-related territorial conflicts between China and ASEAN nations like Vietnam, Malaysia, the Philippines, and Brunei. This is because China does not claim any Indonesian islands. Indonesia has consistently maintained that it does not have territorial disputes with China because UNCLOS water rights are derived from land and China does not have any islands near to the Natunas. Instead, Indonesia worried that China might seize the waters surrounding the Natuna islands and its Exclusive Economic Zone (EEZ), which contain huge oil and gas deposits (Syailendra, 2017).

Indonesia has a long-standing policy of including international corporations in the Natuna oil and gas exploration to provide outside actors an interest in aiding to discourage China and side with Indonesia in the case of a dispute. For instance, in 1995, Pertamina agreed to exploit the Natuna gas resource with the help of Japanese investors and US oil tycoon Exxon (Storey, 2000). Indonesia has also frequently asked Beijing to clarify that its Exclusive Economic Zone (EEZ) is unaffected by China's claims, but China has refused.

Beyond the bilateral discussions, Indonesia saw itself as an "honest broker" between its ASEAN counterparts and China on this matter because it felt it was not a party to the disagreement. As the de-facto leader of ASEAN and a country with a strong sense of regional entitlement, Indonesia aimed to reduce the gap between China and its member nations. A declaration on the conduct of parties to the South China Sea dispute (DOC), agreed by China and ASEAN in 2002, urges claimants to refrain from doing actions that could intensify the conflicts, such as strengthening already-existing islands, occupying islands, and increasing military patrols. These steps were taken to manage the conflict rather than to end it. China's stance has always been that it seeks to settle the conflicts bilaterally, without the involvement of outside parties, in order to exert influence over the smaller states in Southeast Asia. The DOC is not legally binding, and since its adoption, ASEAN and China have been negotiating to create a legally binding Code of Conduct (COC), but despite years of negotiations, no agreement has been reached because of China's resistance (Syailendra, 2017).

The release of China's nine-dash line map in 2009, which set forth the huge extent of its assertions to the South China Sea for the first time, increased

tension throughout Southeast Asia. The map looked to encroach into Indonesia's Natuna Island Exclusive Economic Zone (EEZ), which prompted Indonesia to once more ask China for accurate coordinates about the map or assurances that there would be no problem. Indonesia officially protested China's claim to the UNCLOS after China refused to provide these. Indonesia made it clear in a diplomatic note to the UN secretary-general on July 8, 2010, that it does not recognize China's nine-dash line since it has no legal justification (Permanent Mission of the Republic of Indonesia to the United Nations, 2010).

Indonesia implements a plan to increase and diversify its ties with other states in order to increase its room for maneuver and hedge. Numerous nations, including the United States, China, Japan, South Korea, Australia, Brazil, India, Vietnam, the European Union, the UK, France, Russia, South Africa, and Turkey, have inked strategic partnerships and other extensive agreements with Indonesia. Additionally, Indonesia aimed to have the ADMM+ and the Expanded ASEAN Maritime Forum include the medium and regional powers (AMF) (Poling, 2013). China wants pan-Asian entities which exclude the United States, Australia, and New Zealand, but Indonesia wants to ensure that emerging regional architecture, such as the founding of the EAS, takes place on a pan-Pacific basis and includes nations like the United States, Australia, and Russia. Indonesia backs pan-Pacific institutions out of concern that China may utilize them as a platform for Chinese leadership throughout Asia (Murphy, 2014). The participation of strong foreign parties, on the other hand, lessens the influence of China and supports Indonesia's desire to leverage these establishments as multilateral hedging mechanisms.

However, Indonesia's attempts at hedging are complicated. The goal of Indonesia is the maintaining of equilibrium, which calls for the involvement of nations like the United States, which already had enough capacity to counterbalance China's influence. However, Indonesia worries that the equilibrium it seeks will be disturbed by escalating Sino-American tensions. For instance, then-foreign minister Marty Natalegawa asserted that the United States' announcement to rotate troops through Australia's Darwin base as component of its rebalancing policy would lead to a "vicious spiral of tension and mistrust" because it would enrage Beijing (Agence France-Presse, 2015; Allard, 2011). Due to the increased great power rivalry that can

trap Southeast Asian governments, Indonesia has been concerned about unilateral US actions.

The Chinese fishing vessel “Kway Fey” was apprehended by Indonesian fisheries officials on March 19, 2016, when it approached Natuna Island’s Exclusive Economic Zone. A Chinese maritime law enforcement vessel physically intervened to release the detained Chinese fishing boat as it was being towed in toward the Natuna Islands after being apprehended by the Indonesian fisheries authorities. Eight Chinese seamen were imprisoned by the Indonesian police while the Chinese boat was returned to China. The spokesperson for China’s foreign ministry denounced Indonesia’s incarceration of these fishermen. Beijing demanded the crew members’ release, claiming the boat had already been engaged in “normal activities” while “in traditional Chinese fishing grounds.” Indonesia disagreed and maintained that traditional fishing areas are not recognized by UNCLOS (Suryadinata, 2016). In addition to violating Indonesian sovereignty, China’s activities and the adoption of a notion of traditional fishing grounds were an effort to undermine UNCLOS, the upholding of which is crucial to Indonesia’s interests.

After seizing the *Han Tan Cou 19038*, an illegal Chinese fishing trawler, and its seven crew members on June 17, 2016, the Indonesian Navy ship *KRI Imam Bonjol-383* engaged in a new standoff with the Chinese coast guard. The Indonesian Navy was ordered to release the detained ship and crews by the Chinese coast guard. The Indonesian Navy denied this request (Antara, 2016a). China’s response was to file a diplomatic letter objecting to Indonesia’s behavior. China protested, but Indonesia did not respond through the proper procedures (Gumilang, 2016b).

On June 23, 2016, only around a week after the incident, Jokowi reacted by making a theatrical gesture. Along with numerous ministers, he paid a visit to Natuna and convened a brief cabinet meeting on board the naval vessel *KRI Imam Bonjol-383* in the disputed sea territory. Huge domestic media coverage praised Jokowi for taking such a courageous stand against China with this measure (Trihartono, 2016). These actions looked to have succeeded in increasing public support for Jokowi’s plans for marine sovereignty. 73.6% of the citizens believe that the Jokowi administration has a strong desire to strengthen Indonesia’s maritime defense, and 69% of the population

believes that Jokowi is committed to enhancing Indonesia's role in the region as a maritime power. These findings come from a national survey conducted in September 2016 by the Center for Strategic and International Studies (CSIS) Indonesia (Syailendra, 2017). According to a 2016 poll carried out by the Jakarta-based Saiful Mujani Research and Consulting (SMRC), Jokowi has also grown in popularity after the Natuna meeting. According to the SMRC study, popular contentment with the Jokowi government increased by 5%. His approval ratings increased from 63% in January to 67% in July (SMRC, 2016).

However, in addition to his flexing of muscles, Jokowi made a number of conciliations in an effort to prevent the confrontation from escalating. Indonesia is still aiming to forge a solid diplomatic partnership, according to Jokowi. In a statement, Minister Luhut also reassured Beijing that there weren't any aggressive intents toward China (Gumilang, 2016a). Jokowi, in other words, took a decisive measure to show his strength to a domestic audience and to dissuade Beijing, while simultaneously making sure that his reaction did not endanger diplomatic and economic ties with Beijing, which are crucial to his political agenda. In response, the Indonesian military announced preparations to increase its presence on the Natuna islands in order to protect its sovereignty (Antara, 2016b). On October 3, 2016, Indonesia's air force conducted a sizable military drill above the Natuna region, which is rich in natural gas (Reuters, 2016). But just like Jokowi's flexing of his muscles, other players with a stake in maintaining Indonesia's status quo policy intervened with conciliation. Retno Marsudi, Indonesia's foreign minister, said in a statement that this military exercise was just a routine Air Force training exercise and that Indonesia had no plans to threaten China. In a similar vein, Retno clarified that the military build-up in Natuna was not a response to Beijing. These claims were reiterated by the commander of the Indonesian military, who also noted that similar measures had been taken in other parts of Indonesia, such as Biak, Morotai, Saumlaki, and Marauke, indicating that none of the defense-strengthening efforts in Natuna were a direct response to Beijing (Cabinet Secretariat of the Republic of Indonesia, 2016). Even Coordinating Minister General Wiranto clarified a number of times, rejecting that it was a "display of force" intended to counter a "perceived threat from a certain country" (Storey, 2000).

In July 2017, the administration made the decision to rename a portion of the South China Sea as the North Natuna Sea in order to strengthen national sovereignty. China objected to this choice, stating that it would be detrimental to a peaceful relationship between Indonesia and China. China urged Indonesia to examine renaming the sea, but Indonesia claimed that it has the right to do so because the North Natuna Sea is part of its territory. Unlike China, the United States has supported Indonesia's move to rename the Natuna Islands' surrounding waters. U.S. Secretary of Defense James Mattis reaffirmed the nation's preparedness to recognize the North Natuna Sea on his tour to Jakarta on January 24, 2018. In a joint press conference with the country's defense minister at the time, Ryamizard Ryacudu, Mattis stated: "Certainly, Indonesia is crucial as a fulcrum, a maritime fulcrum of the Indo-Pacific area. In the South China Sea and the North Natuna Sea, we can contribute to the maintenance of marine domain awareness. We eagerly anticipate carrying out this (Associated Press, 2018).

Additionally, U.S. Secretary of State Mike Pompeo stressed that "Indonesia is a key partner of the United States" during his meeting with Jokowi on August 5th, 2018 in Jakarta (Chan, 2018). Prior to this, Pompeo stated that the US would resist any government seeking to dominate the Indo-Pacific (Bowie, 2018). On December 18, 2018, Indonesia opened an army facility in the Lampa Strait on Natuna Besar Island in the Archipelago with assistance from the US. The outpost, which has more over 1,000 military soldiers, is intended to dissuade any attacks in border regions. Jokowi sent a clear message to any outside forces posing a danger to Indonesia's sovereignty by saying, "If you desire us to fight, absolutely, united we will do it" (South China Morning Post, 2018). This made it abundantly evident to Beijing that Natuna Islands are Indonesia's sovereign territory.

The Indonesian government improved its military and diplomatic ties with the US. More than 240 military engagements are carried out annually by the United States, which is Indonesia's main military partner. These engagements include efforts to combat terrorism and step up maritime defense cooperation (Cronin, 2019). The Indonesian Air Force and US Marine Corps F/A-18 aircraft engaged in joint fighter-focused training for the first time in 19 years during the air exercise COPE WEST in November 2016 (Harris, 2017).

