GLOBAL MARITIME FULCRUM, INDONESIA-CHINA GROWING RELATIONS, AND INDONESIA’S MIDDLEPOWERMANSHIP IN THE EAST ASIA REGION

POROS MARITIM DUNIA, TUMBUHNYA HUBUNGAN INDONESIA–TIONGKOK DAN KEKUATAN NEGARA MENENGAH INDONESIA DI WILAYAH ASIA TIMUR

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ABSTRAK


Kata kunci: Global Maritime Fulcrum, middlepowermanship, keseimbangan dinamis, penjembatan, diplomasi membumi

ABSTRACT

The relation between Indonesia and China sparks a new era by the signing of a strategic partnership agreement in 2005. The signing of strategic partnership and similarities in infrastructure booming in both countries initiates the significant flow of capital and cooperation. Under the presidency of Joko Widodo, Indonesia’s program of domestic connectivity, which dubbed as Global Maritime Fulcrum (GMF), has opened more extensive opportunity for China to invest and build complementarities of her Belt and Road Initiatives (BRI). Despite the fact that two countries could move into a strategic partnership, other factors have hampered the relations between the two. Indonesia’s foreign policy doctrine will not allow herself to become fully aligned with other great power
in the region. Indonesia has been long pursued an international activism based on free and active doctrine will not allow herself to become fully aligned with other great power politics in the region. Indonesia has been long pursued an international activism based on free and active doctrine and dynamic equilibrium. These doctrinal factors in another sense become the primary foundation of Indonesia’s middlepowermanship foreign policy. The challenge in this case is the contradiction between economic and political interests that has forced Indonesia to balance between her political interests and economic interests. While growing relations with China could help Indonesia implement her strategic infrastructure development that leads to a better economic capability, the situation could erode her aspiration as middle power country (middlepowermanship). This article would like to find how Indonesia juggles between those interest without undermining her position and credibility as an emerging middle power. This article proposes that even though domestic politics plays important role in fostering Indonesia position as middle power countries, at the same time Indonesia needs to strengthen her relations towards other countries and especially manage the centrality of ASEAN in the region to secure principle of dynamic equilibrium and the role of bridge builder.

**Keywords:** Global Maritime Fulcrum, middlepowermanship, dynamic equilibrium, bridge builder, down to earth diplomacy

**INTRODUCTION**

Indonesia and China relations have been growing since President Susilo Bambang Yudhoyono (SBY) successfully signing a strategic partnership (2005) and comprehensive strategic partnership (2013) (Mingming & Xiaochun, 2015). In spite of that, since President Joko Widodo take in charge as president in 2014, Indonesia and China could bring a new leap forward since Jokowi main program of Global Maritime Fulcrum (GMF) is regarded as complementary with China’s 21st Maritime Silk Road (MSR) (Pradhan, 2016, 11). The program formally launched by President Jokowi during East Asian Summit conference in Myanmar in mid of November 2014. In front of leaders of regional powers and member countries, President Jokowi stated that Indonesia would position herself as a maritime fulcrum between two oceans and take responsibility to play a strategic role amid dynamic of geographic, economic and political turbulence (Witular, 2014b).

Since the launching, GMF has generated discussion on the nature of the program. At the launching, President Jokowi stressed on the external aspect of the program that posited it as Indonesia’s strategy in managing regional power dynamics. However several details of GMF could be said that the program put more emphasize on domestic aspect before it could respond positively to regional dynamics. National development concern rather than playing an active role in the international stage was considered Jokowi’s way to distinguish his administration from his predecessor, President SBY (Wicaksana, 2017, 7). Some scholars consider GMF as Jokowi’s flagship consist of continuation and distinction with the previous program of MP3EI (Masterplan for Acceleration and Expansion of Indonesia’s Economic Development) under SBY’s presidency (Suproyanto, 2016). Both of the programs contain infrastructure development in Indonesia by building several connectivity projects. Nevertheless, the MP3EI never put emphasize on maritime sector, GMF has shifted away from the idea that was merely connecting center-hub Indonesia’s economic center to refocusing to the neglecting maritime aspect in most of Indonesian’s awareness (Sukma, 2014).

Besides the fact that GMF concerning more on domestic aspect, Indonesia could not manage in implementing one of the leading elements of the program, internal connectivity, by relying solely on the domestic source. Under the presidency of Jokowi, Indonesia is direly in needs of foreign investment to achieve one aspect of the GMF. Indonesia since then puts its economic diplomacy mainly to attract foreign investment (Setiawan, 2015). In several international forums, Jokowi openly invites international businessmen and foreign capital to invest in Indonesia.

GMF since then has attempted to engage with the regional development of major power foreign policy strategy. GMF is dubbed as complementary with China’s 21st
Maritime Silk Road, in which Indonesia could play a significant role to develop both countries programs successfully (Pattiradjawane & Soebagjo, 2015, 180).

China’s desire to create maritime connections from its coastal area with countries along Asia-Africa even reach up to Europe locates Indonesia’s strategic position as a crucial aspect. Several strategic sea-lanes of communications that could support the idea of China’s global maritime connections are under Indonesia jurisdiction. Presiden Xi Jinping also showed Indonesia strategic position when he announced programs of “21st Maritime Silk Road” before Indonesia’s Parliament in Jakarta on October 2nd, 2013 (Hong, 2015, 3). Under the Jokowi’s presidency, China’s proposal for cooperation has moved forward to increase the congruency ideas of 21st Maritime Silk Road and Global Maritime Fulcrum. During his visit to Indonesia in November 2014, China’s Foreign Minister Wang Yi made four stages of connectivity between the countries, which consist of connectivity of two countries leader, down to practical cooperation (Chinese Embassy in Norway, 2014).

