



TRENDS IN SOUTHEAST ASIA

**YUSOF ISHAK
INSTITUTE**

MINDING THE GRASSROOTS

**Celebrating 70 Years of
Sino-Indonesia Relations
amid the Coronavirus
Pandemic**

Ardhitya Eduard Yeremia
and Klaus Heinrich Raditio

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FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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Minding the Grassroots: Celebrating 70 Years of Sino-Indonesia Relations amid the Coronavirus Pandemic

By Ardhitya Eduard Yeremia and Klaus Heinrich Raditio

EXECUTIVE SUMMARY

- The 70th anniversary of Sino-Indonesia bilateral relations is marked by issues alongside the coronavirus pandemic, such as medical cooperation, the import of Chinese workers, and confrontation in the Natuna waters.
- Since the first case of coronavirus was identified in Wuhan in late December 2019, Indonesia has been generously assisting China in coping with the pandemic. In return, when the outbreak occurred in Indonesia, China also rendered support to its strategic partner.
- The collaboration occurred at government-to-government (G-to-G) level (Ministry of Foreign Affairs, Ministry of Defence), business-to-business (B-to-B) level (state-owned companies and private companies), and people-to-people (P-to-P) level (ethnic Chinese associations, philanthropic institution). However, both Indonesia and China have not optimized on the P-to-P or grassroots interaction.
- China's "vaccine diplomacy" is not unconditional, and Beijing may use its vaccine donations to advance its regional agenda, particularly on sensitive issues such as its claims in the South China Sea.
- The import of Chinese workers into certain Indonesian regions has met with local opposition. This has been resolved with the central and the regional governments reaching an understanding that the Chinese projects will eventually benefit the local economy.
- In the Natuna waters, Jakarta shows a shift in tone from confrontation (during Jokowi's first term) to moderation. Although

Chinese fishing vessels are likely to continue fishing there, the Jokowi administration is likely to deliver business-as-usual responses in order to maintain cordial relations with China while not compromising on its own territorial claims.

- Overall, bilateral relations on the G-to-G level are amicable and even facilitate B-to-B contacts. However, on the P-to-P level, Indonesians remain suspicious of China. Both governments need to make the common Indonesians key beneficiaries of bilateral cooperation, for example, by providing reliable vaccines to them.

Minding the Grassroots: Celebrating 70 Years of Sino-Indonesia Relations amid the Coronavirus Pandemic

By Ardhitya Eduard Yeremia and Klaus Heinrich Raditio¹

INTRODUCTION

In contemporary diplomacy, the governments are not the sole actors in bilateral ties; the business sector and people to people contacts are indispensable to the process. Where Indonesia and China are concerned, much progress has been demonstrated in the managing of relations over the last seventy years.

Beijing perceives Indonesia as a resource-rich nation with considerable regional clout. On the other hand, Jakarta considers China an economic juggernaut with global and regional power which offers plenty of opportunities for cooperation. Beijing is aiming for collaboration that benefits its strategic interests. It is now the leading player in the steel industry.² This also means that it is the world's largest stainless steel producer³ and top importer of nickel ore. Meanwhile, Indonesia has the

¹ Ardhitya Eduard Yeremia is a Lecturer at the Faculty of International Relations, Universitas Indonesia; and Klaus Heinrich Raditio is a Jakarta-based independent researcher. He is the author of *Understanding China's Behaviour in the South China Sea: A Defensive Realist Perspective* (2018).

² Elisabeth Braw, "Don't Let China Steal Your Steel Industry", *Foreign Policy*, 19 May 2020, <https://foreignpolicy.com/2020/05/19/dont-let-china-steal-your-steel-industry/>

³ China's stainless steel production in 2019 accounted for 56.3 per cent of global production (29,400,000 metric tonnes). See https://www.worldstainless.org/Files/issf/non-image-files/PDF/ISSF_Stainless_Steel_in_Figures_2020_English_public_version.pdf

world's largest reserves of nickel, a key component in stainless steel. In August 2020, China's nickel ore import from Indonesia surged 26.5 per cent year-on-year.⁴ This mutual interest does not however necessarily lead to smooth cooperation. The COVID-19 pandemic and the Indonesian people's reservations about China presented obstructions.

In the Natuna waters, shortly, before the identification of the first case of the coronavirus by Chinese authorities in Wuhan, both countries were involved in a stand-off following the violation of the Indonesian Exclusive Economic Zone (EEZ) by Chinese fishing vessels escorted by the Chinese Coast Guard. This unfortunate incident deepened grassroots perception of China as a hegemonic power that threatens the territorial rights of Indonesia.

During the pandemic, however, both countries have been standing shoulder-to-shoulder in battling the novel coronavirus. The cooperation in this area involves many stakeholders ranging from the government to the business sector to people-to-people contacts. It remains to be seen if this close cooperation in the fight against the coronavirus—which has become both governments' priorities—will foster better bilateral ties in the long term.

On 29 August 2020, Median, a Jakarta-based survey institution published a study demonstrating that Indonesian people see China as the biggest threat (31.5 per cent), followed by the US (10.8 per cent) and Malaysia (4.3 per cent).⁵ The top three issues concerning China that worry Indonesians are Chinese workers (19.2 per cent), the South China Sea (6.8 per cent), and Indonesia's sovereignty (6.8 per cent).

⁴ Tom Dally, "China's August Nickel Ore Imports from Indonesia Surge 26.5% Ahead of the Ban", *Reuters*, 25 September 2019, <https://www.reuters.com/article/us-china-economy-trade-nickel/chinas-august-nickel-ore-imports-from-indonesia-surge-26-5-ahead-of-ban-idUSKBN1WA129>

⁵ "Survey: Publik Menganggap China Negara Paling Mengancam Indonesia" (Public Perceives China Posing the Biggest Threat to Indonesia), *Era Indonesia Digital*, 29 August 2020, <https://era.id/internasional/36553/survei-publik-menganggap-china-negara-paling-mengancam-indonesia>. The survey was conducted by tele-

This paper explores the dynamics of the partnership between Indonesia and China on the seventieth anniversary of their diplomatic ties, which occurs amid the pandemic. It argues that even though Indonesia and China's relations are cordial at the government and business level, both countries need to work on their people-to-people contacts.

INITIAL DEVELOPMENT

At the onset of the COVID-19 outbreak, Indonesia kept open lines of communication with China as it evacuated Indonesian nationals living in Wuhan and its surrounding cities. For Jakarta, the decision was partly to demonstrate its commitment to protect Indonesian citizens abroad. Retno Marsudi, Indonesian Foreign Minister since 2014, indeed included this among her top priorities, promoting what she calls people-oriented foreign policy.

Convincing the Chinese government to repatriate hundreds of individuals from the epicentre of the pandemic was hardly a straightforward matter. Local authorities in Wuhan had reportedly already thrice rejected the American consulate general's requests for flight approval and landing permit, and allowed the evacuation of US nationals only on 29 January.⁶

Thanks to the hard work of Indonesian and Chinese diplomats, 238 Indonesian nationals were airlifted from Wuhan on 1 February. Chinese President Xi Jinping was reported to have been "fully informed" about

phone on 16–21 August 2020. It involved 466 respondents above 17 years old, randomly chosen from seventeen Indonesian major cities, including: Jakarta, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Pontianak, Samarinda, Makassar, Manado, Ambon and Jayapura.

⁶ "The Read Team dan Tugas Negara: Evakuasi WNI di Wuhan", *RICH 2020*, no. 1, Bulletin of the Indonesian Embassy in Beijing, <https://kemlu.go.id/download/L1NoYXJlZCUyMERvY3VtZW50cy9CdWxldGluJTlW50JSSSUyMEJlamluZyUyMC1SSUNIJTIwSSUyMC01MjAyMDIwJTlW50JSSSUyMEJhaGFzYS5wZGY=>

Indonesia's request and was said to have highly appreciated "Indonesia's silent diplomacy" throughout the whole process.⁷

Following the safe return of the Indonesian nationals, Jakarta immediately announced temporary suspension of flights to and from Mainland China by 5 February. Accordingly, the government revoked the policy on visa waiver and visa-on-arrival for Chinese citizens and also denied entry into and transit in Indonesia for all visitors who had been in China over the previous fourteen days. Indonesians were also advised to avoid travelling to Mainland China.

From the Chinese perspective, however, the Indonesian government was overreacting. They underlined that even the World Health Organization (WHO) had not advised countries to restrict travel to and from, or to limit trade with China. As Indonesians discussed limiting imports from China,⁸ the Chinese Embassy in Jakarta stated that such a policy would "disrupt both countries' trade relations and would have serious consequences on the bilateral relations and cooperation in the future". The Chinese Ambassador to Indonesia, Xiao Qian, added, "We hope that Indonesia can be rational and not experience any negative impact."