According to some pundits, Indonesia is a natural ally for the US. Both of them are multiracial democracies that favor an open, cooperative, and rule-based global framework. Both have a mutual mistrust of China. The connection between the two countries falls short of expectations despite its many commonalities. They have trouble working together, and despite being such enormous nations (the third and fourth most populous in the world, respectively), bilateral trade is modest. Both nations are to blame. Because Indonesia is a hesitant partner, America has used forceful diplomatic measures. Support for the East Timor independence movement and sanctions on Indonesian behavior, such as a ban on the export of military hardware to the nation due to abuses of human rights, are examples of American coercion (Harding & Natalegawa, 2018).

The relationship between Indonesia and the Obama administration has greatly improved. Indonesia was both pleased and worried about the president Obama administration's rebalancing toward the Pacific. On the one hand, Indonesia supported a committed United States as a counterbalance to China. Indonesia, on the other hand, is worried about the militarization of American foreign policy in the Pacific. The Indonesian government expressed worries about the possibility of escalating tensions and a conflict with China in response to President Obama's rebalancing of the United States toward the Pacific (Tellis, 2014). In addition, Indonesia turned down American requests to let surveillance planes land and refuel there. Although Indonesia is ready to buy military hardware from the US and train with them, it is unwilling to host US troops and equipment (Allard, 2020).

Nevertheless, after Donald Trump was elected president, this goodwill was ignored. Indonesia resented the "America First" policy, and during the previous four years, ties have gotten worse. According to a diplomat from Indonesia, the bilateral relationship has "lost its soul." Islamophobic and anti-immigration measures are unpopular in the mostly Muslim countries, and the administration is frustrated by trade disputes, which also involve probes into economic relations between the United States and Indonesia (Leatherbury, 2021).

Indonesia has been expanding its military cooperation with other like-minded nations in an effort to avoid reliance and hedge against US unilateral actions in the region. Indonesia's international influence included institutional ties with

nations who were wary about China's naval campaign in the Pacific and Indian Oceans. In order to examine maritime security issues, Indonesia and Japan established the Indonesia-Japan Maritime Forum in December 2016. In September 2017, Japan handed Indonesia with radar technology and patrol vessels (Scott, 2019). In addition, the first senior official strategic meeting between Indonesia, Australia, and India took place in November 2017 in Bogor, Indonesia. The defense of the rules-based order in the Indian Ocean, Southeast Asia, and throughout the Indo-Pacific, as well as increased connectivity and economic cooperation, were all on the agenda for the dialogue. This trilateral discussion was held in conjunction with the inaugural meeting of the Australia-India-Japan-US Consultations on the Indo-Pacific (Yoshimatsu, 2022).

Additionally, Indonesia and India have deepened their strategic alliances in a number of important areas, including marine, security, and defense issues. In order to defend its interests at the regional and international levels, India is eager to promote the growth of Indonesia's defense and military sectors as well as the improvement of marine security. India wants to strengthen its defense partnership with Indonesia through financial support and technology exchange (Parameswaran, 2015). India's struggle for national esteem and identity is what motivates its rivalry with China in the Indian Ocean. India has long seen itself as the lone major power in the area, particularly in the Indian Ocean. China, however, rejects this assertion. Through a trading route known as the "Maritime Silk Road," China presented the idea of an integrated marine shipping channel motivated by its ancient glory. India rejected China's plan because it was seen as politically charged and a threat to India's national security (Collin, 2019).

Increasing maritime sector collaboration is how Indonesia implements its hedging strategy against India. Since 2015, a number of maritime development projects, including joint maritime exercises, joint maritime patrols, friendly visits of Indian Navy ships to Indonesia and vice versa, as well as the two nations' maritime defense and security agreements, have increased cooperation between the Indonesian and Indian navies within the India-Indonesia Coordinated Patrol (IND-INDO CORPAT) (Singh, 2018). Joko Widodo traveled to India on a state visit in December 2016. Additionally, the visit was intended to improve marine collaboration between the two nations. A Memorandum of Understanding was signed

during the visit between Indonesia and India under the heading of “Maritime Cooperation,” with a focus on enhancing maritime security and advancing the maritime industry (Gopal & Alverdian, 2021).

The return trip to India by Joko Widodo in 2016 prompted Indian Prime Minister Narendra Modi to visit Indonesia in May 2018 as part of a five-day trip to various Southeast Asian nations. Modi brought up three crucial issues for discussion during his meeting with Joko Widodo: maritime security, China’s potential threat in the Asian maritime region, and expanding trade relations (Kaura, 2018). By giving the Indian Navy strategic access to Sabang Island for the purpose of providing logistics for its marine patrol operations in the eastern Indian Ocean, including the Malacca Strait, Indonesia seized the chance to further strengthen maritime security cooperation in order to realize its GMF vision.

To summarize, due to China’s claims of sovereignty in the South China Sea, Indonesia is concerned about its maritime security. Indonesia sought to reduce the gap between China and its member nations by agreeing to a declaration on the conduct of parties to the South China Sea dispute. Indonesia seeks to increase and diversify its ties with other states to increase its room for maneuver and hedge against China’s influence. Jokowi’s actions have increased public support for marine sovereignty and strengthened Indonesia’s regional role, although they only worked partially.

Indonesia’s military build-up in Natuna did not respond to Beijing, and the United States has supported Indonesia’s move to rename the South China Sea as the North Natuna Sea. Indonesia has improved its military and diplomatic ties with the US, but bilateral trade is modest, and America has used forceful diplomatic measures. Indonesia has been expanding its military cooperation with other like-minded nations to avoid reliance and hedge against the US’s unilateral actions in the Indo-Pacific. Indonesia and India, for example, have deepened their strategic alliances in several essential areas, including marine, security, and defence issues. India seeks to strengthen its defence partnership with Indonesia through financial support and technology exchange.

5.2.5 Limited Bandwagoning

There are no recognized territorial disputes between Indonesia and China. In contrast to the Philippines, Vietnam, Malaysia, and Brunei, China's nine-dash line claim does not encompass its maritime boundaries in the South China Sea. Since the start of the Suharto dictatorship in 1965, the Indonesian military has dominated the formulation of the country's foreign policy. Although it is apprehensive of China, it is aware that, like its ASEAN neighbors, it is unable to fight Chinese military aggression outside of its boundaries and probably never will be. Fortunately for Indonesia, such a scenario is improbable barring a war in the area. Indonesia will be quite unhappy if Beijing escalates the situation across the Taiwan Strait, for instance, and will have little ability or desire to participate actively in any reaction (Peterson et al., 2022).

The lackluster response by Indonesia to these incursions can be attributed to a variety of factors. First off, as the Indonesian proverb "kamu tenggang rasa apapun" (you can endure anything if you have to) implies, the country's foreign ministry, *Kementerian Luar Negeri* or Kemlu, goes to considerable lengths to avoid hostilities and harsh language. This is in line with its current objective to avoid physical conflict with China (Peterson et al., 2022).

Over time, Kemlu has worked to take a more moral stance in its interactions with all nations, including China. Of course, the Permanent Court of Arbitration's (PCA) 2016 decision that China's claims to the South China Sea are unjustified served as a punctum to this. However, as indicated by its continued de facto rule over the South China Sea, China appears unconcerned with the PCA's decision. However, it is debatable if Indonesia's stance that it is not a claimant in its North Natuna Sea because its Exclusive Economic Zone is protected by UNCLOS serves Indonesian interests at all (Allard & Munthe, 2017). Of course, it hasn't done anything to stop Chinese encroachment.

Despite Indonesia's ardent support for the 1982 UNCLOS, Jakarta's reaction to the PCA verdict was rather quiet. This was likely due to Jakarta's reluctance to antagonize China, who vehemently refused to acknowledge the PCA ruling (Batongbacal et al., 2018). Those in charge of Indonesia's investment policy have been especially noticeable in their desire to avoid upsetting bilateral relations, despite the growing intrusions of Chinese coastguard and maritime militia vessels into Indonesia's

exclusive economic zone (EEZ) near Natuna, which China unilaterally claims as a part of its traditional fishing ground.

In addition, Indonesia's navy is inferior to China's: Only 0.8% of Indonesia's GDP is still allocated to the military, and the majority of that low sum—roughly 70%—is still allocated to the army in keeping with the country's antiquated “defence in depth” strategy. The “defence in depth” doctrine places a lot more emphasis on the army than on Indonesia's naval and air forces. The justification for this is that Indonesia would only be able to resist and defeat a stronger foreign attacker if it could keep its people's spirit and encourage them to defend their own country (Peterson et al., 2022).

Indonesia's reservations over China's maritime claims in the South China Sea may make the idea of military cooperation between the two countries seem unrealistic. However, the two nations have occasionally participated in fragmented military drills. A memorandum of agreement was signed on March 22, 2011, before Jokowi took office, by the Indonesian Ministry of Defense and the State Administration of Science, Technology, and Industry for National Defense (SASTIND) of China (Antara, 2013). Then, as part of what was dubbed “Sharp Knife,” various military units from the two nations engaged in military exchanges between 2011 and 2014. The US Congress's decision to forbid its military from engaging with Kopassus and embargo due to human rights violations in East Timor contributed to Indonesia's willingness to cooperate with China in military cooperation (Anwar, 2023; Wenas Inkiriwang, 2021).

During Sharp Knife 2011, Indonesian Army Special Forces (Kopassus) and the People's Liberation Army (PLA) conducted joint training in Bandung for two weeks with a focus on anti-terrorism exercises. The same drills were repeated, however this occasion in Shandong Province for Sharp Knife 2012. Indonesian Air Force special forces and the PLA Air Force have been included to Sharp Knife Airborne 2013. This activity lasted for a week and involved about 200 people. The same exercise was again recreated, this time in China, for Sharp Knife Airborne 2014 (Hamilton-Hart & McRae, 2015). Under Jokowi and his then TNI commander, Gatot Nurmantyo, who was a far more realist when it came to China and its continuous intrusions in the South China Sea, the Sharp Knife exchange was ultimately cancelled. Gatot actually believed that China's activities went against Indonesia's territorial

integrity rather than being just a misinterpretation of fishing rights (Wenas Inkiriwang, 2021).

The Annual Indonesia-China Defense Security Consultation Talk, which was formed in 2006, the Xiangshan Forum, and the ADMM+ are just a few of the forums that the two nations have established. Despite the signing of the 2013 Comprehensive Strategic Partnership and the 2008 Joint Development of Defense Industry, Exchange and Training of Military Officers, and Joint Military Exercise in 2008, security cooperation is still very minimal. The military's continued mistrust of China and the public's concern over China's aggressive actions in the South China Sea are the key causes. Concerns about the threat China might pose to Indonesian sovereignty have been fueled by repeated events in the Natuna. A further security concern is the possibility of Uyghur terrorist attacks in Indonesia (Peterson et al., 2022).