Despite China’s perceived congruency between 21st Maritime Silk Road and Global Maritime Fulcrum, Indonesia is not left without dilemma. The campaign to attract foreign direct investment has pushed Jokowi’s administration to juggle with international donor which actually a reinterpretation of certain of the doctrine of Indonesia’s foreign policy. During his presidency, SBY proclaimed that Indonesia must maintain its navigation under the global turbulence change, and maintaining dynamic equilibrium among the great power to keep the position of Indonesia’s free and independent foreign policy (Tan, 20107, 179). This kind of strategy of foreign policy has pushed SBY administration to keep a policy of “thousand friends and zero enemies” through actively involved in various international initiatives and forums (Connelly, 2015, 3). In rather different fashion, President Jokowi and Vice President Jusuf Kala would like to maintain Indonesia’s middle power position by selectively engaged global issues, while focusing on strengthening Indonesia’s role in the regional dynamic that they considered as related directly to Indonesia’s people and interest (Widodo & Kalla, 2014, 13). Indonesia’s foreign policy jargon under Jokowi latter famously quoted as “down to earth diplomacy” and “pro-people diplomacy (Antara, 2 February 2015).

Jokowi’s foreign policy during his early time of presidency seems to neglect the centrality of ASEAN. Indonesia appears to put more attention to achieve its domestic programs by focusing on its national interest in economic diplomacy. Challenges are thus considered to maintain its strategic partnership, built during SBY’s presidency and cordial relations with all neighbor countries without compromising domestic needs for investment and infrastructure development. Jokowi’s seemingly pragmatic foreign policy is required to maintain the balance between its national interests. According to Renne L. Pattiradjawane, Indonesia has to acknowledge that the development of domestic connectivity could be achieved without at least maintaining regional stability (2016, 8). Whether national development would sacrifice the idea of dynamic equilibrium is under serious issues.

Beside external consideration, Global Maritime Fulcrum and China’s enthusiasm for cooperation have to encounter domestic challenges. Democratization process has made Indonesia’s foreign policy, and international cooperation will involve not only executive branch of the Indonesian government. Several studies have mentioned about the increasing role of parliament and society participation that influences Indonesia’s foreign policy. The democratization of Indonesia is also meant for acknowledgment of international-domestic nexus of foreign policy (Pattiradjawane, 2016; Wicaksana, 2017; Nabbs-Keller, 2013, 56-82). Indonesian people would perceive participation of foreign investor, not only from China, in Global Maritime Fulcrum not merely serve their development goals but concomitantly maintain Indonesia’s independence in the international forum. In this case, domestic perception is also appeared as a source of Indonesia’s aspiration to secure its middlepowermanship role (Santikajaya, 2014).

Under such condition, this article would like to focus on how the congruency of 21st
Maritime Silk Road and Global Maritime would affect Indonesia’s role as a bridge builder in maintaining its dynamic equilibrium. This article argues that under the dire needs of foreign capital to support domestic connectivity, Indonesia remains in requirements to maintain its dynamic equilibrium in its economic diplomacy. This idea could be achieved through widening the scope of its horizon in building congruency of Global Maritime Fulcrum with other regional countries. This article will consist several elaborations on the idea of Global Maritime Fulcrum and Indonesia Economic Diplomacy, congruency of GMF and 21st MSR and Indonesia-China relations, and legacy of SBY and Indonesia’s middle power foreign policy under Jokowi.

GLOBAL MARITIME FULCRUM AND INDONESIA’S ECONOMIC DIPLOMACY

President Jokowi during his launching speech of GMF in East Asian Summit states that Global Maritime Fulcrum is consist of five pillars; rebuild national maritime culture, maintain and manage marine resources, prioritize the development of maritime infrastructure and connectivity by constructing sea highway that connecting western and eastern part of Indonesia, maritime diplomacy, and maritime defense as a country located between two busy oceans (Witular, 2014a). The five pillars relate to an element of culture and manpower, economic cooperation and development, and political security element. Those five pillars are principally related and could be seen in isolation from one of another (Bandoro, 2014).

Proyek Tol Laut (Sea Highway) has made Indonesia’s GMF seems more inward looking (Negara & Das, 2017, 3). However, according to Rizal Sukma, one of foreign policy advisor since Jokowi-JK campaigning for presidency, Sea Highway Project is one among the three key elements of five pillars that is more concrete agenda in its implementation. The other elements that comprise all three elements of Global Maritime Fulcrum are building identity of marine culture and archipelagic nation and sense of common purpose to strengthening Indonesia’s position as a nation located between two strategic oceans (Sukma, 2014).

Implementation of Sea Highway Project is to connect five major ports from western part of Indonesia up to the eastern part. Those five main ports are Belawan in North Sumatra, Tanjung Priok in Jakarta, Tanjung Perak in East Java, Makassar in South Sulawesi, and Bitung in North Sulawesi. The five big ports would be supported with connection to several smaller ports across the archipelagic country. While the five major ports will function as international hub for cargo shipping, they will supply by product from nineteen smaller ports that play as feeder. All the nine teen smaller ports are Malahayati Ports in Aceh, Batam in Riau Archipelagic Province, Talang Duku in Jambi, Palembang in South Sumatera, Panjang, Teluk Bayur in West Sumatera, Tanjung Emas in Central Java, Pontianak in West Kalimantan, Banjarmasin in South Kalimantan, Sampit in Central Kalimantan,
Sea Toll Policy is a sub-agenda of Nawacita (Nine Programs) to increase the people productivity and competitiveness in international market. The Tol Laut is to develop internal connectivity in order to equal distribution of development (Tim Pusat Kajian Sistem dan Hukum Administrasi Negara-LAN, 2015, 46). This is the main point of Sea Highway that distinguishes itself with previously known as Pendulum Nusantara Policy launched under the administration of SBY (Tim Pusat Kajian Sistem dan Hukum Administrasi Negara-LAN, 2015, 3). The focus on infrastructure has been set up since MP3EI published by SBY’s second term of presidency in 2011 (Purba, 2012, 30). The Pendulum Nusantara stopped as shipping cargo program, of those 24 strategic ports. On the other hand, Sea Highway program will also include 160 non-commercial ports as a sub-feeder of Sea Highway, building 50 pioneer shipping and 193 pioneer shipping routes (Tim Pusat Kajian Sistem dan Hukum Administrasi Negara-LAN, 2015, 48). This is an aspect of pro-people from Jokowi that was put on his campaign program.

