POLICY BRIEF

MAPPING THE INTERACTIONS OF THREE 2024 INDONESIAN PRESIDENTIAL CANDIDATES WITH CHINA

Photo: CELIOS (2023)

Green Industrial Park in North Kalimantan, where China is one of the main investors.
Executive Summary

Indonesia has arrived at a crucial moment in regard to its change of leadership ahead of the 2024 elections. This grand democratic party is becoming more dynamic as the parties compete on strategies while testing the public’s response to figures that will be thrown into the arena of political contestation.

The consolidation process has narrowed down the candidates to three figures, specifically Anies Baswedan, Ganjar Pranowo and Prabowo Subianto.

Discussing the broader context, whoever becomes President of Indonesia will later have responsibility for ensuring that Indonesia does not encounter economic turbulence, but also seek to raise the country’s profile on the global stage. As a country with the largest economy in the ASEAN and a member of the G20, Indonesia is increasingly seen as important by many countries around the world.

In fact, the intensive foreign involvement in Indonesia’s political landscape in recent years has elevated China to the leading position as Indonesia’s trade and investment partner. The management of issues and conflicts over the various interests that colour the spheres of domestic and foreign politics must be mastered by the elected president in order to be able to row between global interests which are beginning to take on a multipolar form.

Therefore, this policy brief in particular aims to map the interactions of the three presidential candidates in the 2024 Indonesian presidential election with China. It is believed that discussions on this issue will undoubtedly be valuable for the public to understand prior to casting their votes.

Structurally, the first part of this paper will explain China’s important position in Indonesian politics. Furthermore, sections 2, 3 and 4 will present a comprehensive description of the interactions of Anies Baswedan, Ganjar Pranowo and Prabowo Subianto with China thus far and outline the foreign policy indicators of the three candidates as regards China. In the closing section, this paper will offer policy recommendations for the president-elect with respect to engaging with China as a global power.

Some parts of this brief have been published in Australian Outlook and Stratsea.
China in Indonesian Politics

Concerning Indonesia's political stage, China has always been a significant actor. Across historical timelines, diplomatic relationships between the two countries have existed for more than seven decades, since 1950 to be precise. At that time, Indonesia was only half a decade old and had just been freed from the grip of colonialism in 1945.

Simultaneously, in 1949, China had just disposed of the nationalist camp and strengthened the domination of the Chinese Communist Party (CCP) led by Mao Zedong. At that time, China struggled to maintain economic stability, as was also the case with Indonesia during that period. It is this similarity that has prompted China to become involved in the Non-Aligned Movement with seventy seven other countries to develop a series of positions and coordinate to form a New World Economic Governance (NIEO). The agreement on the main agenda then sowed the seeds of the close relationship between the then President Soekarno and China.

Nevertheless, the harmony between both nations caused domestic turmoil in the dynamics of Indonesian politics during the Old Order. After the bitter G30SPKI incident between 1965-1966, which changed the course of ideology and triggered anti-communism in the country, anti-Chinese sentiment was born which took root in society. This sentiment continued in the Reformation Era in 1998 which caused many ethnic Chinese Indonesians to become victims of violence and face discrimination from indigenous people. This incident left a gaping wound that has had an impact to this day and has left many Indonesian people with a great deal of antipathy towards China.

In responding to the intense situation, in December of 1959, China sent a letter of protest to Indonesia related to the expulsion of 165 ethnic Chinese in West Java and other incidents caused by the anti-China policy enacted by the then Indonesian president Soeharto. In return, China formally declared that its embassy in Jakarta was closed due to diplomatic suspension. Due to domestic concerns and the Cold War, bilateral relationships between the two countries were suspended for 23 years¹.

During the suspension, Indonesia and China maintained their trade via third parties. However, to coincide with domestic economic interest and the changing international economic environment, after Indonesia’s announcement in November 1984 that it was interested in opening direct trade with China, in July 1985, Jakarta gave formal approval to the Indonesian Chamber of Commerce to open a direct trade link with the Chinese by signing a trade memorandum with Chinese delegation in Singapore. This authorisation was followed by business delegations in both countries increasing their reciprocal visits.

China’s strategic position on the global economic stage prompted Suharto to normalise the alliance with Beijing in July 1996². This improved status was then followed by the signing of an agreement to form a Joint Commission for Economic, Trade and Technical Cooperation³.

Although it was relatively short, during the Habibie era, the basic framework that strengthened the ties between China and Indonesia continued to be established. This then framed Habibie’s policy by means of Presidential Instruction No. 4 of 1999 to eliminate discrimination against Chinese citizens.

The chain of relations between Indonesia and China became increasingly anchored during Abdurrahman Wahid’s presidency, resulting in the signing of a Memorandum of Understanding (MoU) regarding grant assistance for economic and technical cooperation⁴. Likewise, during the era of Megawati Soekarnoputri, an MoU on infrastructure cooperation, such as the construction of bridges and roads was also signed⁵.

