

PERSPECTIVE

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How the Indonesian Elite Regards Relations with China

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EXECUTIVE SUMMARY

- Despite increasingly close relations between Indonesia and China, Chinese investments and workers, and developments in the South China Sea, continue to worry the Indonesian public.
- Such concerns are most apparent among those members of the pribumi elite who take an oppositional stance against the Jokowi administration, and those who remain neutral towards the president. Their major complaints are about Indonesia's growing reliance on Chinese loans, and about incidents in the proximity of the Natuna Islands involving both countries' security agencies.
- Those who support the Jokowi presidency—and this include NGO leaders and politicians—tend to have a more sympathetic view of China, and do not see it as a threat.
- Meanwhile, the government is divided between those who view China optimistically and those who are suspicious of Beijing. The 'lack of consensus' there may affect negatively the implementation process of Jokowi's China policy.

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INTRODUCTION

During the three decades of the New Order period, the Indonesian government generally held a negative perception of China, alleging that Beijing was involved in the 1965 communist coup attempt. Diplomatic relations between the two countries deteriorated so severely that ties were fully suspended in 1967. The ‘China threat’ came then to be based on the suspicion that China through its connections with Chinese Indonesians continued to help its fellow communists make a political comeback.¹ Suspicions persisted even after the two countries normalized diplomatic ties in 1990.²

Sino-Indonesian relations changed dramatically after K.H Abdurrahman Wahid became president in 1999. Trade, economic, and political ties between the two countries improved significantly, China has come to be seen as Indonesia’s potential partner.³ Some concerns remain and find especial mention in the subordinate media and in social media.

What is of greater significance though is the question whether and to what extent these concerns exist among pribumi leaders today. And are these significant to policy-making on issues related to China?

The term ‘elite’ in this article is defined broadly in accordance with what the sociologist Tom Bottomore calls the ‘political class,’ that is, ‘all those groups which exercise political power or influence, and are directly engaged in struggles for political leadership.’⁴ However, not all members of the ‘political class’ quoted in this article seek to obtain a political position. A number of them participate in political activities only to have their voices heard and their ideas accommodated by policy makers.

VIEWS OF THE ELITE OUTSIDE THE GOVERNMENT

Suspicion towards China is observable particularly among certain pribumi elite groups who have taken an oppositional stance towards President Joko (Jokowi) Widodo’s administration, and also among those who are neutral towards the president. They include leaders of certain Islamic organizations, retired military generals, former high-ranking officials, scholars, and public intellectuals.

The attitudes of these groups toward China is worth paying attention to because they contradicts the findings of several nationwide opinion surveys carried out in recent years. For instance, an annual survey conducted between 2005 and 2015 by the Pew Research

¹ Rizal Sukma, *Indonesia and China: the Politics of Troubled Relationship*, London: Routledge, 1999., p. 49, 51.

² *Ibid.*, p. 3.

³ Sukma, “Indonesia – China Relations: the Politics of Reengagement,” *Asian Survey* No 49(4), 2009., p. 603.

⁴ Tom Bottomore, *Elite and Society*, London: Routledge, 1993., p. 7-8.

Center revealed that over 58 percent of Indonesian respondents have a favorable opinion of China.⁵ Meanwhile, research by the Center for Chinese Studies in Indonesia (CCS) found that a significant number of Indonesians today view China as one of the world's strongest economy and Indonesia's important friend (*sahabat penting*).⁶

But suspicion towards China became widespread, especially since May 2015 after China's Vice Premier, Madam Liu Yandong, encouraged more intensive exchanges between Chinese and Indonesian students.⁷ The Vice Premier's statement was somehow misinterpreted as a signal of an impending mass migration from China to Indonesia. Reports that ten millions of Chinese migrants were planning to come to Indonesia went viral in the non-mainstream media.⁸ Despite the unreliability of these reports, worried pribumi leaders pronounced the imagined mass migration as an implementation of China's strategy to reduce its own population.⁹

Unfortunately, the recent influx of Chinese workers provided opportunistic evidence for the above 'mass migration strategy' theory. Roughly fourteen to sixteen thousand Chinese workers arrive in Indonesia annually to work in Chinese construction and mining companies.¹⁰ These low-skilled workers are often seen by Indonesians as formidable competitors.¹¹ But more importantly, some members of the pribumi elite also worry about the possible infiltration by Chinese military personnel disguised as workers. Such suspicion was sparked by the arrest of five Chinese workers dressed like military personnel near a military base in Jakarta.¹²

Some allege that China's investments in Indonesian infrastructure development are driven by an interest in controlling strategic locations. China's willingness to finance the Sunda Strait bridge – connecting Java and Sumatra – was seen as an expression of such interest.¹³ As a pribumi public intellectual mentioned, China might have an interest in controlling the

⁵ <http://www.pewglobal.org/database/indicator/24/country/101/>, (accessed 19 August 2016).