Indonesians were aware that the travel ban policy would hit the country's tourism sector badly.⁹ In 2019, more than 2 million Mainland Chinese visited Indonesia, making China the country's second-largest

⁷ Kornelius Purba, "Jokowi's Coronavirus Diplomacy Works Well to Convince Desperate China", *Jakarta Post*, 4 February 2020, <https://www.thejakartapost.com/academia/2020/02/04/jokowis-coronavirus-diplomacy-works-well-to-convince-desperate-china.html>

⁸ Made Anthony Iswara, "Indonesia Reviews Chinese Imports Restrictions over Coronavirus Concerns", *Jakarta Post*, 27 January 2020, <https://www.thejakartapost.com/news/2020/01/27/indonesia-reviews-chinese-imports-restrictions-over-coronavirus-concerns.html>

⁹ Lidya Julita, "Turis Asing di 2019 Capai 16 Juta, Malaysia dan China Terbanyak" (Foreign Tourists Hit 16 Million, Most of Them Malaysian and Chinese), *CNBC Indonesia*, 3 February 2020, <https://www.cnbcindonesia.com/news/20200203121719-4-134730/turis-asing-di-2019-capai-16-juta-malaysia-china-terbanyak>

source of foreign tourists. Responding to the huge potential loss in tourism revenue,¹⁰ Indonesia's Tourism and Creative Economy Minister Wishnutama Kusubandio said, "Once again, our main priority is protecting the health of the Indonesian people." Disregarding China's criticism of the policy, President Jokowi stressed that Indonesia's "national interests have to be the number one [priority]". The Indonesian government proceeded by putting a ban on the import of live animals originating from or transiting through China.¹¹

In this context, Chinese State Councillor and Foreign Minister Wang Yi contacted the Indonesian Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Panjaitan. Over the phone, Wang underlined that at that time, the policy to restrict international travel and trade was not in line with WHO's recommendations. He also conveyed Chinese expectation that the Indonesian government would observe those recommendations as a means to "uphold the stable development of Indonesia-China strategic relations".¹²

Making a conciliatory gesture, President Jokowi then held a phone call with President Xi. He told the latter that "Indonesia will always stand

¹⁰ "Coronavirus: \$2.8 billion Losses Likely on Indonesia Tourism", *Antara News*, 12 February 2020, <https://en.antaranews.com/news/141286/coronavirus-28-billion-losses-likely-on-indonesian-tourism>

¹¹ Wahyudi Soeriaatmadja and Linda Yulisman, "Coronavirus: Indonesia to Suspend Live Animal Imports from China", *Strait Times*, 4 February 2020, <https://www.straitstimes.com/asia/se-asia/coronavirus-indonesia-to-temporarily-halt-live-animal-imports-from-china>

"It's Official: Indonesia Halts Live Animal Imports from China Until Virus 'Subsides'", *Jakarta Post*, 14 February 2020, <https://www.thejakartapost.com/news/2020/02/14/its-official-indonesia-halts-live-animal-imports-from-china-until-virus-subsides.html>. This restriction, nevertheless, would have marginal impact on Indonesia's trade balance with China. The import of live animals only constituted around 0.13 per cent of the value of the bilateral trade in 2019.

¹² "王毅同印尼对华合作牵头人、统筹部长卢胡特通电话" (Wang Yi talks to Indonesian Coordinating Minister Responsible for Cooperation with China, Luhut, over the Phone), *Xinhuanet*, 7 February 2020, http://www.xinhuanet.com/world/2020-02/07/c_1125544566.htm

together with China through such hard times.”¹³ In turn, President Xi regarded the call as a reflection of Indonesia’s commitment to upholding the country’s comprehensive strategic partnership with China.¹⁴

Indonesia further amplified this message of solidarity with China at the regional level. On 20 February, the country’s foreign minister attended the Special ASEAN-China Foreign Ministers’ Meeting on Coronavirus Disease (COVID-19) in Vientiane, Laos. At the meeting, she conveyed that the transboundary nature of the COVID-19 pandemic has left countries with no choice but to expand collaboration in battling the virus.¹⁵

Unlike the Americans or Europeans, Southeast Asians have so far avoided openly and fiercely condemning China for the COVID-19 outbreaks.¹⁶ Some observers even argue that Southeast Asian countries might have leaned towards China, embracing its logic and practices as well as admitting their reliance on it.¹⁷ Such an assessment of China-Southeast Asia relations, nevertheless, is misleading. Southeast Asian responses to China are far from uniform. Among Southeast Asian countries, only Cambodia has openly demonstrated full-fledged support

¹³ Marchio Irfan Gorbiano, “Indonesia to ‘Stand Together with China’ in the Battle Against COVID-19, Jokowi Tells Xi”, *Jakarta Post*, 12 February 2020, <https://www.thejakartapost.com/news/2020/02/12/indonesia-to-stand-together-with-china-in-battle-against-covid-19-jokowi-tells-xi.html>

¹⁴ “Xi Speaks with Jokowi over the Phone, Says China Will ‘Win’ Battle Against Coronavirus”, *Jakarta Post*, 12 February 2020, <https://www.thejakartapost.com/news/2020/02/12/xi-speaks-with-jokowi-over-phone-says-china-will-win-battle-against-coronavirus.html>

¹⁵ “China Serukan Solidaritas Kawasan” (China Urges Regional Solidarity), *Kompas*, 21 February 2020, p. 5.

¹⁶ See Selina Ho’s comments in “How Is the Coronavirus Outbreak Affecting China’s Relations with Its Asian Neighbors?”, *China File*, 26 April 2020, <https://www.chinafile.com/conversation/how-coronavirus-outbreak-affecting-chinas-relations-its-asian-neighbors>

¹⁷ Sophie Boisseau du Rocher, “What COVID-19 Reveals About China-Southeast Asia Relations”, *The Diplomat*, 8 April 2020, <https://thediplomat.com/2020/04/what-covid-19-reveals-about-china-southeast-asia-relations/>

for China and even silenced voices at home that criticized Beijing's COVID-19 responses.¹⁸

INDONESIA'S AID TO CHINA

When the Chinese were at the peak of fighting against the pandemic, Indonesians had shown solidarity with them by sending medical assistance and supplies to China. Indonesia was among the first thirty countries that sent medical aid to support the Chinese response to COVID-19.¹⁹ On 31 January, the aid from the Indonesian government was transported to China by the airplane sent on a mission to evacuate Indonesian citizens from Wuhan.

Various segments of Indonesian society donated medical equipment to China. The Indonesian airline company Sriwijaya Air, for example, organized donation of masks and protective clothing to hospitals in Wuhan. Contributing to the Chinese COVID-19 response, Asia Pulp & Paper, a subsidiary of Sinar Mas Group, transferred US\$14.4 million in donation to the Overseas Chinese Charity Foundation of China.²⁰ The charity organization, Tzu Chi Indonesia, sent more than 850,000 masks as well as thousands of Personal Protective Equipment (PPE) to Wuhan. The Disaster Management Unit of an Islamic philanthropic foundation Dompot Dhuafa also followed suit by sending thousands of masks to nine provinces in China.

¹⁸ Carl Grundy-Warr and Shaun Lin, "COVID-19 Geopolitics: Silence and Erasure in Cambodia and Myanmar in Times of Pandemic", *Eurasian Geography and Economics*, <https://doi.org/10.1080/15387216.2020.1780928>

¹⁹ "国际社会支持中国防控新型冠状病毒感染肺炎疫情" (International Society Supports China's Fight Against a New Type of Coronavirus), *Xinhuanet*, 7 February 2020, http://www.xinhuanet.com/politics/2020-02/07/c_1125540301.htm

²⁰ "Indonesia's Sinar Mas Group Donates 14.4 mln USD to Aid China Coronavirus Control", *Xinhuanet*, 28 January 2020, http://www.xinhuanet.com/english/2020-01/28/c_138739023.htm

Chinese Indonesians also contributed to the efforts against COVID-19 in Mainland China. For example, the chairman of Indonesian Diaspora Network-China, Yenni Thamrin, organized a donation of 10,000 masks, which arrived in Beijing on 12 February 2020.²¹ Opening a special donation channel called “Peduli Wuhan” (关爱武汉), the Ethnic Chinese Indonesian Association (Perhimpunan Indonesia Tionghoa, INTI) collected over 6 billion rupiah (around US\$416,000) in donations.²² The Lampung branch of the Indonesian Chinese Clan Social Association (Paguyuban Sosial Marga Tionghoa Indonesia, PSMTI) was reportedly to have raised some funds and to have sent masks to Wuhan through the Consulate-General of China in Medan.²³ The Consulate-General also received and transferred to the Chinese government no less than US\$230,000 in donations made by thirty-nine Chinese Indonesian organizations in North Sumatera.²⁴

²¹ “印尼女侨领袖筹集万只口罩支持中国防疫” (Indonesia’s Ethnic Chinese Women Raise Donations to Support China’s Fight Against Pandemic), *qstheory.cn*, 14 February 2020, http://www.qstheory.cn/2020-02/14/c_1125572808.htm

²² “印尼华裔总会关爱武汉” (Indonesia’s Ethnic Chinese association - INTI Minds Wuhan), *International Daily News*, 25 February 2020, <http://www.guojiribao.com/shtml/gjrb/20200225/1521575.shtml>; “INTI Galang Dana dan Doa Bersama untuk Warga Wuhan yang Terpapar Virus Corona” (INTI Raises Fund and Holds Prayer for Wuhan Citizen Affected by Coronavirus), *merahputih*, 11 February 2020, <https://merahputih.com/post/read/inti-galang-dana-dan-doa-bersama-untuk-warga-wuhan-yang-terpapar-virus-corona>

²³ “PSMTI Bandar Lampung Kirim Bantuan Masker ke Wuhan” (PSMTI Bandar Lampung Sent Mask Donation to Wuhan), *RRI Bandar Lampung*, 18 February 2020, <https://rri.co.id/bandar-lampung/kota-bandar-lampung/788634/psmti-bandar-lampung-kirim-bantuan-masker-ke-wuhan>.

²⁴ “苏北华社启动‘关爱武汉’捐款周呼吁名界献关心” (North Sumatera’s Ethnic Chinese Society Initiates ‘Caring for Wuhan’ Campaign by Raising Fund and Appealing for Donation), MITSU Facebook page, 25 February 2020, <https://www.facebook.com/mitsupsp/photos/a.2272623732839984/2272635569505467/>

Moreover, Indonesia was among the suppliers of medical equipment to China during the early months of the COVID-19 outbreak.²⁵ The Chinese Ministry of Industry and Information Technology indeed pushed Chinese enterprises to purchase medical materials from overseas to meet high domestic demand.²⁶ On 31 January, for example, Alibaba in cooperation with China Eastern Airlines successfully transported thousands of N95 masks purchased from Indonesian suppliers to Shanghai.²⁷

CHINA'S AID TO INDONESIA

Jakarta officially announced Indonesia's first two COVID-19 cases on 2 March 2020. As the number of reported cases rapidly increased, the country immediately faced shortages of medical supplies. It was now Indonesia's turn to welcome medical assistance from abroad, including China, to support its COVID-19 responses.