The alliance between the two countries under the leadership of Susilo Bambang Yudhoyono (SBY) was stable, although relatively stagnant. This is because SBY’s foreign policy was primarily to balance the influence of the world's two superpowers, China and the US. Nonetheless, the correspondence between China and Indonesia during this period still spawned a smooth partnership due to multi-sectoral cooperation.

The culmination of the momentum with China was anchored during Jokowi’s first term of leadership, along with the launch of the Belt and Road Initiative (BRI) by Xi Jinping which increasingly connected the two countries⁶. Geopolitically, Indonesia has a strategic geographical advantage and a large market share to absorb and realise China’s interests in implementing the Belt and Road Initiative. Likewise, Jokowi’s priority agenda which focuses on the country’s development, principally in the infrastructure sector, is also in line with the implementation of the Belt and Road Initiative.

The growing ties between the two countries have continued to develop throughout Jokowi’s second term. In fact, China’s influence is increasingly unavoidable because Indonesia is now economically dependent on China. In addition to being the principal trading partner, the openness of the Indonesian market for Chinese businesses has resulted in China becoming the third largest investor in the second quarter of 2023. Based on data from the Investment Coordinating Board (BKPM) which was released near the end of July 2023, the investment realisation exceeded US$1.2 billion with a total of 2,362 projects⁷.

Via the Belt and Road Initiative, China also has giant projects, such as the Jakarta-Bandung Fast Train (KCJB) development, large industrial areas, as well as various projects in relation to nickel smelters at several points in Indonesia. Indonesia and China have also signed a Local Currency Settlement agreement in which the two countries agree to use the Yuan and Rupiah in investment and trade transactions⁸.

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⁴ Ibid.
⁵ Ibid.
⁷ Based on data from the Investment Coordinating Board (BKPM) which was released at the end of July 2023. https://nswi.bkpm.go.id/data_statistik.
Indonesia’s dependence on China also extends to the health sector, particularly during the COVID-19 pandemic. China is the biggest vaccine supplier to Indonesia, with Indonesia purchasing as many as 280 million doses. It is acknowledged that two Chinese companies, notably Sinovac and Sinopharm exported 16 batches, which were estimated to amount to 6.4 million finished vaccines and 115.5 million semi-finished vaccines. The closeness between the countries was increasingly observed when the government still chose China, even though the authenticity of the Sinovac vaccine was still being questioned and rejected by several countries at that time. In fact, many countries were also competing to offer tested vaccines such as the Moderna and Johnson & Johnson.

In the context of Indonesian politics, apart from China’s contribution to the economic and health stages, China is an ongoing topic of interest in the country’s political discourse because despite the growing ties, negative sentiment towards China continues to increase. This is caused by a number of issues such as China’s assertiveness in the South China Sea which threatens the sovereignty of Indonesia, not to mention the controversy that has erupted across society regarding the issue of potential debt traps and environmental damage caused by Chinese companies operating in Indonesia which regularly occur, predominantly in the mineral extractive industry. Anti-China feeling has also grown with the arrival of a wave of Chinese workers who are seen as taking local jobs.

Against this backdrop, debates regarding the closeness between Indonesia and China will without doubt cloud the political discourse throughout the forthcoming presidential election in 2024. Therefore, it would be interesting to perceive the political compass of the three presidential candidates, and whether they will anchor themselves to China or sail far away.

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11 For more Information, please read the report by CELLOS published in July 2023 entitled “China’s Belt and Road Initiative in Indonesia: How to Avoid Low Investment Quality and Debt Traps?”. 
One of the presidential candidates in the general election that will be held in February 2024 is Anies Baswedan, the former governor of Jakarta. Anies’ declaration as the presidential candidate in March 2023 is supported by NasDem (National Democrats), the Prosperous Justice Party (PKS), together with the Democratic Party (Partai Demokrat), who are collectively known as the Change Coalition. One aspect that has been highlighted the most since Anies’ candidacy was backed relates to which political direction he will follow if he wins the election.

Compared to other presidential candidates, for instance Ganjar Pranowo, the current Governor of Central Java, Anies is better known for his more active role in building cooperative relations with Western countries. Granting that the current Jokowi government appears to be more inclined towards China, Anies’ political career to date has regularly been associated with his engagements with the Western world. The example is Anies’ visits in 2022 to four European countries, including England, Germany, France and Luxembourg.

During a joint visit to England, Anies’ delegation discussed cooperation in the electrification of the Transjakarta bus fleet with Bloomberg New Energy Finance. This programme seeks to promote the target of emission-free Jakarta by 2050. In addition, Anies also secured cooperation in the development of Jakarta’s Mass Rapid Transit (MRT), a new subway system involving eight British companies (Crossrail International, XRail Group, Arup, Colas Rail, BDP, Alstom and Mott MacDonald), that connects suburbs and cities.