Despite the contention of whether Jokowi’s sea highway is a genuine project or merely continuation of concept from SBY’s administration, the important thing that should be capture is Jokowi’s plan to give more attention to implementation all development projects. This fact is reasonable according to Satria Sambijantoro (2014). Even though SBY’s administration has successfully achieve economic growth and high standing international stance for Indonesia, the administration could not fully catch the economic potential and the indecisive leadership of SBY has brought about slowness in infrastructure development in Indonesia. Sambijantoro referred to unfinished and postponed infrastructure projects under SBY’s administration. More importantly from all the projects are the MP3EI, which was the legacy of SBY’s administration, up to final months of SBY’s presidency only completed 3.2 percent of its yearly target in IDR 467 trillion, based on the data from the office of the Ministry of Coordinating Economic (Sambijantoro, 2014).

Therefore, since the initial phase Global Maritime Fulcrum, aspects that catch attention of Jokowi’s administration and many international audiences are the elements of economic cooperation and infrastructure development. The third pillar is presumably the most daring project since it will cost at least Rp 699 trillion (US$ 57.40 billion) to support Global Maritime Fulcrum ambition. The estimated total cost already included the investment of 24 commercial seaports across the archipelago (Rp. 243.6 trillion), 1,481 non-commercial harbors (Rp 198 trillion), and expense for acquiring the vessels needed (Rp 101.7 trillion). All of those investments aim to reduce logistic cost in the archipelagic country. National Development Planning Board (Bappenas), it will reduce the current of logistic expense 23.5 percent of GDP to 19.2 percent in 2019 (Natahadibrata, 2014). Bappenas has already acknowledged that state budget will not fully fund the sum of total investment. Indonesia itself during the national budget of 2016 and 2017 only allocated spending budget for infrastructure IDR 317.1 trillion and IDR 387.3 trillion (Negara & Das, 2017, 4). The two consecutive years budget shows that the state budget is far below the needed amount of capital.

Indonesia Investment Coordinating Board (BKPM) in its Investment Strategic Plan 2015-2019 shows that it will involve at least 30 percent of private participation in the budget plan of infrastructure development in Indonesia. The project also shows that The State Budget will have to cover 40 percent of the total required funding, while the local government will jointly invest in infrastructure around 10 percent (van Dijk, van de Mheen, & Bloem, 2015, 13). This percentage of private participation will be much higher as shown in the National Ports Master Plan. In Public-Private Partnerships (PPP) for developing the marine highway, private sector is expected to contribute up to 70%. Indonesia BKPM identifies four sources of funding for infrastructure development in Indonesia in its
The full description of composition of budget plan is shown in the table below (van Dijk, van de Mheen, & Bloem, 2015, 12).

Besides the enormous amount of fund that will be used for financing the Sea Highway project, based on source budgeting also could be depicted that problem of coordination would appear among the various actors involved in this mega project. According to the table, Indonesia will have to established strategic coordination not only with the private sectors which are expected to share large sum of budget but also with the local governments in all the provinces and regents involve in this plan. Even though, government of Indonesia believes that it could meet the required fund by establishing Public Private Partnership (PPP) by passing the Presidential Regulation no. 38/2015 which supplanted the Presidential Regulation no. 67/2005 on PPP (PwC Indonesia, 2016, 32). Based on weakness of the rule from several projects in the past under such scheme of cooperation (Purba, 2012, 32), the new Presidential Regulation creates stimulus by offering a more conducive legal framework and increasing number of eligible sectors.

According to study by Aswicahyono and Friawan (2008), several crucial issues hindered the development of Indonesia infrastructure project, which consist of institutional problems, financing issues, pricing issues and competition, corporatization and privatization issue (Aswicahyono & Friawan, 2008, 148). Aswicahyono and Friawan (2008) elaborate institutional issues and financing issues as problem-related with changing institution that Indonesia faces after it decentralized the authority to local government. Decentralization to certain extent has brought about several unsynchronized and uncertainly regulation between central and local government. The crucial problem resulted from decentralization, in the end, leads to hesitation from the private sector to participate in the infrastructure development (Aswicahyono & Friawan, 2008, 149). Another problem caused by contradiction of perception of decentralization by the local elites and the spirit of GMF, which is actually central government program. In this kind of relation, the local government often has vertical conflict with central government especially on issue of natural resources management (Wicaksana, 2017, 10-11).

