**China’s Belt and Road Initiative (BRI) in ASEAN Countries: Indonesia’s Perspective**

Angel Damayanti

Universitas Kristen Indonesia

**Introduction**

In the last four decades, China performed an increasingly large and widespread influence particularly in Asian countries, including Central and Southeast Asian. The increasing of Chinese influence in the region began with the outward looking of economic and military policies during Deng Xiaoping's leadership and started to be implemented since 1990s. Following the success of Xiaoping government in approaching Southeast Asian countries with ASEAN as the driving force and the Central Asia region, the current leader of China, Xi Jinping introduced the "One Belt One Road" (OBOR) initiative in 2013 and later changed into “Belt and Road Initiative” (BRI) in 2015. Such initiative began when Xi Jinping visited several countries in Central Asia region and ASEAN countries throughout 2013 to 2015.

With this initiative, China is perceived not only to approach their partners and make a trans-continental scale connectivity, which brings benefits to them, but also to bring more significant economic growth, military power and global influence especially to China. Although the initiative aims to improve regional cooperation and connectivity as well as to strengthen infrastructure, trade, and investments links between China and some 65 other countries, the World Bank (2018) considers BRI as an ambitious effort. Some observers also view that BRI has the potential to cause problems, ranging from economic to political competition particularly in Asia Pacific. (Ward, 2017; Hawksley, 2018) Therefore this article is intended to provide an evaluation of the BRI program run by Chinese government by looking at the impact it has caused to ASEAN members, including Indonesia.

**China’s Influence and BRI in Southeast Asia**

The extent of Chinese influence both economically and politically in Southeast Asia region started when Deng Xiaoping carried out the “open door” policy in late 1970s which reformed especially China’s economic field and open up the international trade in the country. (Tisdell 2008) The policy has made China now to become one of the outward looking and even more influential countries in the global economy, particularly in the Southeast and East Asia regions. This economic reform policy was also followed by Xiaoping's policy of providing scholarships to 15,000 Chinese youth and sending them to study abroad and restoring good relations with other countries, including the United States (US). The US at that time was considered important for China because it is the key to economic growth and modernization while at the same time helping it to be accepted in the international community and playing a greater role in the region. (CIA, 1986)

Southeast Asia region have not been a concern for Chinese government until early 1990s. When the relationship between US and China deteriorated due to Tiananmen incident in 1989, Chinese government began to approach countries in Southeast and East Asia regions. The approach was first made to Taiwan, Japan and South Korea in 1992, which were considered to have socio-cultural conditions and values ​​similar to those of the Chinese government and society. This approach continued to countries in Southeast Asia such as Thailand, Singapore, Malaysia and Indonesia. China's initiative to approach ASEAN countries was demonstrated through the presence of the Chinese government in the ASEAN Ministerial Meeting (AMM) in 1991, which finally increased and made China to become ASEAN Dialogue Partner since 1996.

The relationship between China and ASEAN member states is said to be mutually beneficial. On one hand, China’s approach to Southeast Asian countries is a safeguard against the effects of isolation imposed by the US and Western countries on it. On the other hand, countries in the region take advantages of the economic and investment opportunities offered by the Chinese government. Malaysia for example, from 1993 to 2003, experienced up to eleven times increase in its trade with China. Countries like Japan, Thailand, Singapore, the Philippines and Indonesia also enjoy a surplus as manufacturing companies in China rely on imported goods from their countries. It is also important to note that since 2004, China has become Japan's main trading partner and it has surpassed the US as an important partner for ASEAN countries. (Bader, 2005)

Positive economic relationship between China and ASEAN member states also performs integrated and interdependence relationship. China as an important partner of economics in many countries is also proven by its economic position in the world. Currently, China is ranked the second as the country with the largest economy in the world and GDP averaged nearly 10 percent a year. Even China has become the biggest contributor to the growth of the world economy since the financial crisis in 2008. (World Bank, 2018)

Reflecting on the success of Han Dynasty around 140 BC which opened the silk trade route from West to East and looking at the positive economic relationship between China and it neighbor countries in Asia, in 2013 Xi Jinping launched the Silk Road Economic Belt program on the land basis and 21st Century Maritime Silk Road on the sea basis or currently also known as "Belt and Road Initiative" (BRI). (Jinping, 2017) Such initiative is believed to be the key to success for China and Asian countries as it supports the economic growth and development of these countries. To perform its seriousness in implementing BRI, the Chinese government has signed cooperation agreements with more than 40 countries and international organizations since 2013. Moreover, around 20 countries and other international organizations will also make trade connectivity and financial arrangements with China in the near future to support BRI program. (Jinping, 2017)