In late March, large donations of medical materials from China started to arrive in Jakarta. They were mainly from the Indonesia Chamber of Commerce in China (INACHAM), Chinese companies investing in Indonesia, and other non-governmental sources. On 23 March, the first batch of donated material from Shanghai was

²⁵ “国药集团迅速启动应急国际采购机制、加大医用物资海外采购力度”, (Sinopharm Expedites Emergency International Purchasing Regime, Expands Purchasing Materials for Medical Use Overseas), *Xinhuanet*, 3 February 2020, http://www.xinhuanet.com/enterprise/2020-02/03/c_1125527171.htm

²⁶ “全球采购! 众多企业打通海外渠道加大防疫物资供应” (The World Is Purchasing! Many Companies Build Channel Overseas to Expand the Supply of Vaccine Materials), *Xinhuanet*, 18 March 2020, http://www.xinhuanet.com/2020-01/31/c_1125516605.htm

²⁷ “阿里和东航合力全球采购与运输医疗物资驰援武汉” (Alibaba and China Eastern Cooperate in Purchasing and Transporting Medical Materials to Rescue Wuhan), *Xinhuanet*, 30 January 2020, http://www.xinhuanet.com/air/2020-01/30/c_1125513599.htm; see “全球采购医疗物资、长虹驰援防疫一线” (On Global Purchasing of Medical Materials, Changhong in the First Line to Rescue), *Xinhuanet*, 1 February 2020, http://www.xinhuanet.com/tech/2020-02/01/c_1125520294.htm

successfully delivered, thanks to the initiative of Indonesian Defence Minister Prabowo Subianto.²⁸ The second delivery arrived on 26 March, under the coordination of Coordinating Minister for Maritime Affairs and Investment Luhut Panjaitan.²⁹ Through this ministry, Indonesia also received medical materials from Jack Ma Foundation, Alibaba Foundation and other Chinese companies such as Xiaomi Corporation.

Medical assistance from the Chinese government later arrived in two batches, in late March and early June. The Chinese Embassy in Jakarta coordinated directly with Indonesia's National Disaster Management Agency (*Badan Nasional Penanggulangan Bencana*, BNPB) for further distribution. These packages of "China Aid" were portrayed as not only a show of solidarity with Indonesians,³⁰ but also as a form of gratitude for their support when the COVID-19 outbreak was hitting China hard.

Thanks to closer communication between the two countries' defence ministers, Indonesia was among twelve countries that received the second batch of medical supplies from the Chinese Defence Ministry.³¹

²⁸ Budi Sutrisno, "Military aircraft carrying medical equipment from China arrives in Jakarta," *The Jakarta Post*, 23 March 2020, <https://www.thejakartapost.com/news/2020/03/23/military-aircraft-carrying-medical-equipment-from-china-arrives-in-jakarta.html>

²⁹ "Investor Tiongkok Serahkan Bantuan 40 Ton Alat Kesehatan Untuk Mempercepat Penanganan COVID-19 di Indonesia" (Chinese Investor Handed Over 40 Tons of Medical Supplies to Accelerate the Containment of COVID-19 Pandemic in Indonesia), *Maritim.go.id*, 27 March 2020, <https://maritim.go.id/investor-tiongkok-serahkan-bantuan-40-ton-alat-kesehatan/>

³⁰ To reflect this sentiment, two Chinese proverbs were put on the display: 同舟共济, 守望相助 (*tongzhou gongji, shouwang xiangzhu*), whose meanings resemble an Indonesian proverb: *ke bukit sama didaki, ke lurah sama dituruni*. "Ambassador Xiao Qian Attends the Handover Ceremony of Medical Supplies to Indonesia Donated by Chinese Government", *Chinese Embassy Jakarta*, 6 June 2020, <http://id.china-embassy.org/eng/sgdt/t1787512.htm>

³¹ For further analysis, see Ardhitya Eduard Yeremia, "Can the COVID-19 Pandemic Transform Indonesia-China Defense Relationship?", *CSIS Commentaries*, 6 July 2020, <https://www.csis.or.id/publications/can-the-covid-19-pandemic-transform-indonesia-china-defense-relationship>

Indonesian military hospitals and medical departments were the beneficiaries of these packages. Addressing the handover ceremony on 12 May, Indonesian Defence Minister Prabowo Subianto appreciated his Chinese counterpart by saying: “[Indonesia] sees China as a friend and together we will cooperate to maintain the stability of the region.”

In addition to that, the Chinese expressed their solidarity with Indonesians at the local level as well. Taking advantage of the Sino-Indonesian sister city/province network, the governments of Hainan Province, Shanghai Municipality, Guangzhou Municipality and Fuzhou donated medical materials to Bali Province, the Special Capital Region of Jakarta, and the cities of Surabaya and Semarang. The Chinese Consulate-Generals in Medan, Surabaya, and Bali also donating thousands of masks to the provinces of North Sumatra, East Java, and Bali.³²

Medical supplies from China were also channelled through Sino-Indonesia business-to-business links. China Huadian Corporation, for example, donated medical equipment to its partner in the construction of the Sumsel-8 coal-fired powerplant, an Indonesian state-owned enterprise PT Bukit Asam. The corporation’s subsidiary, China Huadian Engineering, also donated medical materials valued around US\$68,300 to the government of Buleleng district, Bali as part of its corporate social responsibility (CSR) activities. Additionally, Indonesia received US\$1.5 billion worth of medical equipment from China Ping An Group. The Indonesian government had once asked this Chinese insurance titan to help Indonesia’s Social Security Administering Body (Badan

³² “Konsul Jenderal Qiu Weiwei Menghadiri Penyumbangan Bantuan untuk Provinsi Sumut” (Consul General Qiu Weiwei Attends Handover Ceremony of Assistance to North Sumatra Province), Consulate-General of China in Medan, 29 September 2020, <http://medan.china-consulate.org/indo/zlgxw/t1819949.htm>; “驻登巴萨总领馆向巴厘省政府捐赠抗疫医疗物资” (The Consulate General in Denpasar Donates Anti-Epidemic Medical Supplies to the Bali Provincial Government,) Consulate-General of China in Denpasar, 16 June 2020, <http://denpasar.china-consulate.org/chn/xwdt/t1789054.htm>

Penyelenggara Jaminan Sosial, BPJS) fix its deficit and improve its IT system.³³

Chinese companies operating in Sumatra were actively supporting community efforts against COVID-19. The Consulate-General of China in Medan revealed that by May 2020, donations made by these companies reached around US\$714,000.³⁴ Table 1 presents details of some of these companies' humanitarian activities.

Chinese Indonesians were among those taking part in channelling medical materials from Mainland China to Indonesia. In late May 2020, for example, INTI through its branch in North Sumatra distributed 100,000 masks donated by overseas Chinese associations or offices in Xiamen,³⁵ to seven cities in the province. A group of overseas Chinese who had formerly resided in Indonesia and who had since migrated to China also donated through Xiamen Shi Yinni Guiqiao Lianyihui (Association of Returned Overseas Chinese from Indonesia in Xiamen).

VACCINE COOPERATION

In the area of vaccine cooperation, Indonesia's state-owned company Bio Farma is collaborating with Sinovac Biotech Ltd in developing a vaccine. According to Dr Neni Nurainy, Bio Farma's research and development project senior integration manager, the company will

³³ Resty Woro Yuniar, "Indonesian Minister Clarifies No Deal Struck Between China's Ping An and National Health Insurer", *South China Morning Post*, 26 August 2019, <https://www.scmp.com/week-asia/geopolitics/article/3024417/indonesian-minister-clarifies-no-bpjs-deal-has-been-struck>

³⁴ "Perusahaan Tiongkok di Wilayah Kekonsuleran Saling Membantu Bersama dengan Masyarakat Setempat Melawan Wabah" (Chinese Companies Within Jurisdiction to Provide Assistance to Locals in Fight Against the Pandemic), Consulate-General of China in Medan, 27 May 2020, <http://medan.china-consulate.org/indo/zlgxw/t1791410.htm>

³⁵ These associations are Xiamen Overseas Chinese Enterprise Association (厦门市侨资企业协会), Xiamen Tong An Federation of Returned Overseas Chinese (厦门市同安区归国华侨联合会), Overseas Chinese Affairs Office of Xiamen Municipal Government (厦门市人民政府侨务办公室), and Xiamen Federation of Returned Overseas Chinese (厦门市归国华侨联合会).

Table 1: COVID-19 Assistance of Chinese Investment Companies to Local Communities on the Island of Sumatra

No.	Names of the Companies	Recipient	Donation
1.	PT Bintan Alumina Indonesia	The provincial government of Riau Islands	Medical masks, protective clothing
2.	Sinohydro Corporation Limited	The regency-level government of Tapanuli Selatan, North Sumatera.	Protective clothing
3.	Sinohydro Corporation Limited	An orphanage and 200 poor households surrounding the sites of Batang Toru hydropower project	Basic needs packages
4.	PT Dairi Prima Mineral	The Regional Public Hospital (RSUD) of Sidikalang in Dairi district, North Sumatera.	An ambulance
5.	PT Tenaga Listrik Bengkulu	The Public Health Office of Bengkulu	Disinfectants
6.	PT Riau Perkasa Steel	The Manpower Office of Riau Province; The General Hospital of Riau Province; Riau provincial government	Medical masks, rapid-test kits, and food supplies.
7.	PT Shenhua Guohua Lion Power Indonesia	Villagers around the site of the Sumsel-1 Coal-Fired Power Plant project	Basic needs packages
8.	PT Cungong Energy Group	The regency-level government of Karo, North Sumatera	Medical masks

Source: Compiled by Consulate-General of China in Medan, “Perusahaan Tiongkok di Wilayah Kekonsuleran Saling Membantu Bersama dengan Masyarakat Setempat Melawan Wabah” (Chinese Companies Within Jurisdiction to Provide Assistance to Locals in Fight Against the Pandemic), 27 May 2020, <http://medan.china-consulate.org/indo/zlgxw/t1791410.htm>

obtain the pharmaceutical ingredient from Sinovac, then formulate and complete the fill-finish part.³⁶

President Jokowi iterated that the country would produce about 170 million doses of vaccine starting from January to April 2021, half of the 347 million doses that the country is expected to need.³⁷