An additional visit to Europe also yielded the same result. In Germany, Anies met with the mayor of Berlin to discuss the Jakarta Future City Hub and the prospects for opening a collaborative smart city. The smart city concept aims to provide Jakarta with digital technology to optimise various features of the city, as well as reduce costs and consumption with the intention of achieving effective and sustainable benefits for its citizens.

Likewise, in a meeting with French partners, Anies managed to secure a partnership for the construction of MRT Jakarta phases 3 and 4, with two French companies Alstom and Thales. This collaboration includes further projects with Alstom on rail system solutions covering rail facilities, signals, infrastructure, as well as MRT Jakarta procurement schemes; and with Thales, regarding technology solutions for ticket system integration. The final stop on Anies’ European trip was Luxembourg to discuss collaboration with the European Investment Bank as regards infrastructure projects.

At another event, Anies also actively approached his American colleagues and government officials. During the G20 in Bali in mid-November 2022, Anies was invited to the Bloomberg CEO Forum to share his experiences while serving as Governor of Jakarta. He was also seen discussing Indonesian politics with Sung Yong Kim, the United States Ambassador to Indonesia, at lunch together in Nusa Dua, Bali. Among his many contacts in Australia, Anies has also met with Malcolm Turnbull, the former prime minister of Australia, to discuss energy and global climate change.

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These frequent engagements with the Western world are in stark contrast when compared to Anies’ meeting with important figures from China. In fact, the last time Anies was spotted meeting with the Chinese ambassador to Indonesia, Xiao Qian, was in 2019. The meeting discussed their views on the potential for sister city cooperation, including further collaboration in the tourism sector, urban planning, cultural, industrial and trade cooperatives.

Examining Anies’ track record in recent years of rarely meeting with China, there are at least three reasons why China is unlikely to fulfil a central role in Anies Baswedan’s political agenda if he wins next year’s presidential election.

a. First, from the point of view of visits and closeness, Anies appears to have closer relationships with the United States and Western countries. This is possibly influenced by several factors, including his educational background. He lived in the US for many years while completing his master’s degree from the University of Maryland and then Northern Illinois University for his doctorate via the US Fulbright Programme scholarship.

b. The second reason appears to be more political. Anies ostensibly understands that with the steady anti-China sentiment in society, Indonesian politicians who have close ties with the leaders of the Chinese Communist Party (CCP) generally experience defeat at the polls. China's massive investment in infrastructure projects in Indonesia, which is often coloured by controversy, has further fostered anti-Chinese sentiment in the country. It could be that not being labelled as a “Chinese lackey” can be a surefire way to gain public sympathy.

c. The third factor, Anies does not give the impression that he wishes to be connected with the leadership of the Jokowi era which is considered to be more inclined towards China. He wants to change the way the Indonesian people view the government, which has been criticised by the public for being too pro-China.

If Anies wins the 2024 elections, the face of the current government's foreign policy, which is often juxtaposed with pro-China narratives, will likely be transformed. If Anies’ closeness with the West continues to be consolidated, it is possible that Indonesia's foreign policy will be different from the previous government.

It would not be surprising if elected, one of Anies’ priority agendas would be to diversify Indonesia’s partner countries, while seeking opportunities and widening its connections to build closer cooperation with Western partners. Nonetheless, Anies will not make a drastic move, given the current status of Indonesia’s partnership with China in which many Chinese-led investments are still continuing while others have been signed with starting dates in the near future. Moreover, the three main parties that are running for his candidacy also have cooperation with the CCP.
Country
United Kingdom

Activities
- Collaboration with Bloomberg New Energy Finance to electrify the Transjakarta bus fleet so as to meet Jakarta’s emission-free target by 2050.
- Cooperation in the development of the Jakarta Mass Rapid Transit (MRT) with eight British companies (Crossrail International, XRail Group, Arup, Colas Rail, BDP, Alstom and Mott MacDonald).

Country
Germany

Activity
- Met with the mayor of Berlin to discuss the Jakarta Future City Hub and the possibility of opening up a smart city development.

Country
France

Activity
- Partnership for the construction of MRT Jakarta phases 3 and 4, with two French companies, namely Alstom and Thales.

Country
Luxembourg

Activity
- Discussed infrastructure cooperation with the European Investment Bank.
**Country**
United States

**Activities**
- Regarding holding the G20 in Bali in mid-November 2022, Anies was invited to the Bloomberg CEO Forum to share his experiences while serving as Governor of Jakarta.
- Discussed Indonesian politics with Sung Yong Kim, US Ambassador to Indonesia.

**Country**
Australia

**Activity**
- In March 2023, met with Malcolm Turnbull, former prime minister of Australia to discuss energy and global climate change.

**Country**
China

**Activity**
- Met with the Chinese ambassador to Indonesia, Xiao Qian, in 2019 to discuss the potential for sister city cooperation, collaboration in the tourism sector, urban planning, culture, industry and trade cooperatives.