Table 1. BKPM Investment Strategic Plan 2015-2019

<table>
<thead>
<tr>
<th>No.</th>
<th>Sector</th>
<th>State</th>
<th>Regional</th>
<th>State-Owned</th>
<th>Private</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Road</td>
<td>29.3</td>
<td>16.7</td>
<td>5.4</td>
<td>16.7</td>
<td>67.1</td>
</tr>
<tr>
<td>2</td>
<td>Railways</td>
<td>12.5</td>
<td>-</td>
<td>0.9</td>
<td>10.2</td>
<td>23.6</td>
</tr>
<tr>
<td>3</td>
<td>Sea Transportation</td>
<td>41.5</td>
<td>19.9</td>
<td>13.7</td>
<td>2.1</td>
<td>75.0</td>
</tr>
<tr>
<td>4</td>
<td>Air Transportation</td>
<td>7.1</td>
<td>0.4</td>
<td>4.2</td>
<td>2.1</td>
<td>13.8</td>
</tr>
<tr>
<td>5</td>
<td>Land Transportation</td>
<td>4.2</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>5.0</td>
</tr>
<tr>
<td>6</td>
<td>City Transportation</td>
<td>7.5</td>
<td>1.3</td>
<td>0.4</td>
<td>0.4</td>
<td>9.6</td>
</tr>
<tr>
<td>7</td>
<td>Electricity</td>
<td>8.3</td>
<td>-</td>
<td>31.7</td>
<td>36.3</td>
<td>81.7</td>
</tr>
<tr>
<td>8</td>
<td>Energy (Oil and Gas)</td>
<td>0.3</td>
<td>-</td>
<td>12.6</td>
<td>29.3</td>
<td>42.2</td>
</tr>
<tr>
<td>9</td>
<td>Information Technology</td>
<td>1.0</td>
<td>1.3</td>
<td>2.3</td>
<td>18.6</td>
<td>23.2</td>
</tr>
<tr>
<td>10</td>
<td>Water Resources</td>
<td>23.0</td>
<td>5.7</td>
<td>0.6</td>
<td>4.2</td>
<td>33.4</td>
</tr>
<tr>
<td>11</td>
<td>Drinking water and waste</td>
<td>18.9</td>
<td>16.5</td>
<td>3.7</td>
<td>2.5</td>
<td>41.6</td>
</tr>
<tr>
<td>12</td>
<td>Housing</td>
<td>32.0</td>
<td>3.7</td>
<td>1.0</td>
<td>7.3</td>
<td>44.0</td>
</tr>
<tr>
<td></td>
<td>Total Infrastructure</td>
<td>184.6</td>
<td>45.4</td>
<td>88.9</td>
<td>141.0</td>
<td>460.0</td>
</tr>
<tr>
<td></td>
<td>Percentage</td>
<td>40.14%</td>
<td>9.88%</td>
<td>19.32%</td>
<td>30.66%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

In financing issue, Aswicahyono and Friawan comment that only smaller amount can be attracted from national private sector. However, attracting international private sector and official development assistance are not an easy way out since the problem of regulation remains the bigger concern of international participation in Indonesia’s infrastructure (Aswicahyono & Friawan, 2008, 152).

Indonesia’s PPP remains entrapped in cumbersome process since it takes minimum of 40 permits before the project could get permission to commence. In referring to information from Negara and Das (2017), Central Java power plant project took 50 licenses and permits before the construction. Both of the scholars also added that decentralization increases the complexities of the process (Negara & Das, 2017, 10).

The government of Indonesia addresses the problem by creating the Committee for Acceleration of Priority Infrastructure Delivery (KPPIP) as in charge body for monitoring, coordinating and speeding up implementation the program of marine highway. The Committee is a centralized government body consists of Minister of Finance, Minister of PPN (National Development Planning)/Head of Bappenas (National Development Planning Agency), and Minister of Agrarian Affairs and Spatial Planning.

The Coordination Ministry for Economic Affairs takes charge as leading institution of KPPIP. The committee has been instructed to select National Strategic Project (PSN, Proyek Strategis Nasional) as prioritized project based on President Regulation No. 3/2016 on Acceleration of the Implementation of National Strategic Projects (Negara & Das, 2017, 10). Another Presidential Regulation No. 58/2017 later supersedes the Presidential Regulation No. 3/2016. The national strategic project increases the number of involving project to become 245 and additional 2 programs, which is electricity programs and aircraft industry program (KPPIP, 2017).

Infrastructure project to implement the Global Maritime Fulcrum and especially marine highway shows impact on increasing trend of government spending on infrastructure. In APBN-P 2016, infrastructure spending increased by 9% from previous year. The rise of government spending in the fiscal year of 2016 appeared to be unchanging even though there was budget cutting before second quarter began.

The budget spending eventually affected several projects in the second phase of budget cutting. This cutting resulted in reschedule or slow down the construction of some of the infrastructure project like Madiun-Kedungbanteng double-track project in East Java, and the Makassar-Parepare railway construction in South Sulawesi.

Effect of decreasing source of state budget even admitted by the Ministry of Public Works and Public Housing, which the official said the impact varies from disrupting or delay of the completion of some multi years project (PwC Indonesia, 2016, 7). Despite the cut in 2016, the fiscal budget of 2017 indicates allocation of IDR 287.73 trillion (around US$ 30 billion) for infrastructure development. Such amount of allocation of capital is the highest budget to spend which reveals an increase of 22% from the previous year.

KPPIP has decided to spend the allocated money for funding 30 prioritized projects from 2016 to 2019 (HKTDC Research, 2017). For total of 245 projects and 2 programs under the list of the national strategic project, KPPIP estimates the total cost will reach IDR 4.197 trillion. The required capital could be shared among state budget (IDR 525 trillion), SOEs (owned by central government or local government, IDR 1, 258 trillion), and private source (IDR 2,414 trillion) (KPPIP, 2017).

The conditions as mentioned above indicate that Indonesia could not stand alone in order to achieve its strategic project. Not only domestic problems remain critical hindrance for successfully completed the target of sea highway project, but the project has enforced Indonesia to be more effortful in creating opportunity with international counterparts. Internal connectivity in marine highway may attract global investor while concomitantly required domestic attentiveness towards coordinated economic diplomacy.
CONGRUENCY OF GLOBAL MARITIME FULCRUM AND 21ST MARITIME SILK ROAD AND INDONESIA-CHINA RELATIONS

Indonesia and China in the early 21st century commenced warmer bilateral relations. President SBY has successfully contributed in building a solid foundation of the countries by signing a strategic partnership (April 2005) that in subsequent years elevated to a comprehensive strategic partnership (November 2013) (Mingming & Xiaochun, 2015). President SBY signed two important agreements with two different China’s leaders. In 2005, SBY’s counterparts from China was President Hu Jintao, while in 2013 (Chongbo, 2011, 132), SBY shake a deal with President Xi Jinping. The two agreements were signed during two special occasions. The first one was held in Bandung after the commemoration of 50 years of Asia Africa Conference, which also celebrated as 50 years of bilateral relations between two countries (Sinaga, 2015, 3). The second agreement was reached after the first official visit of President Xi Jinping after assuming the presidency in March the same year. During the visit, President Xi also made a public speech in front of Indonesia Parliament about 21st Maritime Silk Road and proposed to President SBY about his plan to establish later known Asia Infrastructure and Investment Bank (AIIB) (Indonesia, China forge comprehensive strategic partnership in various field, 2013). Under President Jokowi, Indonesia and China agreed to strengthen comprehensive strategic partnership in March 2015, in which maritime partnership gains special attention (MOFA Republic of Indonesia, 2015).