Apart from Sinovac, Indonesia's Kalbe Farma is cooperating with South Korean Genexine to conduct clinical trials of a vaccine prototype.³⁸ However, the Jokowi administration seems more favourable of Sinovac due to its rapid progress in producing vaccines. All COVID-19 vaccines must undergo at least four stages of trials—pre-clinical and clinical tests 1, 2, and 3—before being granted permission for use. Most of the world's vaccine companies have only reached the pre-clinical test or clinical test 1 stage, while Sinovac has completed clinical test 2.³⁹

By 22 July 2020, Bio Farma had received 2,400 vaccine samples from Sinovac.⁴⁰ On 11 August 2020, Sinovac conducted clinical test 3 (the last phase), involving 1,620 volunteers in Indonesia. This trial was launched in the cooperation with Bio Farma. President Jokowi attended the event in Bandung and shared his conviction that COVID-19 would not abate until the vaccine had been distributed to the population.⁴¹ He set the target for the trial to be completed by January 2021.⁴²

³⁶ "Indonesia's Big Players and Partners Join COVID-19 Vaccine Race", *Strait Times*, 6 June 2020, <https://www.straitstimes.com/asia/se-asia/indonesia-big-players-and-partners-join-race>

³⁷ "Indonesia in Cooperation with the Chinese Firm to Produce COVID-19 Vaccine in Early 2021", *Xinhuanet*, 14 July 2020, http://www.xinhuanet.com/english/2020-07/14/c_139210890.htm

³⁸ *Ibid.*

³⁹ "3 Alasan Indonesia Pilih Vaksin COVID-19 Buatan China Dibanding AS dan Inggris" (Three Reasons Why Indonesia Chooses China-Made COVID-19 Vaccine Instead of US or UK-Made), *KompasTV*, 22 Juli 2020, <https://www.kompas.tv/article/95892/3-alasan-indonesia-pilih-vaksin-covid-19-buatan-china-dibanding-as-dan-inggris?page=4>

⁴⁰ *Ibid.*

⁴¹ "Sinovac Launches Late-Stage Trial for Potential COVID-19 Vaccine in Indonesia", *Jakarta Post*, 11 August 2020, <https://www.thejakartapost.com/>

The cooperation developed smoothly with Indonesian Foreign Minister Retno Marsudi and the Minister of State-Owned Enterprises Erick Thohir paying an official visit to the city of Sanya, Hainan Province on 19–21 August at the invitation of State Councillor and Chinese Foreign Minister Wang Yi. According to the statement from the Chinese Foreign Ministry, Retno is the first Foreign Minister received by China in the effort to fight the pandemic.⁴³ Moreover, the Chinese Foreign Ministry also highlighted the seventieth anniversary of diplomatic relations between the two nations as a context for enhancing the bilateral cooperation on COVID-19.⁴⁴

During the meeting, Sinovac and Bio Farma signed two documents. The first is the Preliminary Agreement of Purchase and Supply of Bulk Product of COVID-19 Vaccine which is a commitment to provide 40 million doses of vaccine from November 2020 to March 2021. The second is an MoU on Bulk Vaccine Capacity in which Sinovac will prioritize Bio Farma to supply the vaccine massively from March 2021 until the end of 2021.⁴⁵

On 9–10 October 2020, Indonesian Presidential Envoy Luhut Panjaitan, at the invitation of the Chinese government met with Chinese

[news/2020/08/11/sinovac-launches-late-stage-trial-for-potential-covid-19-vaccine-in-indonesia.html](https://www.kompas.com/news/2020/08/11/sinovac-launches-late-stage-trial-for-potential-covid-19-vaccine-in-indonesia.html)

⁴² “Jokowi Targetkan Vaksin Sinovac Selesai Januari 2021 dan Langsung Disuntikkan ke Masyarakat” (Jokowi Set a Target to Complete the Trial of Sinovac Vaccine by January 2021 for Distribution to the People), *KompasTV*, 11 August 2020, <https://www.kompas.tv/article/100899/jokowi-targetkan-vaksin-sinovac-selesai-januari-2021-dan-langsung-disuntikkan-ke-masyarakat?page=2>

⁴³ Foreign Ministry Spokesperson Zhao Lijian Regular Press Conference, 19 August 2020, https://twitter.com/MFA_China/status/1296051663732523010

⁴⁴ *Ibid.*

⁴⁵ “Menlu Retno: 40 Juta Vaksin Sinovac Siap Dipasok ke RI November 2020-Maret 2021” (FM Retno: 40 Million Sinovac Vaccine to be Supplied to Indonesia from November 2020 to March 2021), *KumparanNEWS*, 20 August 2020, <https://kumparan.com/kumparannews/menlu-retno-40-juta-vaksin-sinovac-siap-dipasok-ke-ri-november-2020-maret-2021-1u2Y9nnHxMi/full>

Foreign Minister Wang Yi in Yunnan Province. During the meeting, China offered around 100,000 doses starting from November 2020 and has reserved batches of 15–20 million doses for Indonesia next year, provided that China drug companies can produce that much.⁴⁶ Moreover, Wang also mentioned that with China’s technology transfer, sharing ingredients and manufacturing capacity, Indonesia could become the main supplier of vaccines in the region.⁴⁷

According to Pang Zhongying, a professor on international relations at Shandong-based Ocean University of China, “Vaccines are at the centre of China’s charm offensive in Southeast Asia.”⁴⁸ Besides Luhut, Wang Yi also met with Filipino Foreign Minister Teodoro Locsin before kicking off a five-day charm offensive in Cambodia, Malaysia, Laos and Thailand on 11 October 2020.

The pandemic provides chances for China to ameliorate its image before the world, and particularly the Indonesian people. At a meeting of the World Health Organization’s governing body in May 2020, President Xi Jinping had pledged that China would make the COVID-19 vaccine a “global public good”.⁴⁹ Among the Indonesian government, the business sector and the grassroots, expectations on the Sinovac–Bio Farma cooperation are high. This is a golden opportunity for China to quash widespread rumours among Indonesians concerning the Chinese

⁴⁶ Frank Chen, “Beijing Ramps up Vaccine Diplomacy for Neighbors”, *Asia Times*, 19 October 2020, <https://asiatimes.com/2020/10/beijing-ramps-up-vaccine-diplomacy-for-neighbors/>

⁴⁷ Ibid.

⁴⁸ Jane Cai, “Vaccine Diplomacy: China, Indonesia Agree to Cooperate in Fight Against COVID-19”, *South China Morning Post*, 11 October 2020, <https://www.scmp.com/news/china/diplomacy/article/3104986/vaccine-diplomacy-china-indonesia-agree-cooperate-fight>

⁴⁹ Simone McCarthy, “Coronavirus: China Positions Itself for ‘Vaccine Diplomacy’ Push To Fight COVID-19”, *South China Morning Post*, 4 August 2020, <https://www.scmp.com/news/china/science/article/3095935/china-positions-itself-vaccine-diplomacy-push-fight-covid-19>

vaccine.⁵⁰ This also includes ensuring that the vaccine will be halal (in compliance with Islamic law). In short, as Yanzhong Huang, a senior analyst for global health at the New York-based Council on Foreign Relations suggested, if China plays “vaccine diplomacy” well, this will give a positive impact on the country’s soft power and further assist the implementation of China’s flagship infrastructure project, the Belt and Road Initiative.⁵¹

THE DILEMMA OF CHINESE WORKERS

Expressing solidarity with each other, nevertheless, is not the only major highlight of Indonesia-China relations during the COVID-19 pandemic. Challenging issues that have surfaced include the controversy over the arrival of hundreds of Chinese nationals to work at Chinese investment projects.

On 15 March, forty-nine Chinese workers arrived in Kendari, the capital of Southeast Sulawesi Province, without any prior notice being given to the local authorities.⁵² They were heading the site of the Virtue Dragon Nickel Industry (VDNI) Company in Konawe Residency. Since the pandemic had just started to spread in Indonesia, the workers’ arrival triggered some protests demanding local authorities to clarify their health condition and even to send them out of the province.⁵³

⁵⁰ Pebrianto Eko Wicaksono, “Kumpulan Hoax Terkait Uji Klinis Vaksin Asal China” (The Collection of Hoaxes Concerning China-Originated Vaccine Clinical Test), *Liputan6.com*, 4 August 2020, <https://www.liputan6.com/cek-fakta/read/4322424/kumpulan-hoax-terkait-uji-klinis-vaksin-asal-china>

⁵¹ Simone McCarthy, “Coronavirus: China positions itself for ‘vaccine diplomacy’ push to fight COVID-19”, *South China Morning Post*, 4 August 2020, <https://www.scmp.com/news/china/science/article/3095935/china-positions-itself-vaccine-diplomacy-push-fight-covid-19>

⁵² “COVID-19: Warga Asing Masih Masuk ke Sultra” (COVID-19: Foreigners are still granted entry to Southwest Sulawesi), *Kompas*, 17 March 2020, p. 15.

⁵³ See Leo Suryadinata, “Tensions in Indonesia over Chinese Foreign Workers during COVID-19 Pandemic,” *ISEAS Perspective* no. 2020/73, 6 July 2020, https://www.iseas.edu.sg/wp-content/uploads/2020/06/ISEAS_Perspective_2020_73.pdf

The local authorities later learned, again without receiving any prior notification, that Jakarta had already granted permission for VDNI and Obsidian Stainless Steel (OSS) Company to bring in another 500 Chinese workers from late April onwards. This was met with considerable opposition from the local officials.⁵⁴ They perceived Jakarta's decision as contradicting the national policy of restricting movement to prevent transmission of COVID-19. It is also seen as an act of social injustice, especially when many local workers at those two companies had temporarily been laid off due to the pandemic.

Despite strong and even violent public resistance, all 500 Chinese workers entered Southeast Sulawesi in four batches from June to July 2020.⁵⁵ Those local leaders and elites who were earlier in opposition to this had changed their mind and were facilitating the two companies in bringing in those workers.⁵⁶ More intensive communication with the central government seemed to have softened their stance on the issue.

