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Revisiting Sino–Indonesian Encounters: A Neo-Tributary Perspective on Power, Economy, and Islamic Maritime History

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Abstract

Patterns of Indonesia–China relations over the past two decades reveal an increasingly asymmetrical economic partnership shaped by large-scale investment in infrastructure and extractive industries. Strategic projects, such as the high-speed railway and nickel processing, illustrate how financial and technological dependence has deepened Indonesia’s structural vulnerability within the bilateral relationship. Interpreting these developments through the historical logic of the tributary system sheds light on emerging power hierarchies that resemble a modern neo-tributary order. Evidence from academic studies and media sources underscores the need for a more autonomous and strategically calibrated foreign policy to safeguard national sovereignty amid intensifying regional competition.

Keywords:

Indonesia–China relations, Foreign Investment, Economic Diplomacy, Tributary System, Sovereignty

Abstrak

Pola hubungan Indonesia–Tiongkok dalam dua dekade terakhir menunjukkan kemitraan ekonomi yang semakin asimetris, terutama melalui investasi besar pada infrastruktur dan industri ekstraktif. Proyek strategis seperti kereta cepat dan pengolahan nikel memperlihatkan pendalaman ketergantungan finansial dan teknologi



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yang meningkatkan kerentanan struktural Indonesia. Dengan membaca dinamika ini melalui logika historis sistem upeti, terlihat hierarki kekuasaan yang menyerupai tatanan neo-tributary modern. Bukti dari studi akademik dan media menegaskan perlunya politik luar negeri yang lebih mandiri dan terkalibrasi untuk menjaga kedaulatan nasional di tengah persaingan kawasan yang meningkat.

Kata Kunci:

Diplomasi Ekonomi, Hubungan Indonesia–Tiongkok, Investasi Asing, Kedaulatan, Sistem Tribut

Introduction

In 2025, Indonesia and the People's Republic of China (PRC) celebrated 75 years of diplomatic relations. The relationship between the two major Asian countries has a long history, starting from the time of the kingdoms of the archipelago—including Sriwijaya and Majapahit—interrupted by Western colonialism, exploring cooperation after independence, freezing relations due to the Cold War, and strategic partnerships in various sectors. This celebration also sparked a deeper discussion on their relationship amidst the recent geopolitical turmoil. Furthermore, it is also necessary to look at the basis of the bilateral relationship between the two that holds hidden power relations.

Indonesia's propensity to absorb Chinese investment has increased dramatically since President Joko Widodo's administration a decade ago. This coincides with the US policy under Donald Trump, which did not prioritise aid to Asian countries in 2016. In 2015, Chinese investment increased by 26 per cent to US\$628 million. The increase in the first quarter of 2016 was approximately US\$1 billion. Throughout 2016, Indonesia absorbed investment from China totalling US\$2.7 billion with 1,734 projects (Andika & Aisyah, 2017).

Economic diplomacy is one of the ties that bind the two in modern times. China is one of Indonesia's largest trading partners. Based on 2023 data, trade between the two totalled US\$130 billion, or around Rp 2,041 trillion (CNBC, 2023). China is a major export market for several Indonesian commodities, such as coal, palm oil, and nickel. The latter commodity even sparked investment from China to build many nickel smelters in Indonesia. Currently, Indonesia has 20 smelters, half of which are the result of Chinese investment.

The 2022 data from the Ministry of Investment and the Investment Coordinating Board (BKPM) also shows the heavy flow of Chinese investment, ranking second among foreign investment countries in Indonesia. China recorded a total investment value of 8,2660 million spread across

various sectors. The three main sectors of investment from China are the metal industry (US\$2,632.6 million), transportation (US\$2,191.8 million) and the chemical industry (US\$1,428 million). These investments were spread across Indonesia, with 32.68 per cent (US\$2,688.2 million) in Java and 67.32 per cent (US\$5,537.8 million) outside Java (BKPM, 2023).

Prabowo Subianto, who was inaugurated to replace Joko Widodo, also continued the trend of cordial relations with China. This is evidenced by China being the destination of his first overseas visit on November 09, 2024. During this visit, Prabowo stated that the Indonesian Chamber of Commerce (Kadin) would sign contracts with Chinese businessmen. The estimated investment value is US\$10 billion or Rp 156 trillion. Beyond China's huge investment plans, this visit raised questions about Indonesian sovereignty, especially after point nine of the joint statement, which states that the two countries have an agreement on joint development in areas with overlapping claims and plans to establish an intergovernmental steering committee to implement it. Point nine was polemical because it opened up opportunities for China to strengthen its claim to the "nine-dash line" in the South China Sea (SCS) (Wienanto, 2024). The controversy over claims to the SCS has sparked discussions on regional sovereignty and stability in ASEAN. Moreover, this joint statement comes amid strengthening Chinese investment in Indonesia.