Even though China launched its 21st Maritime Silk Road in late of SBY’s presidency, it could not be neglected the role of MP3EI of SBY administration in reorienting Indonesia focus on infrastructure. It might be China’s moves that firstly seen Indonesia strategic role in supporting the idea of the regional sea-route connectivity. Jokowi’s administration in this context plays his role in accentuating the infrastructure program towards more maritime rather than just hub-spoke between the islands in Indonesia, which eventually affects the awareness of responding the geoeconomic and geopolitical change in the regions. The vision brought Indonesia more aware of its potential as a fulcrum of two oceans and continents.

Since the 21st Maritime Silk Road is basically about uniting and expanding the common interest between China and other countries located along the route. The policy will concern on activating potential growth and achieve mutual benefits in more extensive areas. Consequentially the 21st MSR will connect China’s port with other countries through maritime connectivity, inter-city cooperation and economic cooperation (Liu, 2014). The proposed sea route spans from ports on the southern coast of China through the Red Sea then reach the Mediterranean Sea in which it will meet the land-based Silk Road in Venice. Thus, there will be two elements of Silk Road, land-based and maritime based. In the Maritime Silk Road, Indonesia will become one important partner since the archipelagic state has strategic sea-route in the connectivity scheme. The decision of President Xi Jinping to give a speech in front of Indonesian Parliament about the 21st Maritime Silk Road symbolically shows the vital position
of Indonesia under the China’s plan (Zhao, 2015, 22).

In his speech in front of Indonesia’s Parliament, President Xi Jinping emphasized five strategic areas. In his brief, President Xi Jinping focused on the needs and supporting principles required in his proposal. It includes trust; win-win solution; a principle of assisting and helping among all the participant countries; enhancement of mutual understanding and friendship; and finally, the principle of openness and inclusiveness. President Xi understands that the proposal he brings will need support from China’s surrounding neighbor. The Maritime Silk road also, as he elaborates further, will include the aspect of multiculturalism since it will embrace countries from the wide-ranging region and different cultural background. In his speech, President Xi Jinping also mentioned about the ASEAN-China Maritime Fund as one of China’s support for regional development that congruent with his ideas (Xi, 2013).

The China’s proposal has an element of history in it since it will recreate the success of ancient China during the kingdom era. Not only in the sense of recreating the trade route of Admiral Zheng He but also it should notice that the intended course of the 21st Maritime Silk Road in the ancient time was recorded as prosperous zone before colonization dominated those ports and city (Penennungi, 2015, 5-6). There is optimism that the ancient spirit could be reinvigorated. Nevertheless, there is also skepticism about the lack of original spirit of ancient silk-road compare to the modern maritime silk-road (Koh, 2015).

However, overemphasizing on the historical construct of Silk Road project invites critics. According to Tai Wei Lim, “the constructed nature of the Silk Road is a clear fact.” He elaborates further his argument by citing that even both maritime and land-based Silk Road are modern scholar invention. The term “maritime silk road” firstly comes from Japanese scholars who studied the maritime ceramics trade in the 1970s. Land-based Silk Road which connected mainland China to Central Asia up to Europe was about the supply chain of trade through myriad intermediate traders. Based on those findings, Lim concurs that “Beijing’s version of OBOR is a conscious state-constructed route (Lim, 2016, 78). The nostalgic narration since then could not overlook the needs to building good-neighborliness with all those countries involved in the policy (Zhao, 2015, 1).

In comparison with Indonesia’s Global Maritime fulcrum, China’s 21st Maritime Silk Road gives more attention on building its global connectivity, while the Indonesia’s connectivity proposal is about national development but in parallel with the dynamic of extensive East Asia regional dynamic. The vision could be discerned in the five pillars of Global Maritime Fulcrum announce by President Jokowi (2015) (Sambhi, 2015, 41). Dewi Fortuna Anwar regards the global maritime fulcrum contains an element of foreign policy, as well as an economic development strategy, while at the same time an aspect of defense strategy (Heriyanto, 2015).

Leaders and high officials from Indonesia mostly perceive the development of two strategies as complementary and mutually supportive. On 2 November 2014, Foreign Minister Wang Yi on his official visit and met with President Jokowi and his counterparts Foreign Minister Retno Marsudi comment that, “Jokowi’s vision of Indonesia as a maritime fulcrum could complement Beijing’s new Maritime Silk Road.” He added that both plans aim to strengthen maritime connectivity and enhance the capacity of countries in Southeast Asia to maximize security and the management of maritime resources. China would enthusiastically participate in Indonesia’s aim to be a maritime power, mainly by assisting with infrastructure development. President Jokowi commented that “Indonesia is on the way of developing into a maritime power, while China proposes to build the Maritime Silk Road of the 21st century; the two initiatives highly fit with each other” (Zhao, 2015, 22-23). Though President Jokowi also added his previous comment with a rather nationalistic tone and his pro-people policy, “so long as the principle of sovereignty is safeguarded, and the people benefit, we can work together” (Hussein, 2014).

The 21st Maritime Silk Road will involve 17.9 percent of China total trade. The aspect of people-to-people connectivity will create more
opportunity for people movement of more than 15 million between China and ASEAN alone (Liu, 2014). In a total of the 21st MSR, it will cover a total population of 3 billion people. China’s Ministry of Commerce estimates it will involve 26% percent of total China’s foreign trade (Clover & Hornby, 2015). In the period of 2015 alone, China and ASEAN have been connected by more than 1,000 flights. The description could be more complicated when another mode of transportation is added to the picture since many people in the region remain utilizing traditional naval and river transport. Sub-state level cooperation has been growing by the relation among municipal level in the region which reached 140 twin cities established between ASEAN and China (Do & Ha, 2015, 88-89). Such potential and description like that is what Minister Wang Yi calls out his visit to Indonesia is about connectivity (Chinese Embassy in Norway, 2014).