Source: Compiled by CELIOS from various sources.
The Indonesian Democratic Party of Struggle (PDIP) has declared Ganjar Pranowo as the presidential candidate for the upcoming 2024 elections. This was conveyed directly by the Chairperson of the (PDIP), Megawati Soekarnoputri, at the Batu Tulis Palace, Bogor on April 21, 2023. As the presidential candidate from a major party and as he has the greatest opportunity of being elected, many people have also questioned the possible direction of Ganjar’s involvement with China as an important partner for Indonesia.

In contrast to Anies, it is suspected that Ganjar, the current governor of Central Java province and who is endorsed by the incumbent party, will continue with the same foreign policy which has a pro-China tendency, if he wins the stage in the 2024 Indonesian presidential election. Serving as Governor of Central Java for two terms, from 2013 to 2023, Ganjar is acknowledged to have a fairly close relationship with Beijing. His policy also frequently interconnects with China in contrast to that of his competitors.

Compared to fellow candidates, such as Anies Baswedan, Ganjar appears to be more actively engaged with China. In 2019, for example, Xiao Qian, the then ambassador of China to Indonesia, accompanied by Gu Jingqi, the Chinese Consulate General for Surabaya, made a working visit to several areas in Central Java and the Special Region of Yogyakarta. This visit covered cities in Solo, Semarang, Pemalang and Pekalongan Regencies. On that occasion, Xiao and his entourage met with Ganjar and Sri Sultan Hamengkubuwono X, Governor of Yogyakarta. They visited several places such as the China (Guangxi)-Indonesia Superior Varieties Experimental Garden, Central Java Grand Mosque, as well as Chunshen Comprehensive Fishery Base, and met with Chinese student organisations in Yogyakarta.

The visit was crucial because it was carried out after Ganjar was re-elected for the second time as governor. During the visit, a positive impression was conveyed by Xiao who also expressed his appreciation for the support of Ganjar as governor regarding various Chinese-Indonesian organisations. According to Xiao, the China-Indonesia partnership has entered a new era, as can be seen from the rapid and comprehensive growth in cooperation.

Xiao even emphasised that for China, Central Java is an important economic area because it has a massive population and market share. Located in the centre of Java, the geographical conditions of Central Java provide great potential for the development of land and sea transportation in the region, which is also in line with the infrastructure development agenda echoed by China's Belt and Road Initiative.

During the visit, China also expressed its interest in strengthening cooperation at the regional level with Central Java, particularly cooperation in the fields of tourism, infrastructure and agriculture. In addition to achieving joint development, China and Central Java under the leadership of Ganjar are committed to increasing cooperation in the humanitarian field. Ganjar enthusiastically welcomed China’s support and interest. He emphasised that for Indonesia, specifically Central Java, China is a strategic partner. The two agreed to strengthen exchanges and cooperation between provinces and cities to support cross-sector strengthening in areas such as industry, tourism, fisheries and agriculture.
This commitment was witnessed by dozens of Chinese investors in the wood and furniture sectors, who invested USD 2 billion in the Central Java economy throughout the year. As many as fifty nine Chinese companies were reported to be relocating to this province, as stated by Bahlil Lahadalia, Head of the Investment Coordinating Board (BKPM) at the 15th Central Java Investment Business Forum (CJIBF) 2019.

Previously, in 2015, Ganjar also visited China with the aim of encouraging Chinese businessmen to invest in Indonesia, principally in waste and industrial waste management. Not only that, in 2018, the China Hebei Bishi Steel Group, a Chinese steel company, invested USD 2.54 billion in Central Java. This investment has also helped to drive local development with the Central Javan company, PT Seafer Kawasan Industri, to benefit from the investment.

Most recently, in May 2023, Ganjar held a further meeting with a Chinese delegation and representative from Fujian Province, Zhou Zuyi. Their meeting not only commemorated twenty years of cooperation at the provincial level between China and Central Java, but also the signing of further investment agreements, one of which was the construction of an energy factory at the Batang Industrial Estate. This project is expected to create numerous jobs for around ten thousand local workers, including experts in the required fields.

At the same time, China and Central Java also declared that they would collaborate in the education sector, especially in the vocational education sector to produce effective and competent human resources.

While other candidates such as Anies tend to make fewer statements concerning China, Ganjar is frequently heard praising the country, the last time being at the Java-Bali Cultural Meeting in Sanur in June of 2023. Ganjar quoted French President Emmanuel Macron by stating that there are three countries that are culturally superior and able to build systems independently from Western countries, namely India, China and Russia.

Furthermore, Ganjar stated that the current global challenges are increasingly multipolar, and that the United States and the West are no longer the centre of economic power. The future of economic growth, said Ganjar, can actually be witnessed in Asian countries such as China and India. Therefore, he stressed, Indonesia needs to adopt or follow in the steps of these countries to pursue Indonesia’s economic development.

In regard to the social and humanitarian context, Ganjar also appears to want to end the discrimination and negative sentiments that the Chinese-Indonesians are persisting with. This can be observed from his attitude in accepting with open arms, an invitation to lunch with Boen Hian Tong (the Chinese-Indonesian social community) in 2020. On that occasion, he praised the fact that the Chinese also share the same community principles as the Javanese.