⁶ Natalia Soebagjo and Rene L. Pattiradjawane, *Persepsi Masyarakat Indonesia Terhadap RRC* [Indonesian society's perception of the PRC]. Jakarta: Center for Chinese Studies, 2014., p. 13

⁷ http://english.gov.cn/news/top_news/2015/05/28/content_281475116219904.htm

⁸ For example <http://www.mediapribumi.com/2016/07/pm-china-kirim-10-juta-warga-negara.html> (accessed 21 August 2016), and <http://www.wartapriangan.com/jokowi-akan-datangkan-10-juta-orang-cina-ke-indonesia/5131/> (accessed 21 August 2016); and

⁹ Interview with a Muslim leader, Jakarta 12 May 2016.

¹⁰ <http://nasional.kompas.com/read/2016/07/17/12074221/menaker.bantah.isu.indonesia.kebanjiran.tenaga.kerja.china> (accessed 21 August 2016)

¹¹ Interview with a Confederation of Indonesian People's Movement (KPRI) leader, Jakarta 9 May 2016.

¹² <http://nasional.republika.co.id/berita/nasional/jabodetabek-nasional/16/04/27/o6a1tc384-ngebor-di-wilayah-lanud-halim-5-pekerja-cina-ditahan> (accessed 23 August 2016)

¹³ <http://finance.detik.com/read/2012/02/12/180409/1840537/4/tomy-winata-bank-bumn-china-siap-biayai-jembatan-selat-sunda> (accessed 25 August 2016)

strait because it is the second shortest route from the Indian Ocean to the Pacific Ocean after the Malacca Strait.¹⁴

China's wish to invest in Bitung is similarly believed to be driven by its strategic interest in this North Sulawesi strategic city.¹⁵ Separated from the southern edge of Mindanao by a gap of only roughly 652 km, influence in Bitung can help China balance the United States' military presence in the Philippines.¹⁶

The increasing reliance on Chinese loans is also worrisome because it might give a reason for China to take ownership of some Indonesian assets.¹⁷ As a former ambassador suggests, China may take over several state owned enterprises involved in the Bandung-Jakarta high speed train project should Indonesia fail to pay back the Chinese loan used to finance it when it is due.¹⁸ While it is difficult for a foreign investor to take over the ownership of an Indonesian state-owned company, the divestment of the government's share in Indosat to Singapore's Temasek Holdings stands as indication that such a take over is possible.

Finally, a concern about security threat from China is apparent among those who believe that the South China Sea dispute can grow into an immense problem, due to China's increasing assertiveness in the region.¹⁹ As a prominent political and security expert has argued, the dispute will potentially threaten Indonesian interests in the future, although Indonesia is not a claimant state.²⁰ Furthermore, several incidents involving an Indonesian authority and Chinese coastguards in the waters near Natuna Islands in the last few years have alarmed many. The last incident occurred on 20 March 2016, when a Chinese coastguard vessel intervened in an Indonesian patrol's attempt to seize a Chinese fishing boat operating illegally within Indonesian Exclusive Economic Zone (EEZ). Because the area overlapped with China's so-called 'nine dash line' territorial claim, China argued that the fishing boat was within their 'traditional fishing ground.'²¹ Alongside the escalating tension in the South China Sea, incidents in Natuna have revived somewhat the perception of China as a security threat in the minds of the pribumi elite.

¹⁴ Interview with an executive director of a think tank organization, Jakarta 16 January 2016.

¹⁵ <http://industri.bisnis.com/read/20150207/45/399969/china-minati-proyek-kawasan-ekonomi-khusus-bitung> (accessed 25 August 2016)

¹⁶ Interview with an executive director of a think tank organization. Jakarta 16 January 2016.

¹⁷ Interview with a high-profile politician who held an important position in Yudhoyono era. Jakarta 25 May 2016.

¹⁸ Interview with a former ambassador. Jakarta 17 January 2016.

¹⁹ Interview with a top leader of the Muhammadiyah, one of the biggest Islamic organization in Indonesia. Jakarta 11 April 2016

²⁰ Interview with a senior expert in political and security affairs. Jakarta 29 February 2016.

²¹ http://www.nytimes.com/2016/03/22/world/asia/indonesia-south-china-sea-fishing-boat.html?_r=0

SYMPATHETIC VIEWS OF CHINA

Alongside the aforementioned suspicion and critical views of China held by some of the Indonesian pribumi elite, can also be found some positive perceptions, such as the view that a rising China will help balance the United States' dominant power. It appears that it is among members of the elite who support the Jokowi government that a more positive opinion of China is more common.

These persons do not regard China as a political threat to Indonesia. Unlike Japan, which occupied Indonesia during World War II, China is not seen to have a colonizing mentality.²² A Muslim Javanese politician affiliated with the National Democrat Party (Nasdem) even believes that China never intervene in Indonesian internal affairs.²³ Like him, quite a few members of the pro-Jokowi pribumi elite are in favour of Indonesia's neutral position in the South China Sea dispute.