Regarding defense industry collaboration, Indonesia made the decision in 2014 to arm its three KCR-40 warships with C-705 missiles that were imported from China (Antara, 2013). Although some TNI officers have welcomed China's willingness to share its military technology with Indonesia, there is a deep-seated mistrust of communist China among TNI members, and there are suspicions that China's willingness to share comes with the hidden goal of gathering as much intelligence as possible on Indonesia (Nabbs-Keller, 2011).

In conclusion, Indonesia's lackluster response to Chinese incursions can be attributed to various factors, including Kemlu's efforts to avoid hostilities and harsh language. Indonesia's reluctance to antagonize China has led to a lack of military cooperation, but the two nations occasionally participated in military drills, albeit defunct. Indonesia and China have limited security cooperation due to the military's mistrust of China and the public's concern over China's aggressive actions in the South China Sea.

5.2.6 Conclusion

Jokowi has ambitions to build Indonesia as a Global Maritime Fulcrum. One of the objectives is to upgrade the country's poor domestic infrastructure. He knew he needed much capital to reach his goals, so he considered China, as a possible partner. Therefore, he relied heavily on China economically by integrating the GMF and BRI. One of his megaprojects is the Jakarta-Bandung high-speed railway.

However, his perceptions about China did not go well with other elites and the public, who feared a debt trap, the influx of Chinese workers, and the spread of communism.

Despite strong economic engagement with China, Jokowi also saw it as a threat in the South China Sea. He flexed his muscle to retain Indonesia's sovereignty by changing Indonesia's part of the South China Sea into the North Natuna Sea. The US supported the action. However, Indonesia's relations with the US were not at a high stake due to Trump's negligence of the region. Indonesia tried to diversify its military partnership with Japan and India despite limited. Technically, Indonesia avoids upsetting China through balancing actions. Jokowi was seen as "too weak" against China due to its economic interdependence. Despite its limitations, Indonesia also had military cooperation with China as an alternative to the US embargo. However, Indonesian military elites had a deep distrust due to China's communist ideology.

5.3 Indonesia's Hedging Strategies under Joko Widodo's Second Period

5.3.1 Jokowi's Perceptions of Risks and Opportunities

Jokowi's ambitions on his second period for more trade and regional, if not global, power is expected to be boosted by Beijing's efforts to establish itself as a dominant force now that the Chinese President Xi Jinping has been elected to an unprecedented third term. Sino-Indonesian trade values and direct investment have grown significantly, particularly over the past ten years. Behind only to Singapore in importance, China has emerged as a key source of foreign investment for Indonesia (Negara & Suryadinata, 2022). Jokowi likely sees China as a viable investment partner to help fund crucial infrastructure in the new capital (IKN) as well as to foster downstream industrial development (Thomas & Sulaeman, 2022). His flagship project to move his country's capital to "Nusantara" (IKN) in East Kalimantan will surpass both his and his few immediate successors' terms as president.

In November 2022, China Global Television Network (CGTN) had an exclusive interview with Jokowi just before the 20th CPP Congress in Beijing. Jokowi was questioned regarding his hopes for the Congress as well as his opinion of President Xi. Jokowi believed that the conclusion of the Congress would be favorable to the Chinese people and serve to both regional and global stability. He added that

Jokowi's objective for Indonesia, reducing poverty, has been accomplished by Xi in China (Bimo, 2022).

Jokowi stated that the Jakarta-Bandung High-Speed Rail (HSR) is a “flagship of Indonesia-China collaboration” when asked about Sino-Indonesian cooperation, particularly under the Belt and Road Initiative (BRI). Since the HSR project's development began in 2015, he had personally reviewed its progress three times. When President Xi visited Indonesia for the G20 Leaders' Summit, Jokowi had previously stated that he and Xi will travel together on the high-speed rail (15-16 November 2022 in Bali) (Bimo, 2022). On November 16, 2022, the two leaders instead watched a HSR test “ride” through Zoom. Jokowi certainly missed the chance to take a photo with Xi, but it's more likely that schedule conflicts, not more significant factors, were to blame. Given that Indonesia's HSR project is the first BRI-funded HSR project in Southeast Asia, Beijing considers the HSR Project to be a key opportunity for Xi to highlight China's technological assistance to developing nations. The HSR is one of Jokowi's pet projects that he started during his inaugural term and serves as a representation of his infrastructure-driven masterplan (Negara & Suryadinata, 2022).

Public perceptions on China remain under his second period do not change much. The ISEAS-Yusof Ishak Institute engaged LSI to carry out the nationwide Indonesia National Survey Project 2022 (INSP2022) in July 2022 (Negara & Suryadinata, 2022). More than 1,600 respondents were face-to-face questioned for this poll, the specifics of which will be made public in December 2022, regarding the economy, social and cultural realms, as well as national and international affairs. In Indonesia, the study sample was typical of the general population in regards to gender, age, and the diversity of regional, religious, and ethnic groups.

Overall, the research indicated persistent misperceptions about China and, to some extent, the Chinese minority population in Indonesia (also known as “Indonesian Chinese”). For contrast, when asked “Do you think the emergence of China would have a beneficial or bad impact on Indonesia?,” around 25.4% of respondents gave it a negative rating, while 20.6% gave it a positive one. The majority, or 29.4%, were undecided. The response from 24.6% could be viewed as either a lack of knowledge about world issues or a reluctance to express one's true opinion.

Only 30% of respondents said that having close economic connections with China would “greatly benefit” Indonesia. On the other hand, 46% thought that Indonesia might greatly benefit from having close economic connections with Saudi Arabia. The top three nations (those being Saudi Arabia, Turkey, and Singapore) were all admired. There has been a considerable decline in the public’s positive sentiment or appreciation for China, with only about 66% of respondents responding that they do, down from 76.7% who stated it five years earlier. However, just 72% of respondents indicated that China was a nation that was significant to Indonesia (a decrease from the 2017 survey result of 77.3%).

Furthermore, roughly 41.5 percent of respondents believed that Indonesia was caught in a debt trap as a result of China’s BRI megaproject. About 41% of respondents thought Chinese Indonesians were still committed to China. One reason for these attitudes might be the continued perception of Indonesian Chinese Indonesian businesspeople as the primary collaborators with mainland Chinese investors.

In conclusion, Jokowi’s ambitions for more trade and regional power increased in his second period. They have been boosted by Beijing’s efforts to establish itself as a dominant power, notably after Xi Jinping secured his third term as the party’s general secretary. However, The Indonesia National Survey Project 2022 (INSP2022) conducted by a Singaporean think tank in July 2022 revealed persistent misperceptions and negative views about China and the Chinese minority population in Indonesia.

5.3.2 Political-Diplomatic Engagement

Political-diplomatic engagement with China remains strong and undisrupted. The Coordinating Minister for Maritime Affairs and Investment, who also serves as the Coordinator of Indonesia-China Cooperation, Luhut Binsar Pandjaitan, travelled to China to strengthen maritime cooperation as well as establish cooperation in the field of health in an effort to combat the Covid-19 pandemic that has scattered to various countries in the world since the beginning of 2020. The visit was made in commemoration of the 70th anniversary of Indonesia-China diplomatic relations (Wirawan, 2020). During his visit to China in June 2021, Luhut reached an agreement to improve maritime cooperation, including a promise from both nations to broaden the reach of maritime cooperation by, for example, constructing a national fish storage facility (Hikam, 2021).

Through different ASEAN-focused regional mechanisms, Indonesia and other ASEAN members have established legally binding agreements with China. China participates in numerous ASEAN-led multilateral forums and is an ASEAN full dialogue partner. China and the ASEAN nations are linked economically, among other things, via the Regional Comprehensive Economic Partnership (RCEP), the ASEAN-China Free Trade Agreement (ACFTA), and the ASEAN Plus Three (APT) agreement, which includes all ten ASEAN nations plus China, Japan, and South Korea. in the areas of politics and security. China is a participant in the East Asia Summit, the ASEAN Regional Forum, and many of its offshoot projects, including the Expanded Maritime Forum and the ASEAN Defence Ministers Meeting Plus (ADMM+) (Anwar, 2022).

As a result of the contentious character of the Trump presidency, Indonesians' trust in American leadership is slowly being restored because to these developing relationships (Watson et al., 2016). This is apparent from the numerous agreements that Indonesian leaders have reached and from their frequent trips to China and the United States over the past few years. Figure 5.1 reveals that in the last five years, number of high-level visits between Indonesia and China is higher than US. As Indonesia was formerly recognized for maintaining a pragmatic neutral position in the face of great power conflict, regaining this confidence is essential to developing stronger relations between Indonesia and the U.S.

Figure 5.1

Indonesia-China Relations Factsheet



Note. From *Indonesia's wary embrace of China*, by E. Fitriani, 2022. (<https://merics.org/en/indonesias-wary-embrace-china>)

Currently, the Biden office is making efforts to change course, fix the loss, and reestablish allies and partners. The administration dispatched Secretary of State Antony Blinken, Deputy Secretary of State Wendy Sherman, and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Kritenbrink to Jakarta during Biden's first year in office (Tran, 2022).

When Retno Marsudi, the foreign minister of Indonesia, met with Antony Blinken, the secretary of state of the United States, in August 2021, Retno stated that “a new era” in Indonesia-U.S. ties would be essential to the creation of a safe and prosperous Indo-Pacific region (Syamsudin & Neelakantan, 2021). As President Joe Biden has mentioned, Indonesia is considered to be a crucial U.S. strategic partner in (The White House, 2021). Through collaborations on a range of international challenges, such as the COVID-19 pandemic, climate change, green energy, and democratic development, Indonesia and the U.S. are now strengthening their bilateral ties.

Since 2020, the level of personal engagement between the senior officials of Indonesia and the U.S. has increased. Indonesia is a part of Biden’s Build Back Better Framework and his reorientation to Asia policy. From the Global COVID-19 Summit, United Nations COP-26 Summit in Glasgow, and the virtual Summit for Democracy organized by the Biden administration in December 2021, he has also interacted with President Joko “Jokowi” Widodo on a number of times. In Jokowi’s case, developing these crucial personal connections with foreign partners like the U.S. is a significant sign of his administration’s rising emphasis on bilateralism, in which his personal interactions have assisted Indonesia in better navigating its diplomatic ties with the U.S (Suoneto & Harsono, 2022).

There are a few constraints on the expanding links between Indonesia and the United States. Cooperation may be hampered when internal political factors are paired with a lack of awareness among key actors. Furthermore, since President Xi Jinping came to power in 2012, China and Indonesia’s bilateral relations have improved, and Indonesia continues to view China as a crucial economic partner. As a consequence, it is hesitant to join a coalition that is “anti-China,” and Indonesian officials will not be receptive to being coerced into such a relationship (Suoneto & Harsono, 2022).