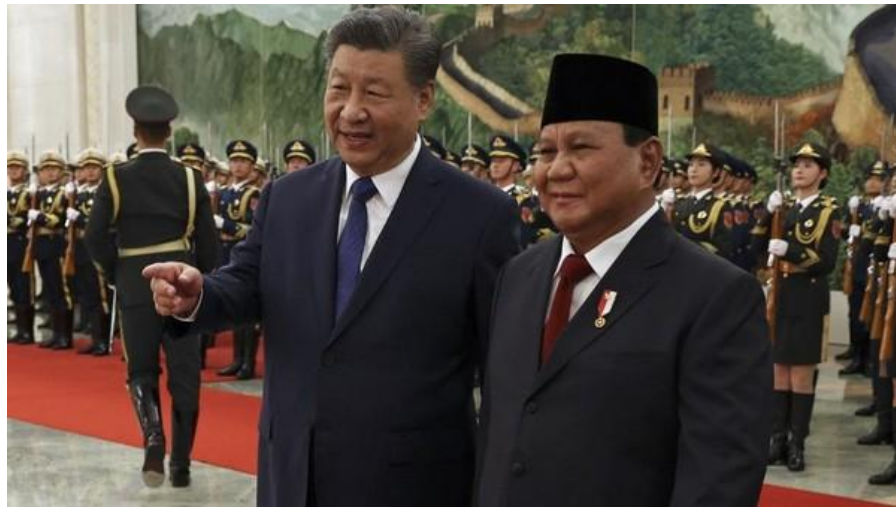


Figure 1. Meeting between Prabowo Subianto and Xi Jinping on Saturday, November 9, 2024, in Beijing. The meeting resulted in several investment commitments and joint statements in various fields and sparked controversy over claims in the South China Sea. (Source: AFP/Florence LO)

Many of Indonesia's diplomatic steps with China have been reviewed, emphasising the principle of equal partnership. Through the signing of the LCS cooperation, this claim becomes necessary to be criticised. Moreover, in the last decade, Indonesia has depended on China's investment. Afterwards, Prabowo also included Indonesia as a member of BRIC, a counter-organisation formed by China and several other countries to deal with trade wars and WTO policies.

Indonesia's softening in several foreign policies that intersect with Chinese interests implies a relationship of dependence deep enough to give birth to inequality. This phenomenon is similar to what happened centuries ago when the kingdoms of the archipelago dealt with China through tribute. The traditional tribute system defined the relationship between the Chinese Empire and East and Southeast Asian countries—including Srwijaya and Majapahit. Although these kingdoms were not vassal states of the Chinese empire, their recognition and assistance were important. Through historical analysis, it is hoped that the modern patterns of power that manifest in many Chinese aid programs can be understood and compartmentalised for the benefit of the future.

Methods

This study uses a qualitative descriptive method to provide a systematic, factual description of the dynamics of the relationship between China and Indonesia. This approach was chosen because it allows researchers to explore the meaning, context, and in-depth understanding of issues related to bilateral relations, in line with the view that qualitative research is a means of examining the meanings individuals or groups attribute to social or humanitarian issues. In the context of this study, this approach is used to dissect the complexity of economic diplomacy and investment cooperation that cannot be measured solely by statistics (Creswell, 2014).

The data sources in this study comprise secondary literature on China-Indonesia relations, including books, academic journals, and research reports. In addition, data was obtained from online and print media containing the latest news, opinions, and analyses. Special attention was given to data on Chinese investment in Indonesia, which was obtained from publications by the Investment Coordinating Board (BKPM) and international reports related to Chinese investment in Indonesia. In the data selection process, researchers prioritised credible, relevant, and up-to-date sources. Data validity was maintained through source triangulation by comparing information from various media, official documents, and academic literature to ensure the accuracy and consistency of the findings.

The *tributary* concept is one of the models of international relations that dominated East Asia for more than a thousand years. In this system, countries such as Vietnam, Korea, and several Southeast Asian kingdoms—including Srivijaya and Majapahit—symbolically recognised the supremacy of the Chinese empire. This recognition was manifested by sending tributes to the Chinese emperor, which was offset by benefits such as military protection, trade access, and recognition of political legitimacy.