A year later, Ganjar also became the keynote speaker in a webinar entitled “The Ups and Downs of Being Chinese in Indonesia” organised by the Gadjah Mada University alumni association in commemoration of the Chinese New Year. He stressed the importance of maintaining national harmony, in which the Chinese are an inseparable component. He was exceptionally pleased to see that Indonesia had declared Chinese New Year a national holiday so that both the Chinese and other people could enjoy it together.

There are two factors behind Ganjar’s proximity to China. First, this is a reflection of the history of the closeness and cooperation that exists between the PDIP and the Chinese Communist Party (CCP). The contact between these two political parties has increased rapidly since 2011 when the CCP sent a delegation to visit the PDIP office in South Jakarta. Two years later, in 2013, PDIP sent fifteen cadres to China to repay the CCP’s visit.

Meanwhile, PDIP Chairperson Megawati Soekarnoputri also visited China in 2015 to inaugurate the Indonesia-China Cooperation Centre Building, accompanied directly by officials and senior CCP officials. It is undeniable that the closeness of the PDIP and the CCP has contributed to the strong bond between Ganjar and China.

The second reason is essentially still related to his party’s interests. It is well-known that Jokowi and Ganjar are the PDIP’s main figures. Jokowi himself has a close relationship with China, as witnessed by the focus of Indonesia’s foreign policy during his leadership which was more inclined towards China, especially in the fields of development and infrastructure. If Ganjar wins next year’s elections, it is possible that his foreign policy will not be much different from Jokowi’s. Without a doubt, Ganjar has publicly stated that he will continue many of Jokowi’s programmes. In this scenario, of course Jokowi’s agenda significantly connects with China. Accordingly, there is a strong possibility that the solid relationship between Indonesia and China will be further enhanced in the Ganjar era.

**Figure 2. Relationship between Ganjar and China**

- **2015**
  Made a visit to China to encourage Chinese entrepreneurs to invest in Indonesia, especially in the management of industrial waste and waste.

- **2018**
  China Hebei Bishi Steel Group invests USD 2.54 billion in Central Java.

- **2019**
  Met with Xiao Qian, the then ambassador of China to Indonesia at the time, accompanied by Gu Jingqi, the Chinese Consulate General for Surabaya, on a working visit to several areas in Central Java.

- **2023**
  Zhou Zuyi met with the Chinese delegation and representatives from Fujian Province to commemorate twenty years of cooperation at the provincial level between the two.
  
  Signed an investment agreement for the construction of an energy factory in the Batang Industrial Area.

Source: Compiled by CELIOS from various sources.
Prabowo has had a long and colourful political career since his discharge from the military, and until recently served as Indonesia’s current Defence Minister. Amidst the uncertainties of his political journey, he has contested several times as both a presidential and vice presidential candidate in the last three elections. He is also likely to become the presidential candidate of the Gerindra Party in the forthcoming 2024 presidential elections. Several defeats do not appear to have dampened his intention to compete repeatedly. It could be that this attribute is a manifestation of his strong character as a former soldier who refuses to admit defeat.

Prabowo first tasted the country’s political contestation in 2009 as vice presidential candidate to Megawati Soekarnoputri. In the next election, he risked his fortune by running for president in 2014 with Hatta Rajasa from PAN and five years later with Sandiaga Uno. Incumbent president Joko “Jokowi” Widodo defeated him in the last two elections, though later made the decision to appoint Prabowo and Sandiaga as ministers in his current cabinet. Essentially, the 2024 election will be Prabowo’s fourth involvement.

As a minister under Jokowi’s cabinet, Prabowo is part of a system in which the current government’s foreign policy is closely aligned with China’s interests. Therefore, naturally, Prabowo has been frequently engaging with China in his capacity as Defence Minister. In November 2019, for example, Prabowo met with General Wei Fenghe at the 6th ASEAN Plus Ministerial Meeting in Bangkok. A month later, the two held a face-to-face meeting in Beijing, where they discussed the possibility of fostering cooperation in the defence industry.

The meeting amplified a more crucial meeting when Prabowo received a visit from the Chinese Minister of Defence in Jakarta in September 2022. The escalation of tensions in the South China Sea became the subject of discussion in the dialogue between the two. Prabowo stressed Indonesia’s firm stance to always uphold a free and active foreign policy and will continue to promote peace in the region. The intensity of the meetings with Chinese officials has become more constant for the reason that in November 2022, Prabowo again flew to Xi’an to meet with General Wei Fenghe. Over the course of the meeting they discussed continuing cooperation in various sectors which had been delayed due to the COVID-19 pandemic, such as the agenda for joint military exercises and collaboration regarding military education.