An appreciation of Chinese companies operating in Indonesia may also be found among this group of elites. For example, a NGO leader and one of the founders of a pro-Jokowi group, the 'Seknas Jokowi' (National Secretariat of Jokowi), enthusiastically praised PetroChina, China's oil company operating in Jambi and East Java. He recounted how the Chinese oil company had financed a life quality improvement project as a social contribution to the families living in the two areas.²⁴

Nevertheless, the above groups of people also shared concern regarding the recent incident near Natuna islands and the recent arrival of Chinese migrant workers. They are also uncomfortable with China's '21st Century Maritime Silk Road project' as it might represent China's attempt at global hegemony. As the above Seknas Jokowi activist commented, Indonesia should initiate its own 'herb and spice road' (*jalur rempah rempah*), which symbolizes the glorious past of the Nusantara.

GOVERNMENT OFFICIALS' PERCEPTION

The views of government officials regarding China are divided, as one would expected. Critical views and suspicion toward China have been expressed by some Indonesian diplomats,²⁵ and are apparent among some government officials as well, including those in the military. By way of example, a senior official in the industrial ministry has been publicly critical about Chinese companies' tendency to completely use materials and workers imported from China.²⁶ Similarly, some entrepreneurs who are members of the National Commission for Economic and Industrial Affairs (KEIN) reportedly view that Indonesia

²² Interview with Arif Nur Alam, Jakarta 5 March 2016.

²³ Interview with a younger generation politician, Jakarta 24 march 2016.

²⁴ Interview with an NGO activist affiliated with the Seknas Jokowi. Jakarta 4 May 2016.

²⁵ Interview with a senior diplomat. Jakarta 1 March 2016.

²⁶ Interview with a senior official with the Indonesian Industrial Ministry. Jakarta 3 March 2016.

should respond cautiously to China's wish to invest in the country.²⁷ As a senior military officer has opined, "Such suspicious attitudes make it difficult for the bureaucrats to stay in line with President Jokowi's wish to build a close relationship with China."²⁸ A possible consequence of this lies in how this affects the ability of lower-level government officials to accurately realize whatever message the president wishes to deliver to their Chinese counterparts.

There are other senior officials who view the rise of China positively. Among them are a senior official with the National Defense Council and a senior diplomat, who believe that the phenomenon can help develop Asian economies and improve Asian bargaining position with the West.²⁹ It is also considered to be a potential source of learning for Indonesia. These men are also optimistic about the increasing closeness between the two countries, which in fact began way before the Jokowi era. As Professor Dewi Fortuna Anwar reveals, the collaboration between Indonesia and China today is not only in the infrastructure sectors, but also in the defense industry, such as in the production of radar equipment and small firearms. Professor Anwar views this defense cooperation positively, and calls it "a part of a strategy to avoid being dependent only on one supplier, as was the case in the New Order era."³⁰

Nevertheless, despite being positive about China-Indonesia relations, these members of the governing elite wish not to underrate the resentment circulating in the Indonesian social media. They are also acutely aware of the spreading disappointment regarding China's behaviour in the South China Sea, the incidents near the Natuna Islands, and competition from Chinese migrant workers. As Professor Fortuna Anwar explains, the government wishes to handle these issues carefully to avoid any possible backlash. She and other government officials have also concluded that in building ports in border areas, Indonesia should collaborate neither with China nor Japan, but with countries outside the Asia Pacific region.³¹ Such a conclusion may become an acceptable answer for the pribumi elite outside government suspicious of foreign countries' participation in Indonesian infrastructure development.

²⁷ Personal conversation with an Indonesian scholar. Jakarta 27 May 2016.

²⁸ Interview with a senior military officer. Jakarta 7 March 2016.

²⁹ Interview with a senior official with the Indonesian National Defense Council in Jakarta on 8 March 2016, and an interview with a senior diplomat in Jakarta on 2 March 2016.

³⁰ Interview with Professor Dewi Fortuna Anwar, currently a deputy secretary to Indonesian vice president. Jakarta 24 May 2016

³¹ *Ibid.*

CONCLUSION

The pribumi elite's views on China and its relations with Indonesia are divided.

An understanding of how diverse the views of the pribumi elite's perception of China are provides for a better picture of the current state of Sino-Indonesian relations.

Firstly, it informs us that the government's wish to develop a much closer relation with China is not unanimously supported.³² Secondly, at the government level, the presence of suspicious attitudes toward China, even if only among a few government officials, has slowed down the Jokowi's attempt to develop an intimate relationship with China. Thus, the impact of these negative perceptions may not be on policy making, but on goal realization. This has become a challenge that the president's inner circle needs to overcome.

Finally, the government also needs to pay attention to and respond prudently to the anti-China sentiments among the elite outside government. It is also worth noting that such sentiments have also been circulating in social media since the second half of last year. However, whether or not these sentiments represent the views of the Indonesian people in general is another question that still needs study.

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³² Daniel Novotny, *Torn Between America and China: Elite Perceptions and Indonesian Foreign Policy*, Singapore: ISEAS, 2010.