Both China and the US are ASEAN’S strategic partner. By releasing the AOIP in 2019, ASEAN is making it clear that it wants to keep its centrality, which means it wants to be the main player on its territory and not be led by other countries. ASEAN engages all its external partners, promotes cooperation, and favors dialogue

over war. The latter intends to solve the remaining regional problems peacefully (Pradipta, 2023).

Indonesia's desire to demonstrate its leadership as a key player in the complex Indo-Pacific geopolitics is another driving force behind its Indo-Pacific strategy. The FOIP policy, which has a concentrated focus on containing China's regional influence, is a concept that the US Trump administration has advanced. In November 2017, the US, Japan, India, and Australia convened the first quadrilateral discussions on the Indo-Pacific as a result of the FOIP, which led to the formation of the US-led quadrilateral grouping (QUAD). The constructive involvement of the US and its allies in the Indo-Pacific region ran the risk of undermining ASEAN's position as an honest broker who had pioneered the construction of inclusive multilateral structures. To demonstrate its commitment to Indo-Pacific politics and the fate of Indo-Pacific regionalism, ASEAN was under intense pressure (Yoshimatsu, 2022).

In order to establish its independent Indo-Pacific strategy, ASEAN was greatly helped by Indonesia. By using ASEAN as leverage to raise its international profile, Jakarta shown a desire to solidify its important state role. In such an effort, Jakarta stressed the inclusion principle that distanced itself from the US-led FOIP while simultaneously attempting to minimize China's growing influence in Southeast Asia by embracing the phrase Indo-Pacific. In light of the increased political unpredictability in the Indo-Pacific region brought on by the tension between China and the United States, Indonesia's Indo-Pacific policy has a significant hedging focus to retain its external posture through ASEAN.

To summarize, Indonesia-China relations remain solid and undisrupted. At the same time, Indonesia and the U.S. are strengthening their bilateral ties, especially after Biden's ascension to power, which both countries declared as a "new era" of relationship. Still, there are constraints, such as internal political factors among Indonesian elites and China's improved bilateral relations with Indonesia. In the regional forum, ASEAN's independent Indo-Pacific strategy is driven by Indonesia's desire to demonstrate its leadership as a key player in the complex Indo-Pacific geopolitics.

5.3.3 Economic Engagement

In order to tightly attach with the global market, Jokowi's development initiatives maintained the country's influence over two powers in terms of economic cooperation and integration. For economic ties and integration into the world economy, foreign direct investment (FDI) has been seen as the significant instrument. With new capital, technological transfer, and domestic economy integration into the global market, investment boosts Indonesia's economy (Pradipta, 2023).

The Indonesian government has worked to amend laws to reduce investment prohibitions on capital across the area in an effort to attract investments from both domestic and foreign investors. The Jokowi administration has supported various regulatory reforms with the backing of Indonesian parliamentary bodies. The Indonesian Corruption Eradication Law (KPK) was thoroughly amended with less political support, among these legislation being the Omnibus Law on Job Creation (Anwar, 2023). In addition to the two laws described above, the government also changed the mineral law, which loosened strict environmental regulations. These three statutes serve as the cornerstone for lowering rules that burden businesses and don't favor investors (Iksan & Soong, 2022).

Figure 5.2

Foreign Direct Investment (FDI) realization in Indonesia from selected countries, 2014 to 2021

Negara Investasi	Investment Realization Foreign Investment by Country (Million US\$)							
	2021	2020	2019	2018	2017	2016	2015	2014
USA	2537.20	749.70	989.31	1217.62	1992.80	1161.90	893.16	1299.50
Japan	2263.20	2588.00	4310.91	4952.77	4996.20	5400.90	2876.99	2705.10
China	3160.40	4842.40	4744.51	2376.54	3361.20	2665.30	628.30	-
South Korea	1640.20	1841.90	1070.21	1604.72	2024.60	1065.80	1213.47	1126.60
India	49.60	57.60	58.27	82.12	286.60	55.00	57.18	37.10
Australia	236.30	390.10	519.92	1010.77	537.60	208.50	205.18	685.00
Total	31093.10	28666.30	28208.76	29307.91	32239.80	28964.10	29275.94	28529.70

Note. From Bureau of Statistics (BPS), 2022b

Figure 5.3*Balance of trade of selected countries, 2014 to 2021*

Country	Balance of Trade of Selected Countries (Million US\$)									
	Import					Export				
	2021	2020	2019	2018	2014	2021	2020	2019	2018	2014
United State of American	11249.20	8580.20	9261.60	10176.20	2410440	25774.20	18622.50	17844.60	18439.80	1623410
Australia	9425	4646.60	5515.30	5825.50	227626	3223	2505.70	2328.60	2819.60	241160
China	56227.20	39634.70	44930.60	45537.80	-	53781.90	31781.80	27961.90	27132.20	-
India	7668.30	3764.30	4295.70	5016.90	-	13289.40	10394.50	11823.50	13729.30	-
Japan	14644.30	10672.10	15661.80	17976.80	811882	17855.40	13664.70	16003.30	19465.60	690284
Korea, Rep of.	9427.20	6849.40	8421.30	9088.90	525564	8980.50	6507.60	7234.40	9540.10	573091

Note. From Bureau of Statistics (BPS), 2022a

Foreign Direct Investment (FDI) is depicted in Figure 5.2. Since 2016 to 2021, it has been discovered that China has overtaken the United States as Indonesia's primary source of FDI. In contrast to China's FDI intake, however, FDI from the USA withdrew and outflowed rather significantly in Indonesia in 2019 and 2020. China has also overtaken Japan, Indonesia's traditional investor, in 2019. As shown on figure 5.3, China also becomes the main trade partner of Indonesia in the past 7 years. The two figures explain that economically, China is indispensable to Indonesia. As the most populous country on earth, Chinese market has become a target of exporting countries .

China's objectives in developing into an economic powerhouse and preserving its current position in the area are also supported by Indonesia's economic cooperation and integration. Xi Jinping and Indonesian Jokowi met on July 26, 2022, in China. Considering Beijing's rigorous zero-COVID-19 policy, the meeting came as a surprise. Renewal of the MoU on Cooperation between the GMF the Maritime Silk Road under its BRI was a significant outcome. It appears that Jokowi's dedication to his cooperative GMF goal is evidenced by the visit and agreement (Nauvarian & Pramudia, 2022). More crucially, Indonesia and China have also agreed to the Regional Comprehensive Economic Partnership (RCEP), which will be beneficial for both parties' economic gains and was signed on November 15, 2020.

RCEP as one of the examples of economic hedging. One of the larger trade agreements in the Pacific region that does not include the US (McCarthy, 2020). Notably, all ASEAN nations, China, and numerous allies and partners of the United States, including Japan, South Korea, Australia, and Singapore, were all parties to the

agreement. This accord demonstrates that countries are ready to form regional alliances and agreements without the US. During the Trump administration, the US withdrew from the TPP trade agreement and the RCEP discussions. The RCEP serves as a financial buffer against the region's waning economic clout from the United States (Petri & Plummer, 2020).

Indonesia engages with any nation which is willing to invest in it in addition to its partnership with China. The Investment Coordinating Board of Indonesia (BKPM) has made significant efforts to draw FDI to Indonesia. For instance, during COVID-19, the Sydney Indonesia Investment Promotion Center (IIPC) representative office organized an online discussion on the topic of the Indonesia-Australia Comprehensive Economic Partnership (IA-CEPA) in coordination with the Indonesian Embassy in Canberra and the Australian Indonesia Business Council (AIBC) business association on June 4, 2020. 241 people from Australia and Indonesia attended the event, which took place prior to the IA-CEPA agreement going into effect on July 5, 2020. Despite the Covid-19 epidemic, the realization of the Q1 FDI in 2020 displayed strong growth. Australia invested a total of USD 86 million in 324 investment projects between January and March 2020, ranking as the tenth largest investor overall (Mursitama & Ying, 2021).

Pertamina and CPC Taiwan decided to continue their partnership and invest up to USD 8 billion in the construction of the Integrated Petrochemical Industrial Complex in Balangan, West Java. Japanese investment in Indonesia's economy is still the second-largest, and it has pledged to support the country's priority industries, including the development of Natuna's fishing and tourism industries, the country's campaign against the palm oil industry, and the continued support of human capital development (Mursitama & Ying, 2021).

Due to the recent bilateral summit's importance to South Korea's Indo-Pacific strategy, Indonesia has also contributed in establishing it. It was President Yoon's first official summit with an ASEAN leader when he met with Jokowi on 27 and 28 July 2022. Since the time of the previous Moon Jae-in administration, South Korea has placed a greater priority on bilateral cooperation with Indonesia. After more than a decade, the two countries' relations were formally upgraded to a "special strategic partnership" in November 2017. As part of this agreement, Seoul and Jakarta

confirmed their collaborative collaboration in a number of areas, including infrastructure, trade, and defense. Former President Moon also announced his legendary “New Southern Policy” for building closer diplomatic and economic connections with Southeast Asia and India during the same official visit to Indonesia (Kim, 2022).

Under the former Moon Jae-in administration, South Korea initially agreed to support Indonesia’s \$32 billion plan to relocate its capital to Nusantara in 2019. However, President Yoon updated the 2019 agreement during his summit with Jokowi to further encourage South Korean investment in Indonesia. To far, Posco and other South Korean businesses have committed a combined \$6.7 billion in support of Indonesia’s “infrastructure, electronic governance, and smart city technologies.” Strong public-private collaborations are also the cornerstone of South Korea-Indonesian electric vehicle (EV) battery cell production operations being led by the Hyundai Motor Group and LG Energy Solution Ltd. in Karawang, Indonesia. The Indonesian government chose the Genesis G80 EV and IONIQ 5 from Hyundai Motor Group as the official vehicles for the G20 summit in November 2022 in Bali as a sign of their continuing relationship (Kim, 2022).

Figure 2 makes it clear that China has already exceeded the US in terms of economic cooperation and integration, and that the US’s influence is waning (Rezasyah, 2023). Under the Indo-Pacific Economic Framework for Prosperity (IPEF), President Joe Biden is currently taking steps to restore American influence in the region of economic cooperation and integration toward Southeast Asian nations, including Indonesia. These efforts will focus on cooperation in the areas of trade, supply chains, clean energy, decarbonization, infrastructure, taxation, and anti-corruption. Following Trump’s more inward-looking strategy, IPEF announces a shift to Southeast Asian nations. The IPEF is currently in the early stages of providing enough information regarding the impact of recent economic cooperation on the Indonesian economy. However, this current US drive for international development must deal with domestic politics in Indonesia as well as with US internal actors, whether they support it or not (Iksan & Soong, 2022).

The Indonesian economy has the primary competitive advantages to draw investment and promote collaboration from both the USA and China at the same time, such as young populations as middle-class consumers, plentiful natural resources,

and domestic political stability. During Jokowi's presidency, Indonesia's economic ties to China are stronger and tighter than those to the United States. The Indonesian government is aware of the need of protecting national interests and believes that any outside power that attempts to do so should be welcomed with open arms in order to advance economic integration and prosperity for its people.