With regards to 2023 Shangri-La Dialogue in Singapore, Prabowo also took the time to meet with the new Chinese Defence Minister, Li Shangfu. According to Prabowo, Indonesia-China relationships must be maintained like siblings; he likens China to a brother, specifically to encourage the creation of regional and global stability and peace. He also expressed his full support to enhance Indonesia-China relations in order to achieve a comprehensive strategic partnership.

Prabowo continues to work to increase bilateral collaboration by way of the establishment of the Indonesia-China 2+2 Forum. The forum, according to Prabowo, is expected to significantly increase integrated cooperation between the two countries, especially in the field of defence and security in the future.
These sort of bilateral forums are not a foreign concept in bilateral relationships. Over the years, Indonesia-China relationships have been strengthened through an annual bilateral meeting known as the Defence Industry Cooperation Meeting (DICM). The platform is also a base for Prabowo to meet and discuss with his colleagues who have military and defence backgrounds from China.

The defence industry has also witnessed its relationship with China expanding during Prabowo’s tenure as minister, one of which has been his attempts to foster cooperation with Chinese companies. Recently, for example, the Ministry of Defence discussed the possibility of a defence partnership between state-owned enterprises, namely PT. LEN, PT. Indonesian Aerospace and PT. Dahana with a corporation from China.

Nevertheless, it is evident that Prabowo's interest in China, which was demonstrated during his campaign to run for president in 2019, extends beyond the realm of defence. Prabowo once made a statement that Indonesia must emulate China’s attempts to alleviate poverty, which he considers a success story, in a relatively short time. Interestingly, he conveyed this in one of the 2019 presidential candidate debates.

For the public, it is no longer a secret that Prabowo has admiration for China. During the celebration of the 69th Indonesian Independence Day in Jakarta in 2018, Prabowo said that China is an important country for Indonesia so that good relations need to be fostered between the two. In the same year, the then Chinese Ambassador Xiao Qian also held a meeting with Prabowo in Hambalang, Bogor, as a form of gratitude to Prabowo and Gerindra who always warmly welcomed Chinese diplomats.

The meeting further emphasised the close relationship between Prabowo and China. Prabowo responded by stating that anyone who sacrifices his time and energy to travel and meet the Indonesian people is truly showing sincere intentions and therefore, must be considered a good friend of the archipelago. He also stated that China is a superpower with great influence worldwide.

The overview of Prabowo’s statements mentioned above is only a small part of how highly Prabowo views China. Nonetheless, this could also be simply interpreted as an attempt to attract the sympathy of the government of China and take advantage of foreign investment opportunities in the country.

Witnessing the fact that Prabowo’s positive outlook towards China was conveyed even before he ran for the 2019 Presidential General Election, indicates that his approach to China as President if elected in the 2024 elections, will most likely be in line with Jokowi’s policies in the current era, which have attracted a great deal of investment and projects from China over the last few years.

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The frequency of Prabowo’s interactions with China so far is noteworthy as an indicator of the potential direction of Indonesia’s foreign policy in the future, if he is elected president. However, it should be stressed that the relationship that exists is inseparable from the fact that many of these engagements were carried out as part of his official position as minister in Jokowi’s cabinet. As such, part of Prabowo’s display of closeness to China must be viewed through the lens of Jokowi’s broader foreign policy direction.

Nevertheless, it is extremely likely that Prabowo will maintain a good relationship with China if he wants to win top position in the 2024 presidential election. Thus far, Prabowo likes to display his views and expertise in foreign policy and global affairs. Thus, the attitude that Prabowo demonstrates after being declared the 2024 presidential candidate and his answers later in the next presidential debate could be a measure that will predict how Indonesia under his leadership will engage with China.

In addition to well-established personal relationships, on a party-to-party scale, Gerindra, like many other political parties, also cooperates with the CCP. Although when compared, Gerindra’s involvement is not as intimate as the relationship that exists between the CCP and PDIP, which is Jokowi’s political party, only time will tell whether Gerindra will play a greater role in engaging China under Prabowo’s government should he become president.

It is also crucial to note that despite his experience as Minister of Defence in interacting with China, Prabowo lacks experience in discussing issues related to the economy. Therefore, it is crucial for the Prabowo government, if it wins, to choose an appropriate cabinet to represent Prabowo’s views and vision into a healthy economic relationship with China.

It is particularly interesting to predict the direction of Indonesia’s foreign policy in the hands of the three presidential candidates, be it Prabowo, Ganjar Pranowo or Anies Baswedan. Given that China’s foothold is so deeply established in Indonesia, it appears that the three candidates above will continue to maintain good relations with China. However, there may be a different style of political strategy in directing the Indonesia-China bilateral relationship compared to the diplomatic approach in the Jokowi era.