⁵⁴ "Sultra Tolak Pekerja Asing" (The Province of Southeast Sulawesi Rejects Foreign Workers), *KOMPAS*, 30 Apr 2020, p. 15; "DPRD dan Bupati Konawe Tolak Kedatangan 500 TKA China Saat Pandemi" (The Parliament and Mayor of Konawe Reject the Arrival of 500 Chinese Workers Amid Pandemic), *detiknews*, 2 Mei 2020, <https://news.detik.com/berita/d-4999781/dprd-dan-bupati-konawe-tolak-kedatangan-500-tka-china-saat-pandemi>

⁵⁵ "Tolak TKA China, Massa Blokade Lagi Jalan Bandara Haluoleo" (The Masses Blockade the Haluoleo Airport Road Link in an Attempt to Reject Chinese Workers), *KOMPAS*, 15 Jul 2020; "Rentetan Kedatangan TKA China ke Sultra hingga Gelombang Ketiga" (The Series of Chinese Workers Arrival Until the Third Batch), *detiknews*, 16 July 2020, <https://news.detik.com/berita/d-5095466/rentetan-kedatangan-tka-china-ke-sultra-hingga-gelombang-ketiga>; "Ratusan TKA China Gelombang Empat Masuk Lagi ke Sultra" (The Fourth Wave of Hundreds of Chinese Workers Entered the Southeast Sulawesi Province), *inilahsultra.com*, 22 July 2020, <https://inilahsultra.com/2020/07/22/ratusan-tka-china-gelombang-empat-masuk-lagi-ke-sultra/>

⁵⁶ "Sempat Menolak, Gubernur Sultra Kini Izinkan 500 TKA China Bekerja di Konawe" (Southeast Sulawesi Governor Who Previously Rejected Chinese Workers Now Allows 500 to Work in Konawe), *Kompas.com*, 17 Juni 2020, <https://regional.kompas.com/read/2020/06/17/05583061/sempat-menolak-gubernur-kini-sultra-izinkan-500-tka-china-bekerja-di-konawe?page=all>

Over the months, Jakarta had made several adjustments to its policy of banning travel to and from China (Regulation of Minister of Law and Human Rights No. 3 of 2020). On 28 February, the first change to the policy was introduced (Ministerial Regulation No. 7 of 2020). It allows foreigners traveling from China to be granted entry, if they are willing to be quarantined for fourteen days in Indonesia after arrival or in a third country before arrival.

This change of regulation facilitated the entry of the forty-nine Chinese foreign workers to Southeast Sulawesi. On 29 February, one day after the travel ban had been adjusted, these workers left China for Thailand. After a fourteen-day quarantine period, Thai Port Authorities issued them a health certificate authenticating that they were not infected by COVID-19. On 15 March, they flew to Kendari via Jakarta where they passed another health inspection conducted by the Port Health Authority at Soekarno-Hatta International Airport. In this context, the central government claimed that these workers' entry to Indonesia was lawful and was not inconsistent with its commitment to contain the COVID-19 pandemic in the country.⁵⁷

On 31 March, the Indonesian Minister of Law and Human Rights made the third adjustment to the travel ban by issuing Ministerial Regulation No. 11 of 2020. It exempts several categories of people from the ban, including foreigners who work at Proyek Strategis Nasional (National Strategic Project, NSP). Based on this adjusted regulation, the next day, VDNI and OSS formally requested authorization from the Indonesian Ministry of Manpower to bring in 500 Chinese foreign workers to Konawe.⁵⁸ In response, the Ministry argued that it would be

⁵⁷ “Menkum HAM Jelaskan Kedatangan 49 TKA China di Kendari” (Minister of Legal and Human Rights Affairs Clarifies the Arrival of 49 Chinese Workers in Kendari), *detiknews*, 1 April 2020, <https://news.detik.com/berita/d-4961147/menkum-ham-jelaskan-kedatangan-49-tka-china-di-kendari>

⁵⁸ According to the Presidential Regulation No. 56 of 2018, the construction of nickel smelter and industrial park in Konawe are among President Jokowi's 227 NSPs.

unlawful to reject the application. One of the Ministry's director generals, Aris Wahyudi explained that "[The application] meets all requirements imposed by the laws that regulate the use of foreign workers during the COVID-19 pandemic, mainly the Regulation of Minister of Law and Human Rights No. 11 of 2020."⁵⁹

In a meeting with the Indonesian Minister of Manpower, on 2 April, Indonesian House of Representatives' Commission IX urged the government "to forbid foreign workers to enter Indonesian territory during the COVID-19 pandemic".⁶⁰ In another meeting the following month, Commission IX again urged the Ministry of Manpower, this time, "to postpone the arrival of foreign workers ... [until] the end of COVID-19 pandemic".⁶¹

The lawmakers' appeals, nevertheless, only managed to delay, rather than abort, the incoming of Chinese workers to Konawe. On 21 June, only a few days before the first batch from a total of 500 Chinese workers arrived in Indonesia, Indonesian Minister of Manpower Ida Fauziah, made a public statement authorizing the workers' entry. She stated that "the Indonesian government has granted entry to the foreign workers because they are needed by the two companies in Konawe".⁶²

⁵⁹ "Kemenaker Akui Tak Bisa Tolak Legalitas 500 TKA China di Sultra" (Ministry of Manpower Admits It Cannot Contest the Legal Status of 500 Chinese Workers in Southeast Sulawesi Province), *IDTODAY.CO*, 30 April 2020, <https://idtoday.co/nasional/kemenaker-akui-tak-bisa-tolak-legalitas-500-tka-china-di-sultra/>

⁶⁰ "DPR Desak Pemerintah Larang TKA Masuk Indonesia" (The Parliament Urges Government to Forbid Foreign Workers from Entering Indonesia), *CNN Indonesia*, 3 April 2020, <https://www.cnnindonesia.com/nasional/20200403082705-32-489859/dpr-desak-pemerintah-larang-tka-masuk-indonesia>

⁶¹ "Laporan Singkat Rapat Komisi IX DPR RI" (Brief Report of the 9th Commission of Indonesian Parliament), 6 May 2020, <http://www.dpr.go.id/dokakd/dokumen/K9-14-046fa37502a30eec1948fbb37b8a8a78.pdf>

⁶² "Soal TKA China, Menaker: Kehadirannya Dibutuhkan untuk Transfer Ilmu" (Regarding Chinese Workers, Minister of Manpower: Their Presence Needed for Technology Transfer), *Kompas TV* Youtube Channel, 21 June 2020, <https://www.youtube.com/watch?v=zjuSg79p8S4>

As Leo Suryadinata rightly pointed out, this prolonged controversy partly shows “a generally negative attitude [of the Indonesians] towards foreign (Chinese) workers”.⁶³ It should be noted, nevertheless, that agitation did take place to arouse public sentiment more directly against China or the Chinese investors. Saleh Partaonan Daulay, a lawmaker from Partai Amanat Nasional (PAN), for example, stated “It seems that the government takes an inferior position in dealing with investors from China. Sometimes, Indonesia looks less like a sovereign country while satisfying these investors’ demand.”⁶⁴ Portraying Indonesia as being heavily dependent on China, M. Nasir Jamil, a lawmaker from Partai Keadilan Sejahtera (PKS) even claimed that “[the government’s] persistence to grant entry to the Chinese foreign workers indicates that [Indonesia] is under neo-colonialism.”⁶⁵

There was no doubt that the loosening of restrictions on international travel during the pandemic was indeed in line with Chinese interests. Since Indonesia imposed a travel ban to and from China, Chinese State Councillor and Foreign Minister Wang Yi had made at least three phone calls to Indonesian Coordinating Minister Luhut. He repeatedly stressed, among other things, the importance for both countries to minimize disruption to the construction of Indonesia-China priority projects. Beijing hoped that amidst the pandemic, Jakarta could still facilitate

⁶³ Leo Suryadinata, “Tensions in Indonesia over Chinese Foreign Workers”, p. 5.

⁶⁴ “Soal 500 TKA China, Anggota Komisi IX Ingatkan Pemerintah Tak Inferior” (Regarding 500 Chinese Workers, Member of the 9th Commission Reminds the Government to Avoid Inferiority Mentality), *Kompas.com*, 30 April 2020, <https://money.kompas.com/read/2020/04/30/201500826/soal-500-tka-china-anggota-komisi-ix-ingatkan-pemerintah-tak-inferior>.

⁶⁵ “Luhut Berkeras Datangkan TKA China, Tampan PKS: Ini Penjajahan” (PKS Slams Luhut’s Insistence on Bringing in Chinese Workers as a Bowing Down to Colonialization), *Warta Ekonomi*, 13 Mei 2020, <https://www.wartaekonomi.co.id/read285337/luhut-berkeras-datangkan-tka-china-tampan-pks-ini-penjajahan>

some movements of people and goods across the border to support bilateral economic cooperation.⁶⁶

The influx of Chinese workers to Konawe, nevertheless, does not necessarily indicate that Beijing has been successful in persuading Jakarta to promote Chinese interests. One should also consider that those workers' arrival has also been instrumental in advancing the interests of the Jokowi government.