In conclusion, Jokowi's development initiatives have maintained Indonesia's influence over two powers regarding economic cooperation and integration, with foreign direct investment (FDI) being the essential instrument. Indonesian government welcomes outside power to advance economic integration and prosperity. RCEP serves as an example financial buffer against the US-waning economic clout, and Indonesia engages with any nation willing to invest in it. South Korea and Indonesia have established a special strategic partnership, with South Korea investing \$6.7 billion in infrastructure, electronic governance, and smart city technologies. Aware of stronger Indonesia's economic ties to China, the US launched IPEF to counter the Chinese economic initiative. However, it is still under negotiation, and the tangible result has yet to be seen.

5.3.4 Limited Balancing

Jokowi's second term saw a regime change in the US from Biden to Trump. Biden has been trying to fix and refocus US relationships with its partners in the Indo-Pacific, which got worse when Trump was in charge. Indonesia is also expected to become one of the focuses of Biden's Indo-Pacific strategy. With well over 3000 soldiers participating, Indonesian and US military conducted their largest-ever combined training exercises in August 2021 on the islands of Sumatera, Kalimantan, and Sulawesi (CNN Indonesia, 2021). As part of the Super Garuda Shield exercise, which took place in 2022 and involved over 4000 combined forces from 14 nations, including Australia, Japan, India, France, and the United Kingdom, this has been extended (The Jakarta Post, 2022). The United States is also helping to increase Bakamla's capacity. At the southern entrance to the Strait of Malacca, on the Indonesian island of Batam, the US started construction on a marine training facility in June 2021 (Sebastian Strangio, 2021). With Secretary of Defense Lloyd Austin and Minister of Defense Prabowo Subianto meeting in November 2021, during which Austin reaffirmed the United States' close ties with Indonesia as its "largest military

cooperation partner,” a variety of military engagements are expected to expand in the new era of Jakarta-Washington relations (Archynewsy, 2021).

The desire of the Trump administration to strengthen the Quad, a regional security alliance involving the United States, Australia, India, and Japan, has also alarmed Indonesia (Rezasyah, 2023). Security is prioritized by the Quad over other forms of collaboration including economics and public health. Members of ASEAN place a high priority on public health as COVID-19’s effects are felt throughout the region (Arifianto & Sulaiman, 2021).

As the foremost regional security organization in Southeast Asia, ASEAN may experience a decline in autonomy as a result of US focus on the Quad, which would be damaging to Indonesia’s goal in maintaining the region’s integrity from outside intervention. The PRRI/Permesta rebellion, which the Eisenhower administration secretly supported, perceptions of Chinese involvement in the 30 September Movement, and Australian involvement in the secession of East Timor are just a few examples of threats to Indonesia’s national unity that are still fresh in the country’s memory (Arifianto & Sulaiman, 2021).

The Biden administration’s plan to prioritize the advancement of human rights and democracy in US foreign policy worries Indonesia. These could revert to becoming requirements for US security and financial aid, as they were under the Clinton and Obama administrations. In Papua, its easternmost province, where indigenous pro-independence activists have been waging a separatist movement since it was formally recognized as part of Indonesia in 1969, Indonesia is especially concerned about potential Western interference (Arifianto & Sulaiman, 2021).

Under the new Defense Minister Prabowo Subianto, Indonesia continues diversifying its military partnerships to hedge against the US and avoid reliance on it. Indonesia-India defense partnership has become stronger. The Joint Task Force “Development of Connectivity in Aceh and the Andaman-Nicobar Islands” was established by Indonesia and India in 2019 as part of the realization of the Joint Vision for Maritime Cooperation in the Indo-Pacific. Its goal is to make it easier to realize cooperation in the areas of infrastructure, tourism, fisheries, and energy. A feasibility study for the creation and development of the Sabang Port was carried out as the first stage by the Indian infrastructure and transportation business RITES Ltd. The Sabang

Port serves more purposes than just promoting travel between Aceh and the Andaman-Nicobar Islands. Additionally, it functions as a tactical outpost in the Indian Ocean and increases Indonesia's geopolitical power in the area (Shekhar, 2020).

Subianto visited India in July 2020 to forge a defense industry partnership. Prabowo was looking into prospective cooperative prospects with his partner, the Indian Defense Minister Rajnath Singh, to improve the capacity of Indonesia's defense apparatus. After all, boosting military might is a component of a hedging strategy intended to narrow the gap in military power between great and medium powers (Munabari et al., 2021).

Domestically, Indonesia has continually raised its defense spending since Yudhoyono took office in order to modernize its armament system, with more focus being placed on the air force and the navy to create a "Minimum Essential Force" (MEF), beginning in 2009. The budget for 2021 allocated the most money to the air force, at Rp. 8.19 trillion, then to the navy, at Rp. 8.03 trillion, and to the army, at Rp. 3.88 trillion (Annur, 2021). For the past 15 years, Indonesia's defense spending has stayed at or below 0.8% of GDP, lower than that of the other major ASEAN nations, particularly Singapore (3.2%), Vietnam (2.3%), Thailand (1.5%), Malaysia (1.1%), and even the Philippines (1.0%). Additionally, it is much lower than China's reported 1.7% and Australia's 2.1%. Despite the fact that its Minimum Essential Force Roadmap 2024 calls for raising this to 1.5% in order to satisfy its criteria. President Joko Widodo signed a presidential regulation in 2021 allocating an extra US\$2.06 billion solely for defense industry and equipment. This was done to supplement the US\$8.3 billion defense budget for 2022, which is already having trouble paying for routine expenses like salaries, fuel, weapons, and maintenance in addition to developing traditional and cyber capabilities. The 2022 budget talks between the administration and the House of Representatives focused on the 2023 budget, and the major winner was Indonesia's Defense Ministry. The 'indicative ceiling' for the defence vote for 2023 increased from the value for 2022 by 3.2% to roughly \$13.6 billion, which makes it the biggest single expenditure in the budget (Engel, 2022).

Prabowo Subianto inked deals with France in February 2022 to buy two Scorpene-class submarines and 42 Dassault Rafale fighter planes (Rezasyah, 2023). Soon after, the sale of 36 F-15EX fighter jets was provisionally approved by the

United States. Indonesia will spend \$22 billion alone on the planes. Since 2021, when it announced plans to buy six FREMM- and two Maestrals-class frigates from Italy as part of a US\$125 billion long-term modernization plan, the country has been making significant purchases (Yuniar, 2022).

However, there are disadvantages to Indonesia's decision to buy from other nations. It is impossible to disregard the additional expenses and time delays associated with creating training facilities, hiring staff, purchasing spare parts, and performing maintenance; each type of aircraft has different requirements for each of these. System interoperability will also be a problem that needs careful consideration. However, Indonesia believes that the advantages of broad-based defense mechanisms in fending off potential future embargos exceed these difficulties (Timur & Komala, 2022).

The Countering America's Adversaries Through Sanctions Act (CAATSA), a US law passed in 2017 that imposes sanctions on states that buy weaponry from Russia, North Korea, and Iran, also had an impact on the decision to purchase from Western nations (Anwar, 2023). The United States has imposed restrictions and embargoes on several Southeast Asian nations that still buy weaponry from Russia, including Myanmar and Vietnam. Indonesia decided on purchasing a more cost-effective aircraft than Sukhoi Su-35 in order to prevent this threat (Abrams, 2022).

The allocation of this funding will undoubtedly be disrupted by the planned purchases of Rafale and F-15 aircraft. Unless Indonesia is able to negotiate a payment arrangement similar to the one it previously made with Russia — a countertrade payment that is partially made in cash and partially in commodities like palm oil and rubber — the country will be forced to enter into a long-term debt contract if the purchase goes through (Timur & Komala, 2022).

With the purchase of the KF-21 Boramae jet fighters, developed in South Korea, Indonesia is also having financial difficulties (Rezasyah, 2023). Yoon Suk-yeol, the president of South Korea, spoke while touring the Korea Aerospace Industries (KAI) plant and in front of the fifth KF-21 Boramae prototype, which was missing the Indonesian flag. In accordance with the terms of the initial agreement between South Korea and Indonesia, the latter was to pay 20% of the costs associated with developing the first phase of the KF-21 program (roughly \$6.5 billion), in

exchange for which it would receive the technology transfer necessary to manufacture 50–60 units there as well as the fifth prototype. However, Jakarta continued to postpone and space out its contributions, and by the end of the first phase, it had only fulfilled 25% of its obligations. Payments did not start again until the first of July 2022, and according to newly discovered information, some of these payments will be given in Indonesian commodities rather than cash. Before giving Indonesia the aircraft, Seoul appears to be awaiting tangible evidence that the country is beginning to pay its fair portion of the costs (Dubois, 2022).

Although engaging other prospective actors besides the US, such as India, France, and South Korea, Indonesia has been broadening its military partnerships; yet, Indonesia still lacks a specific plan, limiting the actualization. There are “too many unknown directions” in the engagements Indonesia is pursuing (Rezasyah, 2023). Beefing up defense capabilities comes with a price. Understandably, Indonesia’s defense procurement does not go smoothly. Therefore, increasing national income is necessary, which leads to an increase of the national defense budget (Pradipta, 2023).

In short, Jokowi’s second term saw a regime change in the US from Biden to Trump, and Indonesia is expected to become a focus of Biden’s Indo-Pacific strategy. Indonesia is diversifying its military partnerships to hedge against Chinese threats and US unilateral moves and avoid reliance on it. Indonesia has raised its defense spending since 2009 to modernize its armament system, with the most money allocated to the air force and navy. Indonesia’s decision to purchase from Western nations has disadvantages, such as additional expenses and time delays, but the advantages of broad-based defense mechanisms outweigh these. Unfortunately, limited budget allowance still haunts internal military ramp-up. For example, Indonesia is still facing financial difficulties with purchasing the KF-21 Boramae jet fighters from South Korea, leading to an increase in the national defense budget.

5.3.5 Limited Bandwagoning

Security cooperation between Indonesia and China is currently only partially institutionalized and primarily operates on an ad hoc basis. This mechanism does not completely bind the actions of all parties (Sinaga et al., 2018). The operation of the mechanism is largely reliant on knowledge or interest on the bilateral and

international levels. After three attempts, no further of the “Sharp Knife” anti-terrorism drills have been scheduled. There is no long-term outlook for a number of security cooperation arrangements between the two countries. The assertiveness of China has made everyone more cautious, particularly military and defense personnel. The Indonesian government maintains that it doesn’t care whether a unipolar or bipolar world is preferred (Lestari et al., 2022). . According to Indonesia Defense Ministry’s white paper (2016), China’s military might contribute to a security dilemma in the region and a heated conflict with US security objectives. The White Paper maintained its caution about the significance of being aware of China’s military and economic actions and dangers as it faced strategic tensions in the South China Sea.