Figure 3. Relationship between Prabowo and China

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>Met with Chinese Ambassador Xiao Qian in Hambalang, Bogor.</td>
</tr>
<tr>
<td>2019</td>
<td>Met with General Wei Fenghe at the 6th ASEAN Plus Ministerial Meeting in Bangkok. Once again met with Wei in Beijing to discuss the possibility of cooperation in the defence industry.</td>
</tr>
<tr>
<td>2022</td>
<td>Received the visit of the Minister of Defence of China in Jakarta to discuss the escalation of tensions in the South China Sea. Visited Xi’an to meet with General Wei Fenghe to discuss continuing cooperation on joint military exercises and collaboration on military education.</td>
</tr>
<tr>
<td>2023</td>
<td>Met with Chinese Defence Minister Li Shangfu on the sidelines of the Shangri-La dialogue in Singapore.</td>
</tr>
</tbody>
</table>

Source: Compiled by CELIOS from various sources.
Ten Recommendations for the President Elect

1. Acknowledging Indonesia’s bargaining power over China

The elected president must have the maturity and skills to understand Indonesia’s bargaining power in its relationship with China primarily in constructing policies for the implementation of the Belt and Road megaproject.

It should be stated that Indonesia has the status as a country that has the largest market share in the ASEAN. The appointment of Indonesia as a member of the G20 also indicates the international community’s confidence in the country’s economic strength. Moreover, when referring to the plan related to the Belt and Road Initiative, Indonesia holds a crucial position in the maritime component of the BRI due to its strategic location which confirms Indonesia’s significance to China.

Conversely, expertise in understanding China’s interests and needs is a vital attribute that must be possessed by all Indonesian Presidential candidates. One parameter that can be used is to analyse China’s domestic conditions. The Belt and Road Initiative was actually initiated as a way out for China from its unhealthy economic conditions after the global financial crisis of 2008.

China has plenty of domestic problems, such as an overaccumulation or excess of raw construction materials and an excess supply of foreign exchange which needs to be diverted to partner countries. This strategy aims to balance domestic economic stability while legitimising the power of the Chinese Communist Party (CCP) to its own citizens.

Hence, in this context, not only do the countries that are traversed by the Belt and Road Initiative require injections of investment from China, but the Chinese government also genuinely needs their involvement.

Whoever the elected president will be, it is essential that he understands this mindset. Indonesia should not just be positioned as a market and an investment destination where Chinese products and money can easily be introduced. Flexibility and expertise are essential in negotiating the provisions contained in the MoU with China with the aim of obtaining mutual benefits from the cooperation between the two countries.

In this case, the government must also be selective in determining which Belt and Road projects will provide the best possible benefits and also, which projects are at risk of producing losses. The feasibility of a project must be studied in detail because basically, from the viewpoint of Chinese business, obviously, it will seek the greatest profit. The government should ensure that it is not too late in mitigating the negative impact of Chinese investment in Indonesia.

2. Renegotiate projects that have the potential to be trapped in debt

A myriad of Indonesia-China cooperation agreements have been signed in the Jokowi era. The legacy of this partnership needs to be reviewed immediately, especially in relation to large projects, such as the Jakarta Bandung High Speed Rail (KCJB) which is exceedingly problematic in terms of agreements, the development process, land acquisition and environmental issues, in addition to the safety of the workers.

Nevertheless, the matter that is most worrying are the miscalculations that cause cost overruns or increases in construction costs which has the potential to become a debt trap. It is essential to explore the experiences of other countries in negotiating with China, as well as the success of Malaysia and Zimbabwe in renegotiating with China to reduce their debts. The president-elect needs to prepare a negotiating strategy on a regular basis so as not to cause further damage to the country.
3. **Solving the social and environmental impact of Chinese investment**

The operations of Chinese companies in Indonesia, notably in the mineral extractive industry, have resulted in various social and environmental damage. Therefore, the elected president must be able to encourage all of the relevant entities to improve corporate governance and solve the various social and environmental problems.

It is vital for the government to involve all stakeholders, from central and local government, CSOs, companies, to civil society. The president-elect will need to seek strong agreements to ensure Chinese companies adhere to good governance and environmental standards. The government also needs to be committed to thoroughly investigating related cases, including when there is abuse of power by unscrupulous officials, both at the central and regional levels.

4. **Encourage negotiations on Chinese foreign workers and promote the protection of local workers**

The polemic regarding Chinese workers continues to attract public attention. Based on the MoU agreed under the Belt and Road Initiative, Chinese foreign workers who come to Indonesia must be at least managers and directors for two reasons. First, to reduce the number of Chinese workers and prioritise job creation for local residents. Second, to ensure there is a knowledge transfer process so that Indonesian workers can adopt and improve their technical skills.

It is a shame that the reality on the ground does not match what is expected. This is because many Chinese workers actually take the roles of low-skilled Indonesian workers. The president-elect must immediately renegotiate the agreement and simultaneously maximise monitoring so that the existing regulations are actually realised on the ground. In the context of renegotiations regarding Chinese foreign workers, Saudi Arabia, for example, succeeded in demanding that China change the MoU and provide a larger quota of local workers than foreign workers with a ratio of 80:20. Furthermore, the government of Saudi Arabia also requires Chinese companies to cooperate with local companies to ensure knowledge transfer and mutual collaboration.