Sister province between Indonesia and China has been commenced at least since early the 2000s. Inter-province cooperation between Indonesia and China comprise of trading, agriculture, investment, tourism, and technology (Province of Banten, Indonesia, 2010; FGD Transcript, 2011). Even West Java province has connected with four provinces in China like Shandon, Heilongjiang, Guangxi and Sichuan (Wage, 2017). However, the prospect of cooperation comes with hindrance. A problem of influx of migrant workers from China to Indonesia has emerged, due to certain extent, it was part of the agreement. Some infrastructure projects that come with such agreement were Suramadu Bridge in East Java and hydro power station in Jati Gede in West Java (FGD Transcript, 2011).

Complementarity and congruency of the 21st Maritime Silk Road and the Global Maritime Fulcrum more clearly if we consider how Indonesia needs support for funding its program. China is quite sure capable of supporting Indonesia needs on financial and technical skill. Good neighborhood policy of China towards Indonesia was highlighted during Asia financial crisis in late of the 1990s. China contributed by providing almost US$4 billion for the affected countries like Indonesia, Thailand, Malaysia, and South Korea (Copper, 2016, 148). Since China becomes a dialogue partner of ASEAN, its role in supporting development in ASEAN countries has been increasing significantly. Trade between China and the members of ASEAN have increased especially after ACFTA (ASEAN China Free Trade). Since the implementation of the free trade agreement, China moved to become ASEAN’s largest trading partner, while ASEAN positioned as China’s third largest trading partner (Hermawan, 2015, 31-32).

Financial power as the primary instrument may be the source of China upper hand in Indonesia’s global maritime fulcrum. As mentioned before, China already allocated funds and founding institution to deliver the power to regional countries that surely needed help to boost infrastructure development. There are Maritime Silk Road Fund and AIIB. The AIIB was built under resistance of US for it may exclude the US and become the instrument for China to exert its influence over regional countries (Perlez, 2014). However, after several western countries, like UK, Australia, South Korea and joined the bank, it may become more multilateralized. China’s funding institution may as well play as an alternative for the western dominated financial institution like World Bank, IMF, and ADB (Lim, 2016, 65). The capacity of AIIB could take up the lag of capacity of the western financial institution. Global management consulting firm McKinsey & Co estimates that capital needed for infrastructure in the East Asian region itself is about US$ 10 trillion between 2010-2020 (Bai, 2014). The established financial institution like the ADB and World Bank, according to The Economist, only holds available funding for infrastructure around US$ 160 billion and US$ 223 billion (Hermawan, 2015, 32). Another advantage of AIIB is that it could be represented the interests of developing countries with a focus on “infrastructure and connectivity” and less enforcing to borrowers on liberal precept like the western lead institutions (Wong, 2016).

Indonesia under President Jokowi welcomed the founding of AIIB and definitely aims for alternative funding for its maritime and infrastructure ambition. Indonesia would plan
to secure more than US $ 1.8 billion of loans from AIIB. China’s company also welcomed in Indonesia even though criticism about the practice in acquiring project, low-level quality of the completed project, and practice of importing low level migrant workers from China have risen (Syailendra, 2017, 7). Despite the fact that China’s eagerness to support Indonesia infrastructure and maritime projects, another point made by senior scholars from Indonesia C.P.F Luhulima who worried about a superimposition of China’s MSR towards Indonesia’s GMF. This could be discerned if the latter may become integral parts of China’s MSR, while Indonesia lost its position to bargain (Luhulima, 2014).

On the congruency and interest of Sino-Indonesia related to infrastructure and maritime cooperation, Tai Wei Lim of SIM University Singapore categorizes it under three type of possible relations. The first one schemes the relations of Sino-Indonesia on the China’s interest in “New Normal.” The China’s needs to keep domestic production, and secure market in neighboring states are behind this perspective. The second scenario predicts relation of both maritime projects as on the pragmatic interest of Indonesia to secure financial support from the China’s lead funding institution. The third scenario discerns the relations on strategic interest Indonesia under MSR while at the same time securing its position to manage the building up integrated connectivity under centrality of ASEAN (Lim, 2016, 66). Three possible perspectives of Sino-Indonesia relations are quite discernible while the strategic calculation is on the capacity of Indonesia to keep its foreign policy maneuvers open. In the next part of the article, it will focus on option for Indonesia to manage its middlepowermanship under a rather superimposition situation of the 21st Maritime Silk Road towards Indonesia GMF.

SBY’S LEGACY AND CHALLENGES OF INDONESIA’S MIDDLE POWER FOREIGN POLICY UNDER JOKOWI’S PRESIDENCY

"the relations of major powers are not entirely up to them. Middle and smaller powers too can help lock the major powers into this durable architecture."

President Susilo Bambang Yudhoyono – Shangrila Dialogue 2012

Indonesia’s foreign policy after 32 years under authoritarian regime has undergone dynamic experiment though it remains intact with its norms as well as identity, free and active foreign policy. The idea has been set up since the speech of Vice President M. Hatta in front of Indonesian provisional parliament (KNIP) in 1948 (Anwar, 1990, 227). Indonesia’s foreign policy since the infancy of the republics cannot be separated from the norms (Laksmana, 2011, 162). However, the historical facts show that Indonesia did not become immune from the left and right leaning in its foreign policy. From Soekarno up to Soeharto, Indonesia’s claim to maintain its free and active foreign policy. Despite the claims, under Soekarno Indonesia is more leaning to newly independent countries and maintain close relations with Beijing and Moscow. Contrast to that era, due to the economic problem at the onset of his administration, Soeharto kept his foreign policy closer towards the western country for securing his ideas of economic development (Tan, 2007, 153-158). Even though the two leaders have taken a different path, both of the leaders keep maintains the identity of non-alignment and pro-developing/post-colonial countries. Bandung spirits remain the cornerstone of Indonesia’s foreign policy although with different accentuation (Tan, 2007, 160).