A historical review confirms that the Chinese Tribute System (CTS) was not an imperialist project characterised by widespread economic exploitation, political control, systematic use of violence, or forced cultural conversion to Sinic norms (Hobson & Zang, 2022). Countries within this tribute system, even those as close as Korea, essentially enjoyed *de facto* sovereignty. The main purpose behind the CTS was to enhance the domestic legitimacy of the Chinese emperor. The emperor's claim to be the "Son of Heaven" (*Tianzi*) required him to demonstrate to his people that he was capable of "loving people from afar" to maintain the "Mandate of Heaven." This legitimacy was obtained through a strict symbolic dimension. As a condition for obtaining economic and political benefits, tribute envoys were required to perform the *kowtow* ritual (three kneels and nine bows) before the emperor in the Chinese capital, which was a symbolic demonstration of inferior status, though not political subordination.

This relationship, centred on hierarchy (Sinocentrism), economics, and legitimacy, is a form of "*economic statecraft*" unique to China. In return, member states such as Korea were eager to receive recognition (investiture) from China, as it strengthened their legitimacy in the eyes of their domestic populations (Hobson & Zang, 2022).

In the modern era, this concept has evolved into a "new tributary order" through various aid and development loan schemes provided by China to many countries. One observer identifies this system as the Neo-Tributary System (NTS), also known as "CTS 2.0". The NTS is implemented primarily through the Belt and Road Initiative (BRI), which involves various aid and development loan schemes to many countries. Similar to the past, the BRI is believed to be designed to strengthen the domestic legitimacy of the Chinese Communist Party (CCP) under President Xi Jinping (Hobson & Zang, 2022).

The NTS operates based on interrelated economic and symbolic dimensions. Suppose *kowtowing* was a symbolic requirement in the past. In that case, countries that join the BRI are now required to engage in the symbolic practice of refraining from public criticism of the CCP as a core condition for obtaining economic benefits from membership. By joining these countries, China provides *tacit* legitimacy to itself (Hobson & Zang, 2022). This is particularly evident in sensitive issues, such as China's treatment of

Uighur Muslims in Xinjiang. BRI countries with Muslim-majority populations, such as Pakistan, Turkey, and Saudi Arabia, tend to refrain from criticising China's policies due to their economic dependence on the BRI. In Indonesia, this is evident in several nickel downstreaming projects that have resulted in environmental impacts and workplace accidents.

NTS shows strong continuity with traditional Chinese political philosophy, making it a hegemonic system "with Chinese characteristics" (Doğan, 2021). NTS formally upholds Westphalian sovereignty and equality, but this system also creates an unofficial hierarchy that ensures China's interests always come first. These relationships are based on economic power, not solely on universal values. However, China repeatedly emphasises the principle of non-interference in domestic affairs. This reflects the Taoist principle of *wuwei* (laziness/non-interference), stemming from China's past of generally ignoring conflicts between tributary states as long as China's interests were not disturbed. China's politics are highly pragmatic and sometimes appear *deceptive*. Since Deng Xiaoping's strategy of "hide strength, bide time" (*taoguang yanghui*), China has tended to adjust its policies according to conditions to achieve desired results (Doğan, 2021).

Therefore, the concept of NST will be analysed through a historical review of the past and its relevance today. A multidimensional approach to history and international relations will yield strategic recommendations for Indonesia to leverage partnership opportunities with China without compromising national sovereignty.

Result and Discussion

Historical Legacy: The Tributary System and Its Relevance

The Han Dynasty (206 BC-220 AD) has the most ancient records of the Chinese Empire's relations with the archipelago. The Book of *Han Shu Di Li Zhi* (Han Dynasty Literature - Geographical Records) is the earliest treatise describing the relationship between China, the archipelago, and South India. Liang Liji, in his book *From Tribute Relations to Strategic Partners: 2,000 Years of China-Indonesia Relations*, gives some notes on the ancient Chinese text. First, for more than 2000 years during Emperor Wu Di's reign (140-88 BC), the "Silk Road at Sea" had been opened from southern China through the Malay Peninsula to southern India. Second, in addition to enhancing the authority and prestige of China's feudal emperors, the purpose of opening sea travel was to conduct barter trade with Southeast Asia and South Asia. Third, with the opening of sea travel through Southeast Asia, it is not surprising that tributary relations between China and other Southeast Asian countries have begun to (Liji, 2013)