Besides, the president-elect will also need to pay special attention to guaranteeing the welfare of local and foreign workers employed in the Belt and Road Initiative, one of which is related to a nickel smelter company in the Morowali area. According to a report from CELIOS which was supported by the report issued by the Multatuli Project, the conditions that both the local and Chinese workers in the Morowali area are being subjected to is very troubling. Many have experienced intimidation, salary deductions and fines, and they are also banned from criticising and spreading news that could damage the company’s image, with threats of imprisonment. This inhumane situation is exceedingly concerning. Consequently, many workers are experiencing depression and a number have committed suicide.

5. **Do not let dependence on China blind Indonesia to human rights issues involving China**

The close economic relationship between Indonesia and China should not pressure Indonesia into remaining silent and act indifferently in response to issues of repression or human rights violations involving China.

It is important to state here that the Indonesian people felt a great wave of disappointment when the government consciously chose to reject the motion to discuss the Xinjiang issue at the UN Human Rights Council in 2022. This incident is considered a genuine setback regarding Indonesia's concern for the issue of human rights justice.
The elected president is expected to be an exemplary figure who is able to act decisively on upholding humanitarian issues. Instead of worrying about the politicisation of the Human Rights Council for purposes related to geopolitical rivalries, Indonesia seems to be taking a cautious stance as a consequence of its economic dependence on China.

Likewise, the Indonesian government’s response appeared to be passive in regard to investigating the issue of oppression of Indonesian ship crews (ABK) who worked on Chinese‐flagged ships. They were intimidated and exploited, whilst a number of Indonesian crew members were reported missing or dead in other countries. It is the duty of the State to provide protection and bring its citizens home safely. Unfortunately, this issue has been overlooked in the diplomatic interactions between Indonesia and China so that many similar cases are unresolved.

6. **Solve the South China Sea issue decisively and consistently**

The president-elect must be firm and consistent in dealing with China’s aggressiveness in the South China Sea. In recent years, the China Coast Guard and Chinese ships have been very active in patrolling around Indonesia’s Exclusive Economic Zone (EEZ) illegally, to the point of entering the North Natuna waters. Nevertheless, the Indonesian navy did not prevent these vessels from entering and only monitored from a distance of less than a mile.

The status of cross-sectoral relationships, such as the economy, trade, industry, health and education, which continues to strengthen with China, should not be used as an excuse for Indonesia to pawn its authority and be unable to act decisively against threats to state sovereignty.

7. **Strengthening coordination between central and local government**

It is essential for the president-elect to continuously strengthen the coordination between both central and regional government, with the intention of minimising the loopholes and attempts at fraud by untrustworthy, corrupt individuals.

Notably concerning regions that have mineral natural resources (critical minerals), this wealth actually has the potential to become a conflict of interest for policymakers to commit corruption. In contrast, it is undeniable that there are attempts by China to approach local, regional and provincial governments directly without approaching the appropriate department in Jakarta.

Risk mitigation must be able to predict the occurrence of these incidents, one of which is by means of strengthening coordination and monitoring channels between the centre and the regions. However, it is not sufficient to stop there. It is essential that the Indonesian government realises that there is an urgent need to equip regional government officials with training and expertise in engaging, negotiating and working with China.

8. **There needs to be consistent commitment to implementing downstream policies**

The implementation of the downstream policy has drawn criticism because the government is believed to be doing it half‐heartedly. Various polemics occurred as a result of the Indonesian government’s lack of consistency in mitigating acts of corruption caused by this regulation, particularly in dealing with illegal nickel exports.

Recently it was discovered that as much as five million tons of nickel were illegally exported to China between 2021–2022. Specifically, this policy is problematic without strict supervision. The government must be more vigilant in strengthening supervision and eradicating the criminal gangs behind corruption and illegal mineral and coal exports.
Strengthen and support research centres focused on studying China

Whoever is elected in the 2024 election, it will not negate the fact that China will still have space and a considerable role in the Indonesian economic sector. Therefore, it is vital for the president-elect not only to fully understand how China’s strategy works, but also to have an inclusive and extensive understanding of the investment schemes that China offers so that the partnerships that are formed produce mutual benefits.

To ensure that policymakers have this knowledge and competence, the Indonesian government should facilitate the growth of research to examine the Chinese context through studies that are verifiable, accountable and credible. This can be accommodated by allocating research funds and establishing study centres that focus on exploring economic, political and cultural strategies in partnering with China.

It is necessary to minimise the personal interests of politicians in relations with China

The president-elect should ensure that China’s presence in Indonesia is not used by a handful of groups to accommodate the interests of the oligarchs.

Certain politicians have been widely criticised for being puppets of China who have sold out their country for personal economic gain. It is worth noting that there is nothing wrong with the government’s efforts to establish partnerships with any country, including strengthening bilateral relationships between Indonesia and China. Nevertheless, this should not tarnish the constitutional mandate by prioritising personal interests over state sovereignty and people’s welfare.
References


POLICY BRIEF
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