Under Jokowi's leadership, economic considerations seem to largely, if not predominantly, shape the government's COVID-19 responses. Justifying the implementation of a partial lockdown, for example, he stated, "I can't imagine if we had imposed a full lockdown, maybe [economic growth] could have reached minus 17 [per cent]."⁶⁷ Coordinating Minister Luhut, while explaining why the government did not ban people from travelling home for the Idul Fitri holiday, also put forward a similar narrative. He said, "Our main consideration [for this policy] is so that the economy won't die completely."⁶⁸ In these contexts,

⁶⁶ "State Councilor and Foreign Minister Wang Yi Had a Phone Call with Indonesian Government's Coordinator for Cooperation with China and Coordinating Minister Luhut Panjaitan", Chinese Embassy in Sweden, 7 February 2020, <http://se.china-embassy.org/eng/wjdt/t1742292.htm>; "State Councilor and Foreign Minister Wang Yi Had a Phone Call with Indonesian Government's Coordinator for Cooperation with China and Coordinating Minister Luhut Panjaitan, Ministry of Foreign Affairs of the People's Republic of China", 18 March 2020, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1758258.shtml; "State Councilor and Foreign Minister Wang Yi Had a Phone Call with Indonesian Government's Coordinator for Cooperation with China and Coordinating Minister Luhut Panjaitan", Ministry of Foreign Affairs of the People's Republic of China, 5 June 2020, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1786307.shtml

⁶⁷ Budi Sutrisno, "Partial COVID-19 Lockdown Was the Right Thing to Do, Jokowi Says", *Jakarta Post*, 17 July 2020, <https://www.thejakartapost.com/news/2020/07/17/partial-covid-19-lockdown-was-the-right-thing-to-do-jokowi-says.html>

⁶⁸ Marchio Irfan Gorbiano, "So the Economy Won't Die Completely: Luhut Explains the Policy to Allow Mudik During a Pandemic", *Jakarta Post*, 3 April 2020, <https://www.thejakartapost.com/news/2020/04/03/so-the-economy-wont-die-completely-luhut-defends-policy-to-allow-mudik-during-pandemic.html>

the Jokowi government has been widely perceived by the Indonesian media as prioritizing economic interests over public health in dealing with the pandemic.⁶⁹

More specifically, the COVID-19 pandemic has significantly impeded the progress of some of Jokowi's NSPs,⁷⁰ including the nickel smelter project being constructed by VDNI in Konawe. Aiming to build the largest nickel smelter in Indonesia, VDNI, which is a subsidiary of Jiangsu De Long Nickel Industry Co. Ltd, reportedly made an investment worth US\$1.4 billion in the project.⁷¹ The then Minister of Industry, who is the current Coordinating Minister for Economic Affairs, Airlangga Hartarto, had launched this big investment project on 25 February 2019.

In March 2020, the Energy and Mineral Resources Ministry revealed that the project was at risk of failing to meet the target of completion.⁷² The smelter construction made only limited progress. Due to the travel ban imposed by the Indonesian government, 300 to 400 Chinese workers

⁶⁹ Ghina Ghaliya, "No Hope for Public Health: Lawmakers Slam Govt's COVID-19 Economic Recovery Committee", *Jakarta Post*, 22 July 2020, <https://www.thejakartapost.com/news/2020/07/22/no-hope-for-public-health-lawmakers-slam-govts-covid-19-economic-recovery-committee.html>

⁷⁰ Dzulfiqar Fathur Rahman, "Jakarta-Bandung High-Speed Railway Project Delayed Amid Pandemic", *Jakarta Post*, 15 April 2020, <https://www.thejakartapost.com/news/2020/04/15/jakarta-bandung-high-speed-railway-project-delayed-amid-pandemic.html>; <https://www.railjournal.com/infrastructure/indonesian-high-speed-project-progresses-despite-challenges/>

⁷¹ "Mengenal Virtue Dragon, Smelter Nikel RI Terbesar yang Terkait 500 TKA China" (Introducing Virtue Dragon, Indonesia's Biggest Nickel Smelter Which Involves 500 Chinese Workers), *Kompas.com*, 29 May 2020, <https://money.kompas.com/read/2020/05/29/075316926/mengenal-virtue-dragon-smelter-nikel-terbesar-ri-yang-terkait-500-tka-china?page=all>

⁷² "Ratusan Pekerja China Tak Bisa ke RI, Proyek Smelter Terancam" (Hundreds of Chinese Workers Refused Entry into Indonesia, Smelter Project under Threat), *Asosiasi Perusahaan Industri Pengolahan dan Pemurnian Indonesia* (Indonesia's Association of Processing and Refinement Companies), 13 March 2020, <https://www.ap3i.or.id/News/News-Update/Ratusan-Pekerja-China-Tak-Bisa-ke-RI-Proyek-Smelter-Terancam.html>

could not return to Indonesia after celebrating Chinese New Year. Seeking to accelerate the smelter construction, VDNI then requested authorization from the central government to let Chinese workers in.

The manoeuvre made by Coordinating Minister Luhut further emphasizes this project's strategic importance for Jokowi's government. The regent of Konawe, Kerry Saiful, revealed during a live TV interview, that Coordinating Minister Luhut had persuaded him not to oppose the central government's decision regarding the entry of hundreds of Chinese workers.⁷³ In exchange for his support, the Coordinating Minister promised to back the regional government to better respond to the COVID-19 outbreak. He was looking forward to receiving the promised aid since he was extremely concerned with the negative impact the workers' arrival would have on Konawe's COVID-19 figures.

Kerry's statement, nevertheless, should not obscure his acknowledgement that the nickel smelter projects have been central to Konawe's economy. In that live TV interview, he stated "The economy has to move on."

"If we mount strong opposition to [the foreign workers' influx]," he added, "how could [the local residents] sustain themselves?". Since the absence of Chinese workers had interrupted the project construction activities, as Kerry reported, many of VDNI's local workers were temporarily laid off. According to the vice-regent of Konawe, Gusli Topan, there are at least 16,000 local households whose livelihood relied on the projects.⁷⁴ Moreover, as he explained, the arrival of 500 Chinese workers to accelerate the construction activities would create 4,000 new employment opportunities for the locals.

⁷³ "Warga Resah 500 TKA China Datang, Bupati Konawe Ngaku Tidak Ada Pemberitahuan Resmi" (People Get Anxious as 500 Chinese Workers Arrive, Mayor Konawe Said No Official Notification), *Talk Show TV One*, 28 April 2020, https://www.youtube.com/watch?v=0hujKUYb_u8

⁷⁴ "TKA Tiongkok Kembali Datang ke Konawe, Begini Jawaban Wakil Bupati" (As Chinese Workers Enter Konawe, This Is How the Vice Mayor Responds), *KompasTV*, 1 July 2020, <https://www.youtube.com/watch?v=DQ-xERCTgbs>

This prolonged controversy during the pandemic highlights that under Jokowi's presidency, Indonesia-China bilateral economic interactions have been significantly expanding.⁷⁵ This can be seen not only in the statistics and the scope of interactions but also in the kinds of actors involved. The outcome of the interactions has also been shaped by the elites at local levels, rather than solely by those at the national level. This adds more complexity to the management of Indonesia's economic interactions with China.

As shown above, poor coordination between Jakarta and Kendari as well as Konawe was what gave rise to the controversy over the influx of Chinese foreign workers.⁷⁶ Although Kerry Saiful agreed that the authority

⁷⁵ "State Councilor and Foreign Minister Wang Yo Talks with Indonesian Foreign Minister Retno Marsudi via Video Link", Ministry of Foreign Affairs of the People's Republic of China, 30 July 2020, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1803085.shtml

⁷⁶ Poor coordination between the central and local governments also explains the emergence of the controversy over the arrival of Chinese foreign workers in Bintan regency, Riau Islands province. They were to work on another NSP owned by PT Bintan Alumina Indonesia, a subsidiary of Shandong Nanshan Aluminium Co. Ltd. The first batch of thirty-nine workers arrived in April 2020. They were nevertheless immediately deported because the company did not have a licence to employ foreign workers. See "Tak Punya Izin, TKA Asal China Dipulangkan dari Bintan" (Having No Licence, Chinese Foreign Workers Are Sent Back Home from Bintan), *CNN Indonesia*, 1 April 2020, <https://www.cnnindonesia.com/nasional/20200401150905-20-489185/tak-punya-izin-tka-asal-china-dipulangkan-dari-bintan>. However, from August to October 2020, a total of more than 600 Chinese workers then successfully gained entry to Bintan. See "Lagi, 150 TKA Cina masuk Bintan Kepulauan Riau" (Again, 150 Chinese Foreign Workers Arrive in Bintan, Riau Islands), *Tempo.co*, 2 October 2020, <https://bisnis.tempo.co/read/1392354/lagi-150-tka-cina-masuk-bintan-kepulauan-riau>. Despite arriving in larger numbers, such an influx of Chinese workers did not attract wide and intense media as well as public attention, thereby not arousing prolonged controversy as had been the case in Konawe. These Chinese workers started to enter Bintan only after the controversy in Konawe had been somewhat played down, especially following the successful entry of the last batch of hundreds of Chinese workers there.

of granting foreign workers entry lay with the central government, rather than the local government, he complained that he should have been informed of the arrival of the Chinese foreign workers since he was the one who had to face complaints from the local population.⁷⁷

Jakarta's failure to coordinate with local authorities further complicated the matter, thereby fueling the controversy. In this context, the central government had allowed itself to be constrained by the country's decentralization dynamics and thus was unable to manage bilateral economic interactions with China in an efficient manner.

THE NATUNA WATERS

On 19 December 2019, sixty-three Chinese fishing boats ushered by three Coast Guard vessels infringed on Indonesia's EEZ in the Natuna waters.⁷⁸ The Indonesian Navy spotted Chinese fishing boats at 130 nautical miles from Indonesia's Natuna Island,⁷⁹ and deployed warships and jet fighters to the islands, bringing about a stand-off between the two nations.

This incident took place around the three-day working visit of Defence Minister Prabowo Subianto to China, which kicked off on 16 December 2019. During the trip, Prabowo was warmly received by his counterpart Wei Fenghe⁸⁰ and the deputy chairman of China's Central Military Commission Xu Qiliang.