Liang Liji also includes more concrete Chinese sources on the relationship between the kingdoms of the archipelago and the Han Dynasty. In the *Hou Han Shu* literature (Advanced Han Dynasty Literature), several Southeast Asian countries sent envoys and offered tribute to the Chinese Emperor. Here is an excerpt from the text: *In the sixth year of the Yong Jian Year (131 AD), Ye Diao, on the outside of Re Nan, its king Diao Buan, sent envoys to offer tribute. The emperor presented King Diao Bian with a felt seal and a dewangga silk cloth.* According to many scholars, Ye Diao is corrupted by the Sanskrit word Javadvida. This term is often used by Hindus to refer to Java or Sumatra.

In addition to evidence from ancient Chinese manuscripts, the archipelago's relationship with the Han Dynasty can be traced from traces of artefacts that have been found in the South and Central Sumatra regions. In the Pasemah region of South Sumatra, a stone carving similar to the carved tombstone was found in the tomb of a great commander of the Han Dynasty, Huo Qi Bing (140-117 BC). Meanwhile, in Central Sumatra, ceramics were found with a record of the year of manufacture, namely "the fourth year of the Chu Yuan Year" (Liji, 2013). In Java, the remaining artefacts of the archipelago's relationship with China can be found in the Banten region, where the remains of Han Dynasty ceramic prayer tools have been discovered. Remnants of ceramics from the Han Dynasty were also found in many other areas, such as Indragiri, Kelantan, and Sambas.

After the collapse of the Han Dynasty, the Chinese Empire's relationship with the archipelago is documented in the records of the Buddhist pilgrim Faxian. He visited Java in 413 after returning from an overland trip to India and a ship ride to Sri Lanka. Faxian chose to return by ship via the Southeast Asian route, stopping in Java. According to him, he had found no Chinese people who had settled in Java (Groeneveldt, 2018). Apart from Faxian, Yijing, or I Tsing stopped at Langkasuka, Semananjung, Malaya in 692. The stopover of these pilgrims turned the coastal areas of Sumatra into centres of Sanskrit learning. They used to stop over for a year to deepen their language skills. This interaction also led to increased trade between China and Southeast Asia through the sale of Buddhist souvenirs.

As early as the 3rd century AD, delegations from Southeast Asia brought tribute to the Chinese court. The Chinese emperor usually reciprocated with more valuable gifts for these envoys. For Southeast Asian kings, recognising China's superior status through tribute was mutually beneficial, as it was reciprocated with a positive response: the Chinese empire's recognition of their own power and authority. This could mean that, even though the kings in Sumatra or Java were not Chinese vassal states, they still sent tribute to gain legitimacy from the more advanced Chinese culture.

A clearer record of a tribute dispatch from one of the kings of Java can be traced from the Song Dynasty (960-1279) chronicle book 489. In the 12th month of 992, their king, Maraja, sent an ambassador consisting of a first messenger, a second messenger, and an assistant. They went to the palace and brought tribute. The first envoy said: "Now that China has a legitimate ruler again, our country has come to perform the duty of bringing tribute" (Groeneveldt, 2018). This envoy said his kingdom was engaged in hostilities with the east coast of Sumatra, more precisely, Palembang. It was also mentioned that they had a neighbouring Brahman island called Bali. Then, in the 6th month of 1109, they sent several envoys to bring tribute. In 1129, the Emperor bestowed gifts on the southern states. The ruler of Java was titled king of the country and granted 2,400 houses (in reality, only 1,000) to provide for his (presumably the emissaries the king had sent) livelihood. In 1132, this gift was supplemented by 500 houses, of which only 200 were in reality (Groeneveldt, 2018).

The collapse of the Song Dynasty by the Yuan Emperor reversed this tribute relationship. Evidently, in 1292, the Yuan Emperor, Kublai Khan, sent 20,000 soldiers to conquer Java due to dissatisfaction with trade results. This army fell, so the Java region was not conquered and became subordinate to the Yuan Emperor. The Ming Dynasty succeeded the Yuan Dynasty and established a more formalised tribute system, allowing maritime Southeast Asian states to continue sending tribute only once a year. For example, the Sumatra-based Kingdom of Sriwijaya sent six missions in seven years, while Java and Ayutthaya, in the first and second half of the 1440s, respectively, assigned ethnic Chinese merchants to lead official missions (Ricklefs, 2013).