Luhut B. Panjaitan, the Coordinating Minister for Maritime Affairs and Investment, said in the early 2020 that the tension with China over the North Natuna Sea should not be overstated and that it was partly caused by Indonesia’s inability to patrol its Exclusive Economic Zone, leaving a gap that other nations can fill (Antara, 2020; Anwar, 2023). Similarly, Prabowo Subianto, Indonesia’s defense minister, referred to China as a “friend” (Arkyasa, 2020).

It was notable that Jakarta accepted Beijing’s offer to assist in the rescue effort of the aged submarine KRI Nanggala-402, which went down on April 21, 2021 due to an uncontrollable dive. Even though three sizable portions of the ship, which was built in Germany in 1977 and bought by Indonesia in 1981 (Jibiki, 2021), were successfully rescued by the Chinese, other pieces still lie on the sea floor in deep water. The submarine, which has a history of issues, was supposed to undergo a complete refurbishment in 2020, however Covid-19 caused this to be postponed (Widianto & Lamb, 2021). Derek Grossman, a senior security and defense analyst at RAND Corporation, examined the salvage operation “in the geostrategically sensitive Lombok Strait” and noted that “China very likely collected useful oceanographic data during the failed salvage mission,” and Jakarta may have accepted the offer “because China footed the entire bill” (Grossman, 2021).

After a week, Beijing said that China and Indonesia were undertaking combined naval maneuvers off the coast of Jakarta, giving the salvage effort an apparent boost in momentum. According to China’s defense ministry, the exercises were a component of the annual training schedule for the PLA Navy (Ong, 2021). However,

as previously indicated, the fragmented structure of this cooperation exposes the lack of strategic consideration that, at least from Indonesia's perspective, underlies it.

. According to Indonesia Defense Ministry's white paper (2016), China's military might contribute to a security dilemma in the region and a heated conflict with US security objectives. The White Paper maintained its caution about the significance of being aware of China's military and economic actions and dangers as it faced strategic tensions in the South China Sea.

The Chinese government and its communist ideology have long been despised by the TNI. Additionally, many of its generals, including the then Commander-in-Chief, Andika Perkasa, studied in the US and have shown a preference to collaborate with the US over China, as was demonstrated in August 2022 when Indonesia and the US conducted their largest-ever joint military exercise, involving about 3,000 troops (Reuters, 2021). Indonesia's Defense Ministry is noticeably absent of China specialists, primarily as a result of its officers' desire to avoid associations with communist China. Therefore, approaching an agreement (formal or not) with either the Quad (the United States, India, Japan, and Australia) or AUKUS would put Indonesia's top generals and defense authorities much more at comfort (Peterson et al., 2022).

In short, China's aggressiveness and the communist threat make it hard for Indonesia and China to cooperate on security. Still, Jakarta was an exception when it agreed to Beijing's offer to help rescue the KRI Nanggala-402. Indonesia is wary of China's military and economic actions and dangers. It prefers to collaborate with the US over China due to the fact that many generals are mostly US-educated.

5.3.6 Conclusion

Although his perceptions of China remain unchanged, his administration has been taking reforms by diversifying economic partners with other potential countries to avoid reliance on China, such as engagement with Australia, South Korea, and the most anticipated IPEF. He has done domestic reforms to ease foreign investment and attract more investment to Indonesia. However, China has remained Indonesia's top economic partner until today, and both countries are part of the mega-regional trade block of RCEP. To avoid its aggressiveness yet still engage China with other partners, Indonesia has been working through ASEAN's mechanisms,

especially the AOIP, to uphold and preserve ASEAN centrality and inclusiveness in the region.

Indonesia has become more proactive in engaging with its military partners, especially after Jokowi appointed his arch-rival Prabowo Subianto as the Defense Minister. Biden's rise into power, replacing Trump, brings a "new era" of Indonesia and US relations. For instance, Indonesia and the US successfully held the largest joint military exercises in 2021 and 2022, called Garuda Shield and Super Garuda Shield, respectively. Indonesia and India's military partnership also becomes stronger. Domestically, Indonesia has been ramping up its defense equipment by procuring aircraft from France and South Korea. However, low priority on defense spending has been the main constraint of its defense upgrade. Indonesia still maintains limited cooperation with China through humanitarian rescue during the sunk submarine incident. However, Indonesian military elites prefer to work with the US since most are US-educated generals.

5.4 Comparison of Hedging Strategies between Indonesia and other ASEAN Countries

This sub-chapter uses Malaysia, the Philippines, and Vietnam as examples of three different ASEAN nations in order to examine how the hedging practices of the three states compare to those of Indonesia using the GertsI reconceptualized framework. For all Indo-Pacific countries, the continued Sino-US competition and the current global crisis raise important strategic questions. Such a development might lead to more intense security cooperation between Southeast Asian states than those in recent years. Indonesia, Malaysia, the Philippines, and Vietnam traditionally avoid forming alliances with one large power because doing so would render them dependent and seriously jeopardize their capacity for independent decision-making. It is possible to view Indonesia, Malaysia, the Philippines, and Vietnam's hedging as avoiding alignment with China or the US, or more fundamentally: resisting being compelled to align. Gaining political, economic, and/or security advantages from all major powers, including the hedging target, is a compelling reason.

Furthermore, picking a side does not guarantee improved national security because the opposing great power will probably boost its military expenditures and work to forge counteralliances. Indonesia, Malaysia, the Philippines, and Vietnam have thus refused to put all of their eggs in one basket due to the structure of the international system, the numerous uncertainties surrounding the future regional order in the Indo-Pacific, as well as the predominate ideas of sovereignty and non-interference in domestic affairs. Domestic variables, however, are also important because both semi-democratic and authoritarian regimes are motivated to increase the legitimacy of their output by gaining advantages in the economy or security from the hedging target and other partners. In other words, there are no workable alternatives to insuring against China for Vietnam, Indonesia, Malaysia, and the Philippines. Even though all four employ direct political, diplomatic, and economic engagement as well as a mix of cooperative (limited bandwagoning) and confrontative (limited balancing) actions, the precise level of hedging varies greatly. The differences are determined by the unique national interests, power capabilities, and leaders' assessments of possibilities and hazards associated to the hedging target as well as the strategic importance of partner nations as prospective balancing partners. The main goal of Southeast Asian actors' hedging tactics towards Beijing is to reap economic gains and reduce security risks brought on by China's policies and behavior. In order to increase their strategic flexibility, they desire tighter economic connections with Beijing while keeping solid security ties with Washington and strengthening their links with Tokyo and other major powers. Hedging would not be achievable without these all-encompassing relationships with powerful prospective counterbalance partners in politics, diplomacy, economy, and security. In particular, it would be unable to use confrontational tactics from the restricted balancing toolkit, which is a crucial aspect of the hedging methods (Gerstl, 2022).

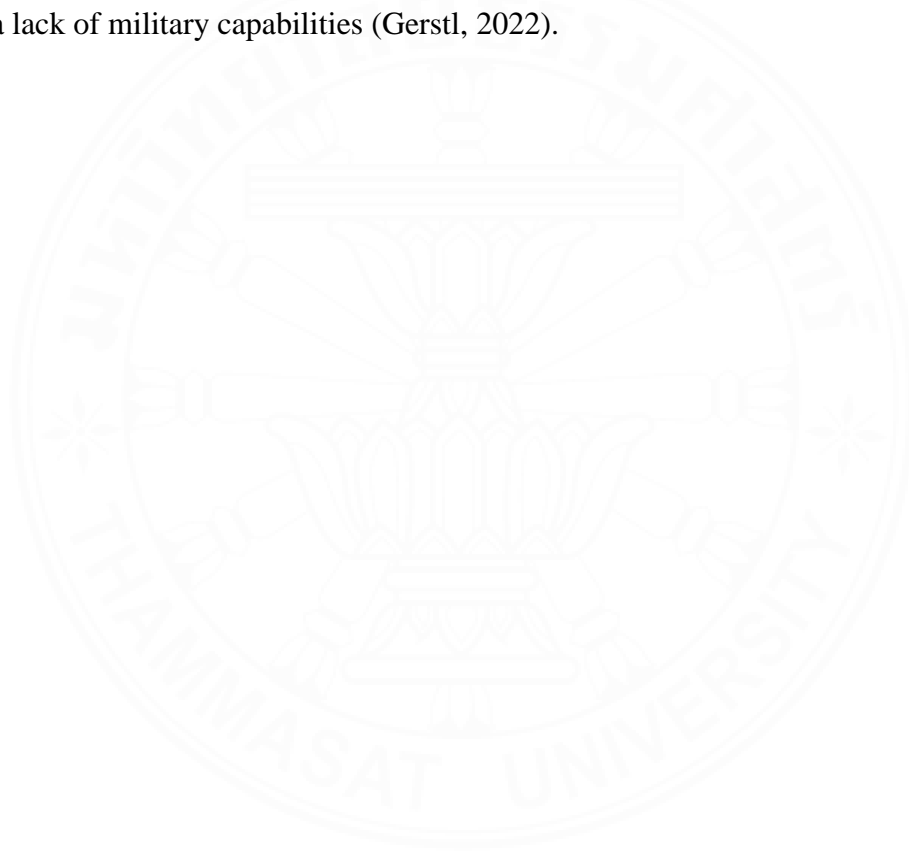
Indonesia, Vietnam, and Malaysia all employ a deliberate and consistent hedging approach. Despite certain logical modifications, continuity plays a significant role in these approaches. Because of China's prominence as a big power, Indonesia is geared toward engaging with and protecting itself from significant nations. Hedging is engrained in the Association's self-concept as a regional mediator, particularly maintaining omnidirectional contacts with all stakeholders for the implementation of

soft balancing while using its trans-regional platforms. The use of cooperative rather than combative aspects is more common. The cooperative and confrontative strategies under Malaysia's hedging strategy were both prudently adopted and thoroughly balanced in a flexible and practical manner. Malaysia's overall hedging approach might be described as "soft" or "light" hedging (Gerstl, 2022).

In contrast, because China is generally viewed as posing a greater danger, Indonesia and Vietnam's hedging tactics are quite strong and heavily rely on limited balancing tools. The limited balancing element has evolved in response to Beijing's actions in the South China Sea to include "free and active" and "fourth no." The Philippines' hedging plan is the least thought out and most spontaneous. It was rebalanced twice under President Duterte: after a gradual softening, which was manifested in a stronger limited bandwagoning and more prominent direct engagement with China, the strategy shifted back to a more reasonable balance between limited balancing and limited bandwagoning since mid-2019. Comparing the four methods since the middle of 2019, Indonesia—which has the greatest economy and military power in the region—applied a strong hedging approach toward China comparable to those of Vietnam, Malaysia, and, the Philippines (Gerstl, 2023).