The high willingness of countries to participate in BRI is inseparable with the support of the Asian Infrastructure and Investment Bank (AIIB), which has provided funds of at least US $ 1.7 billion as loans for 9 projects in participating countries. Not to mention the China Development Bank and the Export-Import Bank of China that set up special lending schemes respectively worth RMB 250 billion equivalent and RMB 130 billion equivalent to support Belt and Road cooperation on infrastructure, industrial capacity and financing. (Jinping, 2017) China also calls upon BRICS New Development Bank, the World Bank and other multilateral development institutions to support Belt and Road related projects. Some of the BRI programs that have been realized in a number of ASEAN member countries include the construction of Jakarta-Bandung high-speed railroad infrastructure and the Laos-China railway line.

The success of Chinese initiative is also supported by “people-to-people” approach carried out through socio-cultural activities such as offering educational scholarships, tourism, art festivals and trade fairs. The government of China also looks at potential cooperation in research and development (R&D) since China is believed has emerged as a new science and technology powerhouse currently. China is now the second-largest performer in terms of R&D spending and accounts for 20 percent of total world R&D expenditure. (Veugelers, 2017) To confirm this, in his speech Jinping (2017) offers thousand of short-term research visits and training in China for foreign scientists.

Such proposal, on one hand as believed by Chinese government will bring benefits to the region on a country basis. The more intense China offers BRI programs the more benefits the countries in Central and Southeast Asia region will gain, including Indonesia. The infrastructure development and other economic investment from China are likely to promote the national prosperity and regional stability. On the other hand, rapid economic growth and innovation in technology in China and other countries in the region will also encourage these countries in the modernization of their weapons and defense system as well as the purchase of their defense equipment along with the increase of national income. If this is not properly regulated through a mutually agreed mechanism, the arms race and security dilemma in the Central and Southeast Asia region is inevitably to occur.

As China still has a number of sea-border conflicts with its neighboring countries, such as the East China Sea issue with Japan (Horimoto, 2005) and the South China Sea overlapping claims with ASEAN member countries namely Vietnam, the Philippines, Malaysia and Brunei Darussalam (Severino, 2010), the modernization of Chinese PLAN is perceived to be a threat (Damayanti, 2013; Hawksley, 2018). Not to mention the expansive spread of Chinese labors and investments to a number of countries in Asia will be considered as an issue since it increases social insecurity and domestic economic competition. Even worse, such situation is provoking the anti-Chinese sentiment that turns into actions, as happened in Laos, Thailand, Malaysia and Indonesia. (Ward, 2017)

**The Impact of BRI in Indonesia**

It is interesting to understand that there are Five Principles of Peaceful Coexistence in implementing the BRI, as explained by Xi Jinping (2017). Firstly, BRI is **a road for peace** and requires a peaceful and stable environment. The platform is built by respecting mutual sovereignty, dignity and territorial integrity with a vision of common, comprehensive, cooperative and sustainable security. Secondly, BRI is **a road of prosperity**. Therefore BRI focuses on the fundamental issues of development such as industries, finance and infrastructure. BRI also releases the growth potential, achieves economic integration and interconnected development with which benefits will be delivered not only to China but also to all participants.

Thirdly, BRI is a **road of opening up** to bring economic progress and balanced development on the basis of cooperation and shared interests. For this purpose, BRI focuses on resolving issues such as imbalances in development, difficulties in governance, digital divide and income disparity and makes economic globalization open, inclusive, balanced and beneficial to all. Fourthly, BRI should be considered as **a road of innovation** in which digital economy, artificial intelligence, nanotechnology and quantum computing combined with a green development is made as a way of life. Lastly, BRI should be viewed as **a road connecting different civilizations** with mutual understanding, respect and trust among different countries. By this Chinese government establishes a mechanism for cultural and people to people exchanges, through education, sport, health, and cultural heritage.

With such a great vision of Jinping’s BRI, many countries particularly in Central and Southeast Asia are interested in joining the platform and connectivity. However, there are a number of issues that should be noted from the current China situation. Behind its economic growth and increasing GDP, there are high disparity and economic inequality particularly between urban and rural areas. This imbalance also drives urbanization, which then causes social problems, environmental degradation, air pollution and other imbalances. Chinese government also faces demographic problems related to population growth, the elderly and unproductive population and the problem of labor migration in large numbers (Wang & Rabinovitch, 2009; Moore, 2010; Morcroft, 2014). By such situation, a number of economic observers accordingly are doubtful about China's economic growth rate, which is considered slowing. (Babones, 2016, Bulloch, 2016) If such problems are not immediately anticipated, it is likely to bring impacts on Chinese counterparts’ economic in the Southeast and East Asia regions, as their national economic growth depends on China’s investment and economic growth.