⁷⁷ "Warga Resah 500 TKA China Datang, Bupati Konawe Ngaku Tidak Ada Pemberitahuan Resmi", (People Get Worried as 500 Chinese Workers Arrive, Mayor Konawe Said No Official Notification), *Talk Show TV One*, 28 April 2020, https://www.youtube.com/watch?v=0hujKUYb_u8

⁷⁸ Mark Valencia, "China-Indonesia South China Sea Incident Likely a Blip in a Long-term Trend of Mutual Adjustment", *ASEAN Today*, 24 January 2020, <https://www.aseantoday.com/2020/01/china-indonesia-south-china-sea-incident-likely-a-blip-in-a-long-term-trend-of-mutual-adjustment/>

⁷⁹ Veeramalla Anjaiah, "Will Indonesia Unite ASEAN Against China's Coercion?", *Euroasia Review*, 15 January 2020, <https://www.eurasiareview.com/15012020-will-indonesia-unite-asean-against-chinas-coercion-oped/>

⁸⁰ The relations between Prabowo Subianto and his Chinese counterpart Wei Fenghe seem cordial. After the meeting in December 2019, the two officials

In response to the incident, the Indonesian Foreign Ministry summoned the Chinese Ambassador and delivered a note of protest. The Indonesian government was concerned with the violation of its EEZ, including illegal, unreported, and unregulated (IUU) fishing and the violation of sovereignty by the Chinese Coast Guard.⁸¹ Also, Indonesia reiterated that it has no overlapping of jurisdiction with China, and it rejects the nine-dash line claim since it is irreconcilable with the 1982 UNCLOS as ruled by the 2016 UNCLOS Tribunal Award.⁸² This was the first time that Jakarta quoted the 2016 award to support its stance in the Natuna waters.

China in turn objected to Indonesia's position, reiterating its long-standing position that "China has sovereignty over the Nansha Islands and has sovereign rights and jurisdiction over relevant waters near the Nansha Islands."⁸³ Moreover, it affirmed that the Coast Guard was simply executing its duty to protect Chinese people's rights and interests in the relevant waters.⁸⁴

China has long maintained an ambiguous position on the South China Sea (SCS). The continuous pattern of the statement firstly stresses China's compliance with international law including UNCLOS without presenting any supporting evidence. Then, it is followed by the major notion of asserting its rights and interest in the so-called

talked over the phone regarding bilateral cooperation in fighting the coronavirus on 12 May 2020. Subianto and Wei also met during the Russia Victory Day Parade on 24 June 2020.

⁸¹ Foreign Ministry of the Republic of Indonesia, "Indonesia Protes Pelanggaran RRT di ZEE Indonesia" (Indonesia Protests China's Violation of Its EEZ), 30 December 2019, https://kemlu.go.id/portal/id/read/931/siaran_pers/indonesia-protos-pelanggaran-rrt-di-zee-indonesia

⁸² Ibid.

⁸³ Foreign Ministry Spokesperson Geng Shuang's Regular Press Conference, 31 December 2019, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1729013.shtml

⁸⁴ Ibid.

“relevant waters”—a term which is foreign to UNCLOS. In particular, China considers the 2016 UNCLOS Tribunal Award illegal, null, and void.⁸⁵

Apart from the abovementioned diplomatic spat, the relevant high officials in Jakarta adopted a rather conciliatory tone. Responding to the Natuna stand-off, Defence Minister Prabowo Subianto on 3 January 2020 said that “China is a friendly country”.⁸⁶ Similar to Prabowo, the Coordinating Minister for Maritime and Investment Affairs, Luhut Panjaitan watered down the incident and refused to even consider it an issue.⁸⁷

Interestingly, unlike Panjaitan, who has a long-standing position in Jokowi’s team and who is in charge of managing Chinese investment, Prabowo was Jokowi’s contender in two presidential elections. During the campaign, Prabowo’s camp was very critical of Jokowi’s amicable relations with China. The appointment of Prabowo Subianto as Jokowi’s Defence Minister has been seen as a move to alleviate anti-China sentiments.⁸⁸ Overall, Jakarta’s tone was quite uniform in suppressing anti-China sentiments.

During Jokowi’s first term, the rhetoric regarding the breach of Indonesian maritime rights in the Natuna waters was more diversified. Then Fishery Minister, Susi Pujiastuti, harshly dealt with IUU fishing in Indonesian waters. Her boat-sinking policy effectively deterred large

⁸⁵ Foreign Ministry Spokesperson Geng Shuang’s Regular Press Conference, 2 January 2020, https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1729272.shtml

⁸⁶ “Natuna Waters Issue, Prabowo: China Is a Friend Country”, 4 January 2020, *Tempo*, <https://en.tempo.co/read/1291080/natuna-waters-issue-prabowo-china-is-a-friend-country>

⁸⁷ *Ibid.*

⁸⁸ “Prabowo Dinilai Bantu Jokowi Hapus Stigma Antek China” (Prabowo Considered Helpful to Alleviate Jokowi’s Stigma as China’s Pawn), *Merdeka.com*, 29 September 2018, <https://www.merdeka.com/politik/prabowo-dinilai-bantu-jokowi-hapus-stigma-antek-china.html>

numbers of foreign vessels aiming to illegally operate in Natuna waters.⁸⁹ In the aftermath of the March 2016 Natuna incident, Susi called China “arrogant”.⁹⁰ She even warned China to bring the issue to the International Tribunal.⁹¹

However, Susi’s stance irked others in the government who found her too controversial, leading to her replacement with Edhy Prabowo from Prabowo Subianto’s faction.⁹²

According to information received from Natuna fishers and local officials, since the day after President Jokowi left the Natunas, Chinese fishing boats—flanked by Chinese Coast Guard vessels—were still around and they dropped their trawl nets in Indonesian EEZ.⁹³ However, the Indonesian Ministry of Fishery adopted a “see no China” policy and denied that any such intrusion had taken place.⁹⁴

In the aftermath of the 2020 Natuna stand-off, the Indonesian government displayed its boldness by deploying eight warships and four F-16 fighters jets to assert its rights and sovereignty over the Natuna

⁸⁹ “China Chases Indonesia’s Fishing Fleets, Staking Claim to Sea’s Riches”, *The New York Times*, 31 March 2020, <https://www.nytimes.com/2020/03/31/world/asia/Indonesia-south-china-sea-fishing.html>

⁹⁰ “Penangkapan Kapal Asing Ilegal Cina di Natuna Digagalkan” (The Seizure of Chinese Vessel Operating Illegally in Natuna Thwarted), *BBC News Indonesia*, 20 March 2016, https://www.bbc.com/indonesia/berita_indonesia/2016/03/160320_indonesia_kapal_cina

⁹¹ “Menteri Susi Ancam Membawa Cina ke Mahkamah Internasional”, *BBC News Indonesia*, 21 March 2016, https://www.bbc.com/indonesia/dunia/2016/03/160321_dunia_susi_kapal_cina

⁹² Edhy Prabowo is Gerindra Party’s Vice General Chairman for Development, Agriculture, Forestry, Marine and Energy. See Gerindra Party’s Organizational Structure, <http://partaigerindra.or.id/struktur-organisasi-partai-gerindra>

⁹³ Hannah Beech and Muktitu Suhartono, “China Chases Indonesia’s Fishing Fleets, Staking Claim to Sea’s Riches”, *New York Times*, 31 March 2020, <https://www.nytimes.com/2020/03/31/world/asia/Indonesia-south-china-sea-fishing.html>

⁹⁴ *Ibid.*

waters.⁹⁵ This action was taken ahead of President Jokowi's visit to the Natunas on 8 January 2020. Analysts considered the move a "standard military posturing" directed to the domestic audience.⁹⁶ In 2016, after incidents with Chinese fishing vessels in March and May, the Indonesian Air Force had also beefed up its presence. On 23 June 2016, Jokowi visited the Natuna waters and held a closed-door meeting with his aides on the Indonesian Navy warship *KRI Imam Bonjol*.

Following the recent Natuna stand-off with China, Jokowi also took the same measure. He boarded an Indonesian Navy warship and met with hundreds of fishermen in the Natuna Islands. He stated that the Islands were inhabited by some of 81,000 residents, and that the Natuna Islands were effectively administrated by and were indisputably part of Indonesia.⁹⁷

In an attempt to ease the tension, the Chinese Ambassador to Indonesia Xiao Qian held a meeting with Indonesian Minister for Political, Legal, and Security Affairs Mahfud MD on 16 January 2020. The Chinese Ambassador was confident that the two governments could "properly manage the situation" and "properly solve the problem".⁹⁸ Interestingly, according to Mahfud, Ambassador Xiao suggested that Chinese authorities had been pressured by fishermen to allow them to keep operating in the contested waters.⁹⁹

⁹⁵ "Indonesia Deploys Fighter Jets, Warship to Patrol Natuna Islands at Centre of Spat with Beijing, *South China Morning Post*, 8 January 2020, <https://www.scmp.com/news/asia/southeast-asia/article/3045156/indonesia-deploys-fighter-jets-warships-patrol-natuna>

⁹⁶ Ibid.

⁹⁷ "Jokowi: Dari Dulu Sampai Sekarang, Natuna Adalah Indonesia" (From the Past until Present, Natuna Belongs to Indonesia), *Kompas.com*, 8 January 2020, <https://nasional.kompas.com/read/2020/01/08/15083131/jokowi-dari-dulu-sampai-sekarang-natuna-adalah-indonesia>

⁹⁸ "China Admits Fishing in Indonesia-Claimed Waters in the South China Sea, Vows to Resolve Things in 'Friendly Manner'", *South China Morning Post*, 17 January 2020, <https://www.scmp.com/news/asia/southeast-asia/article/3046457/china-admits-fishing-indonesian-claimed-waters-south-china>

⁹⁹ Ibid.

There is a difference in the responses to the 2016 and the 2019 Natuna incidents. In the March 2016 incident, the Chinese Coast Guard deliberately crashed the Chinese fishing vessel *Kway Fey 10078* to prevent Indonesian authorities from confiscating the vessel. This manoeuvre incited major controversy in Jakarta. To de-escalate the tension, China sent the head of the International Liaison Department of the Communist Party of China, Song Tao to meet President Jokowi.¹⁰⁰ The incident was declared a “misunderstanding” and settled after the talk. However, in the 2019 incident, both parties maintained restraint in the stand-off. No Chinese high official was sent from Beijing. It was Jakarta’s senior officials who came forward to defuse the tension.

As long as China insists on its nine-dash line claim—which overlaps with Indonesia’s EEZ in Natuna—such incidents are likely to be repeated in the future. However, from the 2019 incident, there is an indication that the two sides have learned to show restraint. Diplomatically, there will be no reconciliation: China asserts its “traditional fishing grounds” claim and Indonesia maintains its UNCLOS-based rights—including quoting the 2016 Tribunal Award which China fiercely condemns. It will be business as usual in the Natuna waters—at least under the Jokowi administration.