The political-diplomatic and economic interaction of China and other important partners are the parts of the four hedging strategies where there are the most similarities. The BRI has benefited Vietnam, Indonesia, Malaysia, the Philippines, and other countries with close relations to China. The New Silk Road is the best representation of the continuously expanding economic interchange with China. The BRI is not only seen as an opportunity. Fears of Beijing's debt-trap diplomacy, lower project standards in China that have a detrimental influence on good governance, and Chinese immigration, the concern that is most contentious at home, are a few of them. Hanoi also purposefully overemphasizes its own connectivity plan while downplaying the value of the New Silk Road. Vietnam is careful when granting the BRI title to cooperative projects with China. Although Duterte and Jokowi both tie it to their "Build, Build, Build" and "Global Maritime Fulcrum" schemes, Manila and Jakarta are significantly more receptive to luring BRI funds. The BRI is also promoted by Malaysia as being helpful for the development of its infrastructure (Gerstl, 2023).

A further commonality is that the US and Japan are the major partners in the four Southeast Asian actors' omnidirectional political-diplomatic, economic, and security connections. Even while Tokyo is occasionally seen as being too close to Washington, Japan has become the acclaimed "third partner," both on economic and security matters, alongside China and the US. Additional significant economic and security partners include Australia, India, Russia, South Korea, and the EU. The EU is the most economically potent of these actors, but has thus far been unable to leverage its economic relevance into a more significant strategic position in Southeast Asia due to a lack of military capabilities (Gerstl, 2022).



CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

This section would offer a final conclusion based on the thorough results of the study, which have been supported by adequate data and material in Chapters 4 and 5. The author has made final concluding remarks to review the key research question, “How does Indonesia’s foreign policy during the US-China Rivalry between Jokowi’s first term (2014-2019) and half of his second term (2019-2022) fit into the hedging strategy?”

The main guiding element of Indonesia’s foreign policy has been the “free” and “active” doctrine. Hatta introduced it in the early years of Indonesia’s independence, and it places a significant emphasis on the country’s commitment to actively upholding world peace while remaining neutral in great power conflict. The principle has been understood differently by each of Indonesia’s leaders. From a left-leaning Soekarno, a right-leaning Soeharto, a globalist Yudhoyono, and a transactional Joko Widodo (Jokowi). This study, which concentrated on Widodo’s administrations, discovered a change in Widodo’s foreign policy orientation between his first and second terms. Jokowi’s approach to foreign policy during his first term was transactional; he placed a lot of emphasis on economic diplomacy since he saw the need to improve Indonesia’s poor infrastructure, particularly through strong economic collaboration with China. To reinvigorate Indonesia’s marine identity, Jokowi also unveiled his broad vision, the “Global Maritime Fulcrum.” Jokowi received criticism for ignoring regional and multilateral engagement during his first term.

The second term of Jokowi is evolving. Jokowi is aware of the criticisms he endured during his prior administration. Economic diplomacy remains his top priority, yet he has begun to take note of Indonesia’s participation in the multilateral arena. By producing the ASEAN Outlook on Indo Pacific, Indonesia has driven ASEAN to improve its standing in the area (AOIP). The ASEAN leaders have also been called by Indonesia to the emergency summit in 2021 that produced the 5-Point

Consensus to address the Myanmar situation. To reduce reliance on specific countries, Jokowi began to widen Indonesia's engagement with other prospective partners in the area. The expanding US-China rivalry, which has been reshaping the geopolitical environment in the Indo-Pacific region, is the primary motivator of this strategic policy shift. It has indirectly put Southeast Asian nations, particularly Indonesia, in a difficult position, forcing them to tackle the problem.

This study attempts to explain the strategies used by a state to act ambiguously between minimizing risks and maximizing rewards by using hedging strategy as the analytical framework. This study examines how Indonesia safeguards itself against big powers using five different variables: Leader's perception, political-diplomatic engagement, economic engagement, limited balancing, and limited bandwagoning. Alfred Gerstl's (2022) reconceptualized framework is used in this study. Jokowi believes that China's expanding economy is beneficial for Indonesia since it has replaced Indonesia as a potential partner for financing the construction of its infrastructure through the Belt and Road Initiative (BRI) and Global Maritime Fulcrum (GMF). Due to mistrust of China's economic dominance and Chinese communities, his perspective on China appears to be at contrast with that of other elites and the general public. Due to its nine-dash line claim, which abuts Indonesia's Exclusive Economic Zones, China has been perceived as a challenge to Indonesia's sovereignty in the South China Sea (EEZ). The elites and armed forces are cautious to engage with the United States because to its historical interference in domestic issues in Indonesia, despite the fact that it is viewed as a counterbalance to China's assertiveness.

China and Indonesia have robust political and diplomatic relations. Compared to US officials, Indonesian officials have interacted with Chinese officials more frequently. The majority of the meetings and engagements concern business matters. Indonesia engages China in regional cooperation in addition to bilateral relations. China and the US participate in the East Asian Summit (EAS) and the ASEAN Defense Ministerial Meetings Plus (ADMM+). Through these interactions, ASEAN centrality is strengthened while remaining inclusive of external partners. The ASEAN's current efforts are also intended to prevent the region from having a dominant influence or power.

China has been a crucial partner for Indonesia economically. It is Indonesia's largest trade partner. One of the BRI's megaprojects, a high-speed train line between Jakarta and Bandung, is an example of its strong economic engagement. Due to its flexibility in terms of funding and its provision of knowledge transfer, which Japan did not, China defeated Japan in the tender. China has surpassed Japan and the US as Indonesia's main trading partner and foreign investor. Close economic ties with China, however, have stoked widespread concern over China's debt crisis, the influx of Chinese immigrants, and the potential rise of communism. The Indonesian government has been diversifying its economic partners to address this issue and reduce dependency on China. For instance, Indonesia and South Korea have decided to work together to build the future Nusantara capital and electric automobiles. Since July 2020, the Comprehensive Economic Partnership Agreement between Indonesia and Australia (IA-CEPA) has been in effect, removing trade tariffs and restrictions. Japan, a long-time infrastructure investor in Indonesia, has contributed to the semi-high-speed rail project between Jakarta and Surabaya. Last but not least, through the Indo-Pacific Economic Framework (IPEF), which includes some Southeast Asian nations including Indonesia, China's present opponent, the US, has attempted to resurrect its economic influence. The IPEF, meanwhile, is still being drafted.

Jokowi places a heavy emphasis on the importance of state sovereignty. He understands that Indonesia's vast territory makes its marine security vulnerable. Tensions have risen externally as a result of China's encroachment into the territory of the Southeast Asian countries. Indonesia has been working to upgrade its military capabilities as a means of coping with the crisis. Indonesia has been buying military hardware and aircraft from a variety of suppliers, including South Korea and France. Indonesia often engages in joint military drills with the US, which is seen as the region's security guarantee and balancer in relation to China. Indonesia conducts military drills not only with the US but also with India and Japan to strengthen maritime security in the area. To avoid an uncertain American commitment to the region, strategic ties with other nations are diversified. Indonesia does limited military co-operation with China even as it pursues limited balancing to oppose China in the South China Sea. Due to the perception of China as a threat in Indonesia's backyard by the Indonesian Armed Forces (TNI), military cooperation between the two nations is not effectively institutionalized.

The high level of ambiguity in Indonesia's hedging approach is seen to make it powerful and robust. To accomplish Jokowi's goal of connecting the archipelago, Indonesia actively embraces and needs greater cooperation from China. At the same time, however, Indonesia simultaneously substantially strengthens its military and conducts more military drills with other potential partners. As both countries are more prepared than Malaysia and the Philippines, who are hedging less aggressively, Indonesia's hedging posture is comparable to Vietnam's hedging strategies. Due to its status as the largest economy in the region, Indonesia may, nevertheless, earn greater profits and mitigate risks.

To respond to the research question, Indonesia's hedging approach is already consistent with its foreign policy principles. The free and active approach goes beyond simple neutrality. Additionally, it encourages Indonesia to participate more actively on world platforms. Hedging, which differs from neutrality in a similar way, encourages the nation to actively bet on several policies (return-maximizing and counteracting measures) to respond well to the region's uncertainties. Indonesia is becoming more courageous in its confrontation of China in the South China Sea. I come to the conclusion that even Jokowi is more balancing against China in his second term than he was in his first, it is still under the free and active principle corridor. The analysis of operationalizing the reconceptualized framework of Indonesia's hedging strategy is provided in the table below.

Table 6.1

Summary of the operationalization of Indonesia's hedging strategy with the reconceptualized framework

Component	Criteria
<p>(Why does Indonesia hedge?) 1(a) Perceptions towards the hedged country (China)</p> <p>1(b) Perceptions towards other potential partners</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Security: China's incursion in the South China Sea (North Natuna Sea) • Economic: China's economic domination, Influx of Chinese workers, debt trap • Domestic Politics: Anti-China sentiment by the public and opposition parties <p>Opportunities:</p> <ul style="list-style-type: none"> • Realizing Jokowi's ambition to connect Indonesia through infrastructure development • Synergy between the Belt and Road Initiative (BRI) and the Global Maritime Fulcrum (GMF) <p>The strategic value of other potential partners to avoid overdependence on China:</p> <ul style="list-style-type: none"> • Defense cooperation with the United States • Hedging towards military reliance on the US by diversifying defense partnerships with other countries (India, Japan, South Korea)
<p>How does Indonesia hedge? <i>Political-Diplomatic Engagement</i></p>	<ul style="list-style-type: none"> • Comprehensive Strategic Partnership with China • High-level official visits to China (17 official visits compared to 7 visits to the US) • Multilateral engagement through ASEAN framework (EAS, AOIP)
<p><i>Economic Engagement</i></p>	<ul style="list-style-type: none"> • China is the largest trade partner of Indonesia • BRI-related projects in Indonesia (ex: High-speed railway) • Indonesia and China are part of Regional Comprehensive Economic Partnership (RCEP) • Economic diversification with other potential partners to avoid economic reliance on China: <ul style="list-style-type: none"> ○ Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) ○ Indonesia-South Korea Comprehensive Economic Partnership (IK-CEPA) ○ Maintaining partnership with Japan in infrastructure development projects ○ The return of US economic engagement through Indo-Pacific Economic Framework (IPEF)
<p><i>Limited Balancing (Confrontation)</i></p>	<ul style="list-style-type: none"> • Procurement of military equipments from France and South Korea (Internal balancing) • Joint military exercises with the US and India
<p><i>Limited Bandwagoning (Cooperation)</i></p>	<p>Limited security cooperation with China due to Chinese threat perceptions</p>

6.2 Recommendations

This study helps to close the knowledge gap concerning Indonesia's hedging strategy. This study aimed to broaden the focus to include Joko Widodo's first and current second terms. Compared to earlier, more often used frameworks, the one employed to examine the case study is more contemporary and better conceptualized. The reader's understanding of how domestic politics influences a nation's hedging strategy will be furthered by including the leader's perspective of risks and opportunities.