In addition to domestic problems, China's economic growth is followed by an aggressive stance of the Chinese PLA to increase its military power especially its sea power and the modernization of its weapons has aroused suspicion for neighboring countries in the region. The idea of ​​modernizing China's military weapons and systems actually started when Jiang Zemin began to take the lead in 1992. (Sukma, 1995) The modernization continued and even the Chinese government confirms this policy on its 2011 Defense White Paper stating that they put forward the principle of "Peaceful Development" in carrying out its foreign policy, which was also followed by increasing its military strength and strategy. Although the Chinese government has justified its efforts are aimed at defense purposes and the increased budget is more widely used for personnel needs, training and maintenance, a number of countries remained perceive this a concern. This is true for the case of East and South China Sea.

It is also interesting to understand what Oliver Ward (2017) has mentioned that anti-Chinese sentiments is rising across the Southeast Asia region resulted from economic, social and political issues. The issue of Chinese investments coupled with Chinese workers has provoked negative feelings towards China in the region. In mid 2018, tens of thousands of Vietnamese took protest against the draft on new special economic zones controlled by Chinese investors. (Ucanews, 2018) Similarly in Laos, a Chinese worker was killed and three others were wounded in Xaysomboun province, where Chinese-invested company runs its hydropower project. (Martina, 2016) This is in addition to Malaysian government that just reviewed and cancelled China-backed rail link and natural gas pipeline projects in the country due to unbearable interests. (Straits Times, 2019)

The economic disparity between poorer local people and wealthier Chinese descents, racial and religious differences between local Muslims and non-Muslim Chinese descents coupled with political contestation in the current Malaysia and Indonesia also contributes to this anti-Chinese feeling. In Malaysia, the fragmentation of Malay-Muslims politics together with the weakening dominance of UMNO has brought Democratic Action Party (DAP) that gain supported mostly from Chinese descents in Malaysia, as one of the four component parties of the Pakatan Harapan government coalition since 2018. Yet, such situation has also raised the anti-Chinese feeling and fears that racial tensions could once again grip the nation, like in 1969. (Griffiths, 2019)

Similarly, a number of attacks at Christian churches in Indonesia, an attack at Buddhist temples in Tanjung Balai and anti-Ahok sentiments in Jakarta’s Governor election in 2016 have proved that anti-Chinese sentiment remains high in Indonesia. (Tasevksi, 2017; Damayanti 2017) The massive investments from China’s BRI in Indonesia is likely to exacerbate the situation. This is not to mention, the entry of tens of thousands of Chinese labors along with their investment that has raised more concerns about job competition and suspicion about the Illegal foreign workers. (Artharini, 2016)

**Conclusion**

Chinese’s BRI provides many opportunities as well as benefits if it is able to be managed appropriately by the recipient countries, especially in Southeast Asian countries including Indonesia. The inability of BRI recipient countries to create the right mechanism will eventualy harm themselves. Especially if the country's internal situation has a potential conflict between local residents and Chinese descent, which ultimately fosters anti-Chinese sentiment. Therefore to ensure BRI investments flow equitably, both politically and economically, it is crucial that China and ASEAN countries institutionalize a common understanding on normative differences through an investment agreement, which covers a minimum labor standards, procurement, transparency and competition policy, not only bilaterally at the national level but also multilaterally at regional level using the ASEAN mechanisms.

**References**

Artharini, Isyana (2016), “Berapa Sebenarnya Jumlah Tenaga Kerja Asal Cina yang Masuk ke Indonesia,” https://www.bbc.com/indonesia/indonesia-38407825

Babones, Salvatore (2016), “How Weak is China? The Real Story Behind the Indicators,” https://www.foreignaffairs.com/articles/china/2016-01-31/how-weak-china

*Belt and Road Initiative* (2018) accessed from https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative

Bulloch, Douglas (2018), “Why are there Doubts over China’s Growth?” accessed from https://www.forbes.com/sites/douglasbulloch/2016/03/18/why-are-there-doubts-over-chinas-growth-rate/#4de87fc26ea7

Central Intelligence Amerika Serikat (1986), *China’s Second Revolution*, National Foreign Intelligence Board, p. 17

Chansoria, Monika (2009) “China’s Military Doctrine and Strategy: Continuity with Change” dalam *CLAWS Journal*, Winter, pp. 94-117, accessed from http://www.claws.in/images/journals\_doc/1399528913Monika%20Chansoria%20CJ%20Winter%202009.pdf