As a result, the incidents in Natuna waters between China and Indonesia will not significantly disturb the overall picture of bilateral relations.¹⁰¹ The Natuna incidents are also unlikely to propel Indonesia to mobilize other Southeast Asian nations in confronting China in a multilateral forum.¹⁰²

¹⁰⁰ “Pemerintah Anggap Konflik RI-China di Natuna Selesai” (The Indonesian Government Considers the Natuna Incident Settled), *CNN Indonesia*, 13 April 2016, <https://www.cnnindonesia.com/internasional/20160413190126-106-123769/pemerintah-anggap-konflik-ri-china-di-natuna-selesai>

¹⁰¹ Leo Suryadinata and Mustafa Izzuddin, *The Natunas: Territorial Integrity in the Forefront of Indonesia-China Relations*, Trends in Southeast Asia, no. 5/2017 (Singapore: ISEAS – Yusof Ishak Institute, 2017).

¹⁰² Mark Valencia, “China-Indonesia South China Sea Incident Likely a Blip in a Long-term Trend of Mutual Adjustment”, *ASEAN Today*, 24 January 2020, <https://www.aseantoday.com/2020/01/china-indonesia-south-china-sea-incident-likely-a-blip-in-a-long-term-trend-of-mutual-adjustment/>

However, Vietnam and Malaysia, in particular, regard China as taking advantage of the pandemic to advance its claims in contested maritime territories. In April 2020, Beijing named around eighty features in the SCS, including the ones claimed by both China and Vietnam to assert its territorial claims.¹⁰³ That same month, the Vietnamese and later the Malaysians spotted a Chinese survey ship, *Haiyang Dizhi 8*, conducting survey activities on their EEZs.¹⁰⁴

Moreover, due to the battle against the novel coronavirus, Southeast Asian states have trimmed their defence budgets. Indonesia has cut the budget of its Defence Ministry and Fishery and Maritime Ministry this year by US\$600 million and US\$123 million, respectively.¹⁰⁵ Malaysia and Vietnam also face similar hardships. Less spending from the above-mentioned ministries likely means less maritime patrol.¹⁰⁶

¹⁰³ “Beijing Marks out Claims in the South China Sea by Naming Geographical Features”, *South China Morning Post*, 20 April 2020, <https://www.scmp.com/news/china/diplomacy/article/3080721/beijing-marks-out-claims-south-china-sea-naming-geographical>

¹⁰⁴ “South China Sea: Chinese Ship *Haiyang Dizhi 8* Seen Near Malaysian Waters, Security Sources Say”, *South China Morning Post*, 18 April 2020, <https://www.scmp.com/news/asia/southeast-asia/article/3080510/south-china-sea-chinese-ship-haiyang-dizhi-8-seen-near>

¹⁰⁵ “Jokowi Potong Anggaran Kementerian/Lembaga demi COVID-19” (Jokowi Cuts Ministry and Institution Budget to Fight Coronavirus), *Kompas.com*, 13 April 2020, <https://nasional.kompas.com/read/2020/04/13/06460991/jokowi-potong-anggaran-kementerian-lembaga-demi-covid-19-berikut-rinciannya>; “Imbas Corona, Anggaran KKP Resmi Dipotong 1,8 Triliun” (Due to Fighting Coronavirus, the Budget of Fishery and Maritime Ministry Reduced by US\$123 million), *Kompas.com*, 23 April 2020, <https://money.kompas.com/read/2020/04/23/210200626/imb-3080510/south-china-sea-chinese-ship-haiyang-dizhi-8-seen-near>

¹⁰⁶ Aristyo Rizka Darmawan, “As Jakarta Trims Defense, Beijing Makes Waves in the South China Sea”, *The Interpreter*, 19 May 2020, <https://www.lowyinstitute.org/the-interpreter/jakarta-trims-defence-beijing-makes-waves-south-china-sea>

The US has accused China of “exploiting the distraction or vulnerability of other states to expand its unlawful claims in the SCS.”¹⁰⁷ China disavowed this statement as “nonsense”.¹⁰⁸ Chinese Foreign Minister Wang Yi states that planes and ships carrying anti-virus supplies flying over and sailing across the SCS are evidence of close cooperation between China and the ASEAN countries in the epidemic fight.¹⁰⁹

There is hard evidence to display China’s intention to exploit other SCS littoral states during the pandemic, however. Carl Thayer, an Australia-based security expert, suggests that US navy patrols and oil exploration by Malaysia and Vietnam could be the trigger for China to take more assertive measures.¹¹⁰

The concerning issue is not whether China exploits other SCS littoral states being distracted by the pandemic by using force, but whether Beijing’s vaccine diplomacy might sway their stance in the SCS. This worry is not unreasonable knowing that Indonesia, along with the Philippines, is the most seriously affected by the pandemic among ASEAN states. On one side, battling the COVID-19 has become Indonesia’s top concern, while on the other side China is a forerunner in developing the vaccine and the country has been ramping up vaccine diplomacy among its Southeast Asian neighbours.¹¹¹ Indonesia’s dependence on China

¹⁰⁷ US Department of State Press Statement, 6 April 2020, “PRC’s Reported Sinking of a Vietnamese Fishing Vessel in the South China Sea”, <https://www.state.gov/prcs-reported-sinking-of-a-vietnamese-fishing-vessel-in-the-south-china-sea/>

¹⁰⁸ “Accusing China of Using COVID-19 to Expand Presence in the South China Sea ‘nonsense’: FM”, *Xinhuanet*, 24 May 2020, http://www.xinhuanet.com/english/2020-05/24/c_139084316.htm

¹⁰⁹ *Ibid.*

¹¹⁰ Ole Tangen Jr., “Is China Taking Advantage of COVID-19 to Pursue South China Sea Ambitions?”, *Deutsche Welle*, 26 May 2020, <https://www.dw.com/en/is-china-taking-advantage-of-covid-19-to-pursue-south-china-sea-ambitions/a-53573918>

¹¹¹ Emma Connors, “Vaccine Diplomacy a Threat to South China Sea Pushback”, *Australian Financial Review*, 2 September 2020, <https://www.afr.com/world/asia/vaccine-diplomacy-a-threat-to-south-china-sea-pushback-20200901-p555raa>

in vaccine supply will make it tougher for Jakarta to have leverage on sensitive issues.¹¹²

In some cases, Beijing's vaccine offer to ASEAN has strings attached. A *Xinhua* reporter commented on his Weibo account that Premier Li Keqiang had required ASEAN's support for the World Health Organization as a condition for Beijing's vaccine donations.¹¹³ Singapore's *Lianhe Zaobao* and Hong Kong's *Ming Pao Daily* reported Beijing's intention to offer its vaccines in exchange for concessions from Vietnam, Thailand and Cambodia on controversial issues like China's hydropower projects in Yunnan Province that would affect the water level of the Mekong River.¹¹⁴

Analysts acknowledge that the vaccines may improve Beijing's stature among ASEAN states and temper the SCS claimant states' rhetoric on their territorial claims.¹¹⁵ In response to this concern, Indonesian Foreign Minister Retno Marsudi has firmly stated that the vaccine cooperation will not have any impact on Jakarta's stance on the SCS. Also, cooperation with China does not keep Indonesia from cooperating with countries such as South Korea, the United Arab Emirates and the United Kingdom on developing vaccines.¹¹⁶

Retno's statement is backed up by the fact that diplomatically, Indonesia has done its utmost to counteract China's SCS claim not only when the country encroaches into Indonesian EEZ or the Natuna waters. In 2020, Jakarta sent two diplomatic notes to the UN Secretary-General, on 26 May and on 12 June, to reiterate its SCS position by

¹¹² Ibid.

¹¹³ Frank Chen, "China's Free Vaccine Offer Comes with Conditions", *Asia Times*, 26 August 2020, <https://asiatimes.com/2020/08/chinas-free-vaccine-offer-comes-with-conditions/>

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

citing the 2016 Tribunal Award that invalidates China's nine-dash line claim.¹¹⁷

CONCLUSION

This article contends that China-Indonesia relations are maturing in the sense that Jakarta and Beijing will not allow a single issue to ruin the big picture of good bilateral ties. However, Indonesian domestic politics will always pose challenges. Even though Jokowi has consolidated his power in the second term, opposition parties (such as PKS) and dissenting voices in society could still criticize Jakarta's foreign policy stance towards China. Foreign policy is not solely dominated by leaders in Jakarta. The participation of the public cannot be ignored.

With regard to Chinese workers, Jakarta's communication with local governments could be improved and saved from being seen to prioritize economic benefit over public health. The Indonesian public, particularly the opposition groups, quickly read Jakarta's accommodation to Beijing's interests as a compromising of the country's sovereignty.

In the Natuna waters, Jakarta prefers to optimize diplomatic channel and avoid public controversy. On the ground, Indonesia may not always be successful in preventing Chinese incursions or the violation of its maritime rights, yet diplomatically Jakarta does not fail in reiterating its stance on the SCS. On one hand, Jakarta's senior officials tend to downplay China's unlawful acts in the Natuna waters, and on the other hand, Indonesia's long-standing position is iterated repeatedly for the domestic audience, and made known internationally.

The battle against the pandemic provides a golden opportunity for China to win the hearts and minds of the Indonesian public. The

¹¹⁷ UN Division for Ocean Affairs and the Law of the Sea, "Commission on the Limits of the Continental Shelf (CLC) Outer Limits of the Continental Shelf Beyond 200 Nautical Miles from the Baselines: Submissions to the Commission: Partial Submission by Malaysia in the South China Sea", https://www.un.org/Depts/los/clcs_new/submissions_files/submission_mys_12_12_2019.html

government, business and public have high expectations on the vaccine cooperation. On one side, Beijing must not use vaccine cooperation as a geopolitical tool to advance its regional agenda. On the other side, Jakarta should not falter in defending its legitimate rights. If China honours its promise to deliver the vaccine as a “public good”, the Indonesian populace will become more supportive of closer bilateral ties.

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