During the Ming Dynasty, a major voyage of Chinese envoys to Southeast Asia was also led by Admiral Zeng He (Cheng Ho). He sailed the Indian Ocean using a large fleet of 30,000 soldiers and 300 ships. These large expeditions were likely designed to impress foreign rulers into submission to China. After this expedition in 1433, the Ming Dynasty began to focus on the mainland to avoid Mongol attacks and to pursue China's policy of isolation (Ricklefs, 2013). Afterwards, the Nusantara region was cut off from tribute with the arrival of Western colonialism.



Figure 2. *Cheng Ho statue in Simongan, Semarang, Central Java. His name is well known as the name of an Islamic general of Chinese origin in Indonesian society. (Source: Historia.id)*

This historical footprint shows that many kingdoms in the archipelago sent tribute not out of submission to Chinese rule but rather to gain legitimacy from a more advanced culture. Another motive was to increase trade more widely. However, W.P. Groeneveldt's analysis shows that in the past, China held a very high place in the eyes of Asian states. Its high culture, the opulence of its palaces, and the size and richness of its territory impressed other countries. Compared to China, the rest of the world was nothing. Therefore, these rulers felt honoured if they could establish relations with China (Groeneveldt, 2018).

BRI as China's New Tribute System

The *tribute* system has changed in the modern era. China, which has now emerged as a global power, uses economic diplomacy as its main tool to expand its influence. One of the main initiatives in this regard is the Belt and Road Initiative (BRI), which was launched in 2013. Through the BRI, China is investing heavily in infrastructure across various countries, including Indonesia, to build an economic network that integrates Asia, Africa, and Europe.

Although China rejects claims that the BRI is an imperialist strategy, it insists that relations through this initiative are harmonious and peaceful. Nevertheless, the BRI continues to operate on the basis of symbolic demands in exchange for economic benefits (Hobson & Zang, 2022). If in the past tribute envoys had to perform *kowtow* rituals before the emperor, in the NTS, BRI member countries, in exchange for economic benefits, provide *tacit*

legitimacy to China by engaging in the symbolic practice of refraining from public criticism of the CCP (Hobson & Zang, 2022).

Interestingly, the BRI initiative was officially launched in October 2013 by Xi Jinping shortly after his visit to Indonesia in September 2013, during where he gave a long speech before the House of Representatives (DPR). The Indonesian government would use Xi's visit to strengthen bilateral cooperation, which had grown rapidly since the signing of the Strategic Partnership in 2005 (Kontan, 2013). Joko Widodo, the successor to Susilo Bambang Yudhoyono (SBY), followed in his predecessor's footsteps by making his first overseas visit to China to attend the APEC conference in Beijing. The use of Indonesia as the launch location for the BRI underscores the importance of Southeast Asia in China's vision. Southeast Asia has historically been part of the Sinic Zone in the CTS, which consists of countries that are geographically close and culturally similar and have a hierarchical relationship with China. The BRI maritime route connects China with Europe via the South China Sea and the Indian Ocean (Doğan, 2021).

Since Jokowi's first visit to China in 2014, the value of investment from that country has continued to increase in Indonesia. Luhut Binsar Panjaitan, in 2023, while serving as Coordinating Minister for Maritime Affairs and Investment, revealed that China had 15,906 projects in Indonesia with an accumulation of US\$30.8 billion or equivalent to Rp459.17 trillion (assuming an exchange rate of Rp14,908 per US dollar) from 2014 to 2022 (CNN Indonesia, 2023).