Damayanti, Angel (2017), “Muslim-Christian Relationship in Indonesian Reform Era within the Framework of Democracy: Case Study of Bandung, Bekasi and Bogor (1998-2015),” in Advances in Social Science, Education and Humanities Research (ASSEHR) Vo. 129, Third International Conference on Social and Political Sciences (ICSPS)

Damayanti, Angel (2013), “Sino-Japan Action-Reaction: Towards Cooperation or Competition in Asia Pacific?” Jurnal Global & Strategis, Th. 7, No. 2, Juli-Desember; pp. 169-182

Griffiths, James (2019), In the New Malaysia, Signs of an Older, Uglier Politics, https://edition-m.cnn.com/2019/02/17/asia/malaysia-racial-politics-intl/index.html?r=https%3A%2F%2Fwww.google.com%2F

Hawksley, Humphrey (2018), Asian Water: The Struggle over The Asia Pacific and The Strategy of Chinese Expansion, London: Duckworth Overlook.

Horimoto, Takenori (2005), “Changing Security Environment Around Japan: A Mid-Term Perspective” in *Changing Security Dynamic in Eastern Asia: Focus on Japan, N.S. Sisodia and G.V.C. Naidu* (eds), New Delhi: Institute for Defense Studies and Analyses

Jeffrey A. Bader (2005), “China’s Role in East Asia: Now and the Future” accessed from https://www.brookings.edu/on-the-record/chinas-role-in-east-asia-now-and-the-future

Jinping, Xi (2017), Full text of President Xi's speech at opening of Belt and Road forum http://www.xinhuanet.com/english/2017-05/14/c\_136282982.htm

Martina, Michael (2016), “One Chinese Worker Killed in Laos Militant Attack: Xinhua,” https://www.reuters.com/article/us-laos-china-attacks-idUSKCN0W40K4

Morcroft, Greg (2014), “7 Problems China's Rise To the World's Largest Economy Will Not Solve,” https://www.ibtimes.com/7-problems-chinas-rise-worlds-largest-economy-will-not-solve-1578566

Moore, Malcom (2010), “China's Wealth Gap the Widest since Economic Reforms Began,” https://www.telegraph.co.uk/news/worldnews/asia/china/7350677/Chinas-wealth-gap-the-widest-since-economic-reforms-began.html

Severino, Rudolfo C. (2010) “ASEAN and the South China Sea,” in *Security Challenges,* Vol. 6, No. 2, Winter, pp. 37-47

Sukma, Rizal (1995), *Pemikiran Strategis China: Dari Mao Zedong ke Deng Xiaoping*, Jakarta: CSIS

Tan En Bok, (1984), “Strategic Doctrine”, in (Ed.) Gerald Segal dan Willaim T.Tow (1984), *Chinese Defence Policy,* London: Palgrave Macmillan, pp. 3-17

Tasevski, Olivia (2017), “Anti-Chinese and anti-Christian Sentiment is not new in Indonesia,” accessed from http://theconversation.com/anti-chinese-and-anti-christian-sentiment-is-not-new-in-indonesia-77720

The Straits Times (2019), “Malaysia cancels China-backed rail project due to RM500m annual interest: Economics Affairs Minister Azmin Ali” accessed from https://www.straitstimes.com/asia/se-asia/malaysia-cancelling-us20-billion-china-backed-rail-project-says-economics-affairs

The World Bank, “Overview China,” accessed from https://www.worldbank.org/en/country/china/overview

Tisdell, Clem (2008), *Thirty Years of Economic Reform and Openness in China: Retrospect and Prospect*, Working Paper No. 51, Brisbane, The University of Queensland

Ucanews (2018), “Anti-Chinese Feeling Erupts in Vietnam over Economic Zones,” accessed from https://www.ucanews.com/news/anti-chinese-feeling-erupts-in-vietnam-over-economic-zones/82541

Veugelers, Reinhilde (2017), *The Challenge of China’s Rise as A Science and Technology Powerhouse,* Policy Contribution No. 19, accessed from http://bruegel.org/wp-content/uploads/2017/07/PC-19-2017.pdf

Wang Aileen and Rabinovitch, Simon (2009), “China Warns of Slower Income Growth in Rural Areas,” accessed from https://uk.reuters.com/article/us-china-economy-rural/china-warns-of-slower-income-growth-in-rural-areas-idUKTRE53E2CV20090415

Ward, Oliver (2017), “Anti Chinese Feeling: Strong Sentiment Turns Into Strong Actions,” accessed from https://www.aseantoday.com/2017/06/anti-chinese-feeling-strong-sentiment-turns-into-strong-actions/