Chapter 7

OBOR: A New Hope for Future Indonesian or a New Trap? Case Study in Indonesia

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ABSTRACT

One Belt One Road (OBOR) first declared by the China’s President is believed by some to be a new hope and a new horizon for a number of developing countries. OBOR has been viewed as a new challenging proposal and as an ice breaking for the decades-long stagnant infrastructure in Indonesia, the largest economic region in Association Southeast Asian Nations (ASEAN). This chapter is an update on OBOR’s recent development in Indonesian which also coincidentally was declared as a new maritime-axis when new reform government has taken into power since 2014. Many views have been released, pro-contra has been severely dispatched into two separate blocks of Indonesian experts in two standpoints, one to support and the other to challenge involving Indonesia in the OBOR. This chapter has been thoroughly analyzed by mining information and data from big data sources, combined with semi-structured interviews of various executives and contractors.

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INTRODUCTION

No one to challenge that China recently has intensely increased their investment in Association of Southeast Asian Nations (ASEAN) region, especially in Indonesia. Since then a number of experts of Indonesia and China have frequently published their writings, from the fear of China’s rise as a new epicentrum regional power to a balanced view of China to dispelling such a fear. But less have said about few questions: why does Indonesia matter to China? (Bria, 2017). What drives China to put billions of US dollar in Indonesia following various multilateral and bilateral agreements at the ASEAN level, especially between Indonesia and China? (Gourdon, 2015).

One should note that since the early 2000s, China has signed strategic partnership agreements with 47 countries and three international organizations in which ASEAN is one of them. It seeks to expand converging interests and seek common ground on the major issues while shelving differences on the minor ones (Jing, 2016). Along with Indonesia, other ASEAN members who have signed strategic partnerships with China are Vietnam, Cambodia, Laos, Myanmar, Thailand and Malaysia. The strategic partnership is used by China as a diplomatic tool to protect its core interests, which include state sovereignty, national security, territorial integrity and national reunification. These core interests are well reflected in all documents of China’s strategic partnerships (Bin, 2015).

Feng Zhongping and Huang Jing (2014) argue that the boom of China’s strategic partnerships is a result of China’s embrace of globalization and multi-dimensional diplomacy. It is a diplomatic instrument to secure China’s core interests and its peaceful rise as a global power. A comprehensive strategic partnership as articulated by the Chinese premier, Wen Jiabao (2004), was an all-dimensional and multilayered, long-term and stable partnership that transcends differences in ideologies and social systems. Energy security for China means the acquisition of sufficient energy supplies to protect China’s core objectives (Downs, 2006).

After the signing of the Indonesia-China strategic partnership in 2005 and the upgrade into a comprehensive strategic partnership in 2013, China is now Indonesia’s largest trading partner (Sun, 2010). Since 2017, China consistently became always the third largest investor in Indonesia after Japan and Singapore. The question then is, why does Indonesia more broadly deserve a position as China’s strategic partner?
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