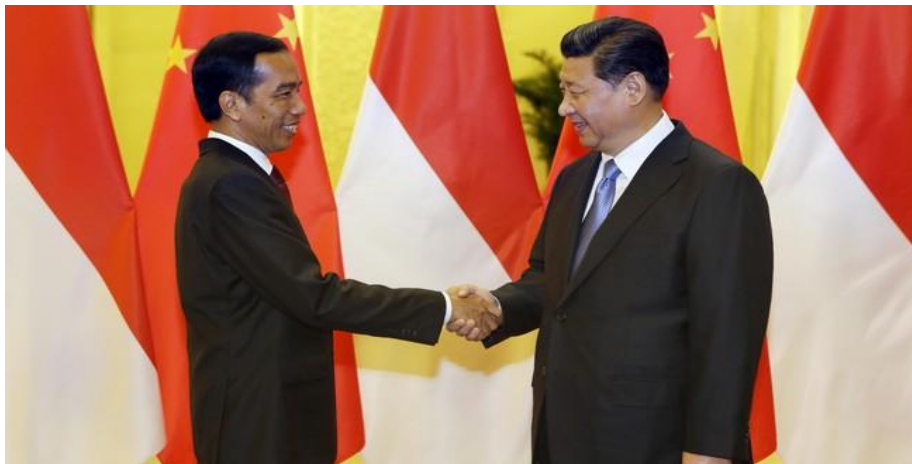


Figure 3. Shows Joko Widodo's first visit to China on November 9, 2014, which led to 8 points of cooperation between Indonesia and China. (Source: CNN Indonesia)

The infrastructure sector is the largest field of Chinese investment flow in Indonesia. From 2016-2019, many infrastructure projects with funding from China began to be carried out in Indonesia, such as the Jakarta-Bandung fast train (2016-2019), the construction of the Cisumdawu toll road (Cileunyi-Sumedang-Dawuan) sections I and II (2016-2019), the construction of the Manado-Bitung toll road (2016-2019), the construction of the Solo-Kertosono toll road (2015-2017), the steam power plant (PLTU) of Pisang Island, Central Kalimantan (2016), and the Riau PLTU (2015-2017) (Andika & Aisyah, 2017).

The Indonesia-China high-speed rail (KCI) project is one of Indonesia's most prominent highlights of the BRI initiative. It is a flagship project with a US\$4.5 billion funding injection from the China Development Bank (van der Putten & Petvoka, 2021). The majority of KCIC shares are still owned by four Indonesian state-owned enterprises, namely KAI, WIKA, PTPN VIII and Jasa Marga, with a total share of 60 per cent. In contrast, the remaining 40 per cent is owned by China Railway Construction Corp (CRCC), a Chinese state-owned enterprise.

Delayed by the COVID-19 outbreak, the KCIC project has swelled from an initial value of Rp 86.67 trillion to Rp 114.24 trillion. China also applies an interest rate of 3.4 per cent with a 30-year tenor. Amid Indonesia's economic conditions, which have not fully recovered from the pandemic, and a handful of populist policies of the Prabowo-Gibran government that emphasise budget efficiency, this debt payment could burden Indonesia. At worst, the majority stake will be owned by China, as has happened in several other countries that have fallen into China's debt trap.

Economists in Indonesia have widely warned about this since the early days of the fast train project. Still, the government remains optimistic about receiving the injection of funds, believing it will be able to repay the loan. Rizal Taufikurrahman from Indef 2023 refuted Luhut Panjaitan's claim that the interest and debt from China would be easily paid. He said Luhut's claim "must be considered again". This is because the tax ratio or tax revenue target for 2023 is IDR2,021.2 trillion, down 0.66% from the realised tax revenue in 2022. In addition, the Ministry of Finance is also being hit by problems related to odd transactions amounting to Rp349 trillion, which will certainly 'disrupt' tax revenue (BBC Indonesia, 2023).

No doubt, amid Indonesia's current economic trends, the debt trap from China is inevitable. This could trigger many crises across other sectors if this dependence strengthens alongside the ongoing geopolitical trends. The past tribute system can serve as a reflective foundation in the present to avoid over-dependence on China. Patterns of feudal recognition are, in fact, repeated with Indonesia's new president's agenda to make an inaugural visit to China in

the hope of gaining recognition and an injection of funds for domestic development.

The Asymmetrical Relationship of the Indonesia-China Economic Partnership

The economy is the main pillar of Indonesia-China bilateral relations. According to data from the Indonesian Ministry of Trade, trade between the two countries reached USD 133.56 billion in 2022, making China Indonesia's largest trading partner. In this relationship, China is the main importer of Indonesian products, such as coal, palm oil, and rubber. On the other hand, Indonesia depends on imports of manufactured products from China, ranging from electronics to industrial raw materials.

However, this relationship is not without challenges. One of the main criticisms often directed at BRI-funded projects is the lack of transparency and sustainability. The KCIC project, as mentioned in the previous section, also faces the same problems, including debt traps and Indonesia's excessive dependence on China.