After quite successfully managed democratic transition, Indonesian foreign policy also affected not only by the changing dynamic of balance of power and regional architecture. Indonesia’s foreign policy aims as well to maintain economic development after surviving from Asian Financial crisis. Complexities of foreign policy making, and decision related to that matters become higher due to impermeable capacity of international economic situation with domestic situation. President SBY in his initial years of his administration called this uncertain terrain of foreign policy as “turbulent ocean.” In his speech in 2005, President SBY coined the term of “navigating the turbulent ocean” in
referring dynamic of international system and increasing linkage of international and domestic issues.

During his ten years of presidency, SBY has been fortunate to have two excellent foreign ministers. Minister Hassan Wirajuda and Minister Marty Natalegawa have lead Indonesia MOFA with managing ability that could complement SBY’s attention on this matter. Under SBY’s first term of presidency, Minister Wirajuda has put solid institutional foundation for Indonesia’s MOFA to keep intact with global challenges, and he introduced the term of intermestic and focused on public diplomacy (Pattiradjawane, 2016, 3). In SBY’s second term, Minister Marty Natalegawa proposed a concept of “dynamic equilibrium” which could be defined as non-dominated regional dynamic with stressing on capability of small and medium countries to keep the balance among great power politics. Natalegawa mentioned the concept in an interview with The Jakarta Post daily related to East Asia Summit May 2010 (Pattiradjawane, 2010).

Besides those basic normative foundations, Indonesia’s foreign policy also based on geopolitical and geostrategic consideration. Indonesia’s vision of regional stability was implemented on the foundation of ASEAN under Soeharto administration. Since the early of the 1970s, one of Indonesia’s prominent scholars Soedjatmoko has proposed the idea of dynamic equilibrium. This initial version of dynamic equilibrium is rather synonymous with the concept of Minister Natalegawa (Soedjatmoko 1972a, 15-16; Soedjatmoko 1972b, 37). The distinction of the two ideas is more on period of Cold War international system and current transitional power in new millennium, and especially the growing significance of complex interdependence among the East Asian countries. Concentric circle of foreign policy, therefore, could be named as the cornerstone of Indonesia’s foreign policy. The implementation of this policy has been commenced since Soeharto’s administration by focusing on ASEAN centrality. Thus, dynamic equilibrium and ASEAN centrality could be discerned as a combination of balance of power consideration, complex interdependence, and normative consideration built under ASEAN institution (Roberts & Widyaningsih, 2015, 274; A Conversation with Marty Natalegawa, 2010).

One important foreign policy lexicon that has been introduced into Indonesia’s foreign policy in the middle power approach. Even though the activism could be traced back to early days of the republic (Kusumaningprang 2017, 152-179), the utilizing concept by Indonesian official could be said taken by SBY’s speech in 2012 (Susilo Bambang Yudhoyono, 2012). Besides a literally used of the concept of a middle power country, SBY has come out with a concept of bridge builder. Operationalization of the concept could be perceived as bridging between developing countries and developed countries like when he delivered speech in front of Non-Aligned Movement (NAM) in Havana, Cuba (2006). Indonesia also plays such a role in the western world and Islamic world after the US campaign of Global War on Terror (Tan, 2007, 173). The role taken by Indonesia could be said to have similarities with the concept of middlepowermanship proposed by international scholars, in a sense that it contains element of good global citizenship (Cox, 1989, 862). However, Santikajaya comments that the bridge builder and middlepowermanship could be perceived as two different concepts since the bridger builder clearly makes a distance from being supportive to the US like the role of Canada and Australia (Santikajaya, 2016, 568). In addition to that comparison, Santikajaya distinguishes Indonesia’s bridge builder role with the revisionist ambition of BRICS countries. In this case, Indonesia is only assumed to play a soft revisionist towards global order while at the same time play normative bridge builder (Santikajaya, 2016, 570).

The above mention legacy for Indonesia’s foreign policy could be neglected by Jokowi’s administration. Despite the urgent need for supply of funds and investment, Indonesia must be able to face the challenge of balancing between the economic and political interest in context of developing Global Maritime Fulcrum mega-project (Pattiradjawane, 2016, 6-10). Jokowi’s administration also faces the challenge of coordination and management of perception among his ministry and supporting government
agency (Syailendra, 2017, 12). After all of those challenges, Jokowi’s and his administration must be able to manage the dynamic of domestic institutional politics in democratic Indonesia. Managing criticism from the opposition in parliament, range of local administration under decentralized Indonesia (Wicaksana, 2017, 6-10), and domestic public opinion (Pattiradjawane, 2016, 16-17), are among the crucial factors should be his priority before he could gain international support.

Citing from several Jokowi’s speeches about his Global Maritime Fulcrum ambition, it could be noticed that he already understands the challenge of keeping Indonesia’s dynamic equilibrium doctrine intact. Global Maritime Fulcrum based on his speech in Myanmar (2014). He clearly mentioned the changing of regional dynamics based on the rise of China’s power in global politics, and extended regionalism towards Indo-Pacific region (Witular, 2014a).