This study does, however, have certain shortcomings. The presidency of Joko Widodo is the sole subject of this study. The second phase of Jokowi's presidency is still in place, and there may be some changes during the last term. In order to produce more fundamental insights, the study suggests more research that includes in-depth interviews with more government officials, particularly from other agencies which are involved or having stakes in this issue such as Indonesian Armed Forces (TNI), Ministry of Defense, Ministry of Trade, the House of Representatives (DPR), etc. After Indonesia took the ASEAN Chairmanship this year and holds elections in 2024 that could result in a regime transition with a new foreign policy orientation, it will also be intriguing to suggest additional research on this topic.

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APPENDIX

1. 1st Interview

Interviewee : **Drs. Teuku Rezasyah, MA., Ph.D.**

Position : - Associate Professor of International Relations Study Program,
Faculty of Social and Political Sciences, Padjajaran University,
Indonesia
- Working partner of Commission I of Indonesian House of
Representatives (DPR)

Date and Time : Thursday, 19th January 2023

Venue : Online (Zoom)

Questions:

1. How does Jokowi's foreign policy in the second period differ from the first period?
We have seen so many events occurring especially during his second period such as US-China rivalry, Myanmar issue, COVID-19, etc.
2. Can we say that Jokowi's foreign policy on his first period was an autopilot which he did not show up much on his own role on foreign policy?
3. Are there any ups and downs of Indonesia-US relations between Trump and Biden's periods?
4. You said that we (Indonesia) lost a figure like Donald Trump. We realized that Trump focused much on his "America first" policy, then how did we benefit from his administration?
5. In terms of military cooperation with the US during Trump and current Biden administration, which one is more beneficial for Indonesia?
6. Is military diversification related to the waning of US influence after it withdrew from Afghanistan in 2021?
7. Are there any clashes or divisions between ministries or institutions in domestic politics which lead to the formulation of foreign policy?
8. Apart from the US and India, are there other "promising" strategic partners for Indonesia to balance against China

2. 2nd Interview

Interviewee : Adjunct Prof. Mag. Dr. Alfred Gerstl, MIR

Position : - President of Central European Institute of Asian Studies (CEIAS)
 - Lecturer at Department of Asian Studies, Palacky University, Olomouc, Czech Republic
 - Lecturer at Department of Development Studies and East Asian Studies at University of Vienna, Austria
 - Author of Hedging Strategies in Southeast Asia (2022)

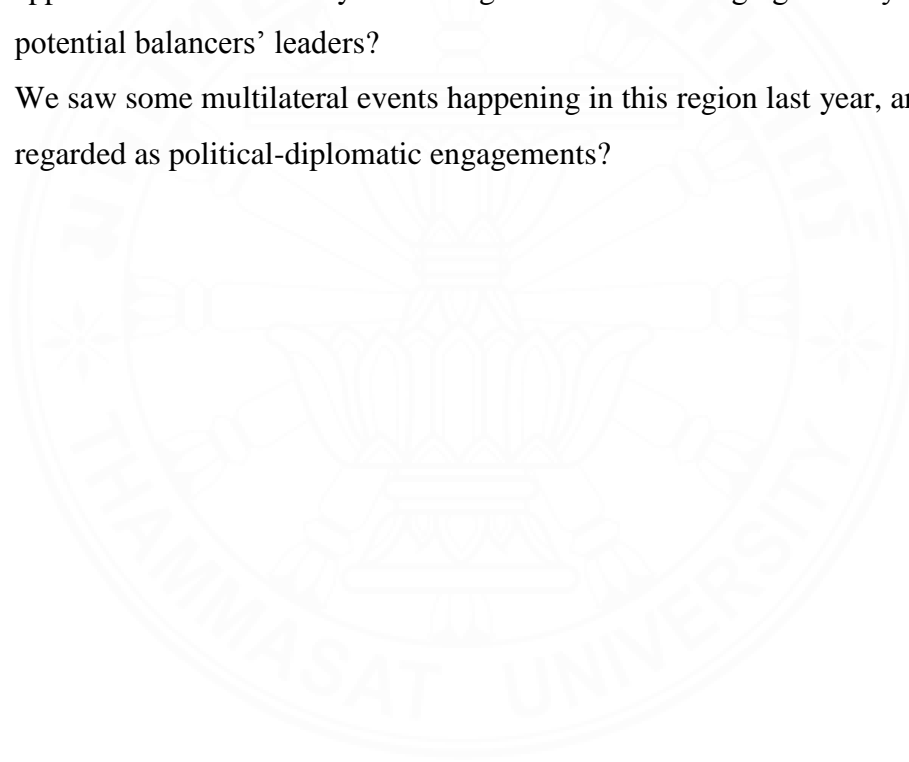
Date and Time : Monday, 30th January 2023

Venue : Online (Zoom)

Questions:

1. You offer a new reconceptualized framework of hedging strategy which derives from Kuik's framework. What did Kuik's framework miss which drives you to create the reconceptualized framework?
2. Regarding the perceptions, is it limited to leader's perceptions or does it also include other domestic agencies' perceptions (e.g., parliament, armed forces, ministries, political parties, public opinions)?
3. Your study focuses on four different case studies which are ASEAN, Malaysia, the Philippines, and Vietnam. What makes you pick those four entities as the objects?
4. Out of three countries (Malaysia, the Philippines, and Vietnam). Which country who hedges strongly against China?
5. How different are heavy, medium, and light hedgers?
6. Can we say the more the country balances, the stronger the country hedges? And what about limited bandwagoning?
7. If a country aligns militarily with China, can we say that the country is bandwagoning with China and cannot be categorized as hedging?
8. I would like to hear your thoughts about Indonesia's hedging strategies. Do you think your framework fits with Indonesia's strategies?
9. Indonesia's foreign policy states that Indonesia will maintain its neutrality in the global stage. In regards to hedging, can we say that hedging is same with neutrality?

10. Where are Indonesia's hedging strategies positioned between the three different ASEAN countries? Is it considered heavy or light hedging?
11. How different are Indonesia and Vietnam hedging strategies?
12. Why did you separate "dominance denial" and spread it into other categories?
13. How different are between "dominance denial" and "binding engagement" since you also divide binding engagement into "political-diplomatic engagement" and "economic engagement"?
14. In regards to "political-diplomatic engagement", is it limited to the meetings between hedging country's leader and the hedging target's leader? Or is it also applicable when we analyze meetings between the hedging country's leader and potential balancers' leaders?
15. We saw some multilateral events happening in this region last year, are those also regarded as political-diplomatic engagements?



3. 3rd Interview

Interviewee : Prof. Dewi Fortuna Anwar, MA., Ph.D.

Position : - Research Professor at the Research Center for Politics,
National Research and Innovation Agency of Indonesia (PR
Politik-BRIN)
- Chairperson of the Board of Directors at The Habibie Center,
Indonesia
- Former Deputy for Government Policy Support of the
Secretariat of the Vice President of Indonesia (2010-2017)

Date and Time : Friday, 10th February 2023

Venue : Online (Zoom)

Questions:

1. What are the differences between Jokowi's first and second periods? Are there any significant changes?
2. What are the domestic factors that drive Jokowi to shift his focus on his second period?
3. Since the AOIP uses the term "Indo-Pacific", is it adopted from the western countries-led FOIPS?
4. Is AOIP considered as hedging?
5. Regarding hedging, you mentioned that Indonesia bandwagoned with China. Do you think there are cooperations on the other fields with China apart from economic cooperation?
6. I read that China is an important economic partner, yet do we need to diversify our economic partners?
7. Is the job creation law a strategy for economic diversification?
8. Should Indonesia keep a distance with China?
9. Is Jokowi's closeness to China on his first period the cause of wild public perceptions regarding to China in Indonesia?
10. Militarily, is the US still a "guarantor" for Indonesia?
11. What are the impacts of Donald Trump's foreign policy to Indonesia?
12. What are the impacts of US-China trade war to Indonesia?

13. What are the roles of domestic elites in shaping Indonesia's hedging strategy?
14. After US withdrew from Afghanistan, some said that the US influence and power are declining. Is it the driving force of Indonesia to diversify its military partnerships?
15. Apart from AOIP, are there any roles of Indonesia in ASEAN in terms of hedging strategy?
16. What are the root causes of ASEAN's limitations?
17. What is your point of view regarding the future of Indonesia's foreign policy and hedging strategy? What is the prospect of Indonesia's chairmanship of ASEAN this year?



4. 4th Interview

Interviewee : Mr. Baskara Pradipta
 Position : Coordinator of East Asia, Center for Policy Strategy for the Asia Pacific and Africa Region, Ministry of Foreign Affairs of the Republic of Indonesia
 Date and Time : Friday, 3rd March 2023
 Venue : Online (Zoom)

Questions:

1. What is the direction of Indonesia's foreign policy under President Joko Widodo?
2. What is the significant difference between the directions or priorities of Indonesia's foreign policy in the first and second periods of President Joko Widodo's administration?
3. What and how do domestic factors influence Indonesia's foreign policy strategy formulation?
4. How does the Ministry of Foreign Affairs view the rivalry between the US and China in the Indo-Pacific region? Specifically, the issue of competition between BRI and FOIPS and the case of the South China Sea.
5. How does the Ministry of Foreign Affairs view China? Does Indonesia need to do limited balancing or keep a distance from China to avoid economic dependence on it? If necessary, what has Indonesia done so far?
6. How does the Ministry of Foreign Affairs view the US? Why does Indonesia still need the US presence in the region?
7. How important is the role of other middle power countries in the region (Australia, India, Japan, South Korea) for Indonesia regarding the rivalry between the US and China?
8. How does Indonesia contribute through ASEAN to the rivalry between the US and China?
9. Is there a difference in perception between the Ministry of Foreign Affairs and other ministries or agencies in Indonesia in viewing the US-China rivalry?
10. How does the Ministry of Foreign Affairs try to convince the Indonesian people that the rivalry between the US and China will not be a severe threat to society, especially when it comes to problems with China?
11. In your opinion, what do you think will happen in the future regarding the current regional situation? What is still lacking from Indonesia's foreign policy strategy so far? What should be improved in the future?

BIOGRAPHY

Name	Mr. Muhammad Rendy Anwar
Date of Birth	March 14, 2000
Educational Attainment	Academic Year 2021: Bachelor of Political Science (International Relations) Brawijaya University, Indonesia
Scholarship	2022-2023: PRIDE (Promotion for Research Internationality and Diverse Education) Scholarship, Thammasat University