Beyond the KCIC project, another highlight of economic exchange between Indonesia and China is the extractive sector, particularly nickel. China is the main export destination for Indonesian nickel ore. Until 2022, the trade value of this commodity reached US\$1.71 billion with a volume of 233,800 tons. Of this total, 78 per cent of the volume was shipped to China, accounting for 69 per cent of Indonesia's national exports. Nickel ore is distributed in Sulawesi, Papua, Maluku, and Kalimantan. In Sulawesi, 273 IUPs and nickel smelting plants are spread across South Sulawesi, Central Sulawesi, and Southeast Sulawesi. The largest proportion is in Southeast Sulawesi with 154 nickel mining IUP permits, followed by Central Sulawesi with 85 permits, and South Sulawesi with 34 permits. The surge in nickel mining and downstream projects means Indonesia currently has 20 nickel smelting plants, most of which are the result of Chinese investment (Fauziyah & Paksi, 2023).

Tsighan Holding Group is the main face of Chinese investment in Indonesia's mining sector. During Xi Jinping's 2013 visit, the company signed a cooperation agreement with Bintangdelapan Group to develop the Morowali industrial area in Central Sulawesi. After 10 years, the Morowali Industrial Area has grown rapidly and is reported to have attracted investments of up to US\$20.9 billion, covering approximately 4,000 hectares (Singgih, 2024).

The problem is that Chinese investment in the extractive sector has undermined sustainability, leading to workplace accidents in many smelting factories owned by companies from that country. In December 2023, the furnace of the number 41 ferronickel smelting factory owned by PT Indonesia Tsihshan Stainless Steel (ITSS) caught fire and killed several workers.

According to Trend Asia data, this smelting plant accident is not a new case in Indonesia. In their press release, they noted that between 2015 and 2022, there were 18 incidents in the PT Indonesia Morowali Industrial Park (IMIP) area, resulting in 15 deaths and 41 injuries. Overall, across the nickel industry from 2015 to 2023, there were 93 incidents with 91 fatalities and 158 injuries (Trend Asia, 2024). According to Trend Asia Director Ahmad Ashov Birry, the accidents occurred partly due to the poor quality of the technology used. The use of *rotary kiln electric furnaces* from China lacks adequate information, is a cheap technology, and is claimed to be a one-sided, high-quality technology (Shaidra, 2023).



Figure 4. PT ITSS furnace explosion in Morowali Industrial area that killed several workers and injured others. (Source: detikSulses)

In addition, environmental impact is another problem caused by massive Chinese investment in the nickel sector. One example is the Indonesian Weda Bay Industrial Park (IWIP), an integrated industrial park in Central Weda Regency, Central Halmahera, North Maluku. The majority of PT IWIP's shareholders are Chinese companies, such as Tsingshan, Huayou, CATL, and Zhenshi. According to findings by the Mining Advocacy Network (JATAM), PT IWIP has caused water scarcity and pollution, loss of food space due to deforestation, and economic decline of traditional indigenous communities in the region (JATAM, 2024).

These previous events have influenced the Indonesian public's perception of China's presence. A recent survey by Indonesian Political Indicators (2024) shows that Indonesians have ambiguous attitudes toward

China. About 54 per cent of respondents consider China a close friend, but 48 per cent also consider it the biggest threat, especially regarding foreign labour and economic influence.

Prior to the above survey, the ISEAS-Yusof Ishak Institute commissioned the Indonesian Survey Institute (LSI) to conduct the "Indonesian National Survey." This survey directly interviewed more than 1,600 respondents in the economic, socio-cultural, and domestic and foreign political fields about their perceptions of China's emergence. The survey shows that positive views of China have continued to decline year after year. In 2020, positive responses reached 66 per cent, compared with 76.7 per cent five years earlier. As many as 41.5 per cent of respondents were concerned about Indonesia's involvement in China's Belt and Road Initiatives (BRI). They believe that BRI could create a debt trap for Indonesia and other countries. The crisis in Sri Lanka, caused by its debt trap to China, has reinforced this perception (Rakhmat, 2024).

In conclusion, China's active involvement in many projects in Indonesia has social and environmental impacts that could trigger potential conflicts in the future. The nickel case also shows the asymmetrical relationship in China's investment patterns in Indonesia. In this case of workplace accidents, the government is responsible for providing clarification because this is a national strategic project (PSN). Over-exploitation will also require land restoration in Indonesia in the future due to natural damage caused by large-scale extractive industries. The most obvious pattern is the emergence of a monopoly over Indonesia's natural resources by several Chinese companies.