Notwithstanding the understanding of the external situation, Jokowi should pay attention towards managing dynamic equilibrium in his economic diplomacy due to attractiveness and complementarity of his program with regional and major power plans. At the same period of his announcement of his GMF, there are already several similar projects could be fitted with Indonesia’s plan. To name a few are the Master Plan on ASEAN Connectivity (MPAC) (Negara & Das, 2017, 5), Japan-India’s Indo-Pacific (Wicaksana, 2017, 12), and especially China’s OBOR (One Belt One Road) or Belt Road Initiatives. Since the commencement of Global Maritime Fulcrum, it could be said that regional competition to support the program has been started especially in the case of China and Japan in terms of infrastructure project, and between China and the US in terms of natural resources investment (Wicaksana 2017, 12, 14). So it could concur that GMF itself pose a new challenge for credibility of Indonesia’s dynamic equilibrium. The competitions are other challenges that might have been overlooked by Jokowi’s, or it may as well become a challenge to strategically implement the dynamic equilibrium. Despite the speculation, the fact is that Jokowi could not abandon the path of his predecessor and public perception, as well as hiding behind his rhetoric of pragmatic foreign policy like, “down to earth diplomacy” (MOFA Republic of Indonesia, 2015, 57), since the challenges now have become concentrated on how to manage the sustainability of his mega project and keeping the centrality of ASEAN.

More importantly, it is Jokowi and Jusuf Kalla who inserted the term middle power in their campaign program during the presidential election in 2014. At the same document, Jokowi explained the role of Indonesia as middle power should be achieved through selectively engage regional and global issues while at other points he expected to broaden the concentric circle of Indonesia’s foreign policy to anticipate the prospect of Indo-Pacific. In the detail of the program, Jokowi and team seem recognize the centrality of ASEAN, and utilizing both strategic bilateral and multilateral forum (Widodo & Kalla, 2014, 13-14).

While boosting global maritime fulcrum as primary program and catching up with the lagging infrastructure development require special attention to domestic problem due to huge obstacle related to coordination problem, Jokowi’s administration has to consider that international dynamics could hamper his program. Balancing is required, thus not only from economic and political interest, but alongside international and domestic, and internestic problem as well. As it happens in the way Jokowi’s decision to join the AIIB and China’s lead financial institution. The single decision could have influence on how he tackles issue of securing financial institution for infrastructure development, playing bridging role between developing countries and the western institution that needs to be reform due to “democratic deficit” and lack of voice of Southern countries, but also to ensure that the new AIIB will not dominated by single country. Despite the fact, some of Jokowi’s foreign policy tag line could be considered as criticism of over-activism of SBY’s foreign policy that contradict his indecisiveness on managing domestic issue, Jokowi’s have to remains aware of the big pictures of his foreign policy rather than tackling foreign policy and domestic issue as piecemeal approach under pragmatic rhetoric.
Referring to three possible scenarios on previous part of this article (Lim, 2016, 66), Jokowi have to choose between becoming superimposed by China’s Maritime Silk Road, keeping pragmatic foreign policy for the sake of infrastructure development while neglecting dynamic equilibrium, and keeping his program sustain while managing the centrality of ASEAN through cooperation under MPAC.

CONCLUSION

Infrastructure development in Indonesia could be a breakthrough after several years lag behind other countries. Jokowi’s decision to focus on global maritime culture has to be seen as a strategy to catch up with that. However, infrastructure has pushed Indonesia on the condition of opening its domestic economy for international actor to participate. Huge gaps between the availability of national capital and the total of financial needs for infrastructure development has enforced Indonesia’s government to slim its bureaucratic system and creating special agency to accelerate the development. The government of Indonesia could stand alone to fill the financial gaps, even with the participation of national private sectors. This challenge certainly needs an international cooperation to support the program.

In strategic context global maritime fulcrum is the way Indonesia encounter the dynamic and balance of power in the regional. The sea highway is a supporting element of that strategy that supposed to be domestically oriented before it could be used to support capability of Indonesia under such turbulent region. Notwithstanding the domestic and economic focus of the sea highway has been proven it could create a problem that shows how international and domestic issues are interrelated. Indonesia needs to put more attention on domestic problem since it was due to lack of coordination among national actors that become the main obstacle to implementation of MP3EI. Jokowi leadership and his idiosyncratic of do-able mentality recently have become the engine to solve the chronic problem. Nevertheless, Jokowi leadership seems to focus on pragmatic and piecemeal approach and pay less attention to the intermestic aspect of the sea highway project, and Global Maritime Fulcrum in general.

An increasing of China’s participation in the infrastructure project in Indonesia initially was a modest international partnership as commonly among nation. The strategic partnership between two countries was a solid foundation for the two countries to develop more substantial cooperation. Built upon several mutually agreed basic norms such as Bandung Spirits and focus on infrastructure and connectivity, Indonesia and China have been perceived quickly moves to be a more comprehensive partnership. The two countries have common interest, yet they also have so many differences and problem between them. There was deficit of trust from Indonesian people towards the way Chinese companies operate in Indonesia, and certain problem related to p-to-p that comes out after increasing connectivity between two countries. Capability gap between Indonesia and China has made a number Indonesian decision maker, and scholars look cautiously on growing relations, especially on the so-called similarities of 21st Maritime Silk Road and Global Maritime Fulcrum. There is a concern of Indonesia’s maritime project become superimposed by China’s maritime because of China has a better position to driven and put Indonesia’s maritime project as merely complement. At the possible scenario, Indonesia could play a more strategic role in the idea of connectivity, whether it comes from China, ASEAN, or other players in the region. The idea connectivity should be welcome as long as it could serve for the betterment of people and keeping ASEAN at the center of regional architecture and the dynamic equilibrium remains stable.

Those two problems managing China’s involvement in positive dynamic equilibrium should be the concern of President Jokowi. Indonesia should keep its option to cooperate openly. The decision to joint AIIB is part of that idea, to keep the optional financing support open. But more importantly, Indonesia should maintain the role of bridge builder as an aspiration of its middlepowermanship. Therefore, managing credibility among all participants of
possible financial supporter has to be kept intact. Indonesia’s membership in AIIB could become a mechanism to play this role by not only to secure the possibility of financial support for infrastructure but to serve Indonesia activism as a bridge builder between the new bank and the established financial institution. Indonesia should consider that its idea of connectivity could have a complementability with various program as long as Indonesia could play its idea of fulcrum or a bridge builder.

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