Indonesia's Strategy: Navigating Challenges and Opportunities

In recent years, Indonesia has been heavily dependent on Chinese investment, raising concerns about debt traps and its image on the global stage. Following the controversial *Joint Statement* between Indonesia and China after Prabowo's visit, Indonesia must consider diversifying its economic partners.

Southeast Asian leaders agreed on the ASEAN Outlook on the Indo-Pacific (AOIP) for the first time at the 34th ASEAN Summit in Bangkok in June 2019. The main vision of the AOIP is to create peace, stability, and prosperity in the Indo-Pacific region, with ASEAN as the main driver. The AOIP agreed on cooperation in four areas, namely (i) maritime affairs, (ii) connectivity, (iii) *the United Nations Sustainable Development Goals (SDGs) 2030*, and (iv) the economy and other areas of cooperation such as *South-South Cooperation, trade facilitation and logistics infrastructure, the digital economy*, empowerment of micro, small, and medium enterprises (MSMEs), research and innovation, climate change, etc. (Cabinet Secretary 2023).

The AOIP is supported by ASEAN partner countries that are members of the *East Asia Summit* (EAS), namely the United States, Australia, India, Japan, the Republic of Korea, China, Russia, and New Zealand. EAS support can help ASEAN and Indonesia avoid getting caught up in global competition. It also allows them to avoid being trapped in a single global bloc and creates opportunities for collaboration with many other countries in the world.

In 2023, when Indonesia holds the ASEAN chair, the ASEAN Indo-Pacific Forum (AIPF) agenda will be implemented to translate the AOIP into concrete cooperation among countries. The AIPF is designed to strengthen ASEAN's unity and leadership in managing regional geopolitical changes by fostering sustainable *confidence-building measures* and mutually beneficial cooperation in the Indo-Pacific. The AIPF focuses on three main agendas, namely (i) *Green Infrastructure and Resilient Supply Chains*, (ii) *Sustainable and Innovative Financing*, and (iii) *Inclusive Digital Transformation and Creative Economy* (Cabinet Secretary 2023).



Figure 5. Photo of leaders and delegates at the ASEAN Indo-Pacific Forum (AIPF) in Jakarta on September 5, 2023 (Source: Ministry of State Secretariat of the Republic of Indonesia)

Indonesia must take advantage of the AOIP as an opportunity to strengthen partnerships at the regional level. Promoting cooperation across sectors, including the maritime sector, can maintain regional stability while demonstrating Indonesia's sovereignty on the global stage. In addition,

Indonesia's many economic partners outside China allow it to avoid long-term dependence on China.

As mentioned earlier, the AOIP provides Indonesia with the opportunity to seek other economic partners. Indonesia can target large, economically powerful EAS member countries to attract investment. Drawing on many cases from other countries, being trapped in a single economic partner makes economic dynamics more fragile, as a crisis in the main partner country can have a domino effect on the national economy. This step also supports Indonesia's position in global politics, grounded in the main doctrine of free activity. Diversification of economic partners also enhances Indonesia's bargaining position as a mediator in regional or global conflicts.

Beyond diversifying its global economic partners, Indonesia must also strengthen its domestic capacity to increase economic independence and national sovereignty. Bilateral relations with China also provide opportunities for exchange while strengthening human resources and national industry capabilities. The government must review cases of nickel investment dominated by Chinese companies. Do not let the opening of doors only create exploitation without benefits for the Indonesian economy. In terms of industrial technological capabilities, Indonesia must encourage as much exchange as possible to increase national research and development capacity. In addition, it is important to increase access to higher education as much as possible to develop Indonesian human resources capable of addressing current global trends. China provides valuable lessons on increasing access to education and on providing quality education for its citizens.

The above steps will enable Indonesia to become not only a passive recipient of investment but also a pragmatic active agent in domestic development. Improving human resources will encourage innovation, which is a key prerequisite for a country's industrial progress. If this happens, Indonesia will have a stronger bargaining position on the global stage.

Conclusion

The 75th anniversary of diplomatic relations is an opportunity to evaluate the journey and determine the future direction. The pattern of Indonesia-China relations, which emphasises economic exchanges, indirectly creates an asymmetrical position because it envisages future dependence and debt traps. Historical records show that, although the kings of the archipelago were not vassal states of China, their pragmatic interests made them subject to imperial power.

As geopolitical trends heat up, Indonesia must consider maintaining sovereignty while utilising this relationship to drive national progress. The

future of Indonesia-China relations should reflect a true partnership oriented towards mutual interests and regional stability.

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