China’s Maritime Silk Route and Indonesia’s Global Maritime Fulcrum: Complements and Contradictions

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Abstract

In many respects China’s Maritime Silk Road and Indonesia’s Global Maritime Fulcrum complement each other. Both are also an attempt to revive what each perceives as their glorious maritime past. The Chinese have been quick to seek convergence with the Indonesians on the two plans. There are, nevertheless, several areas where the two sides are at odds including not least about territorial limits in the South China Sea. There have been confrontations between fishing and coast guard ships of the two sides and these incidents underline the difficulties of cooperation. Yet it is also a fact that Indonesia will need Chinese investments in both infrastructures in general as well as specifically maritime infrastructure in order to see the Global Maritime Fulcrum come to reality. How then the two sides will each achieve their specific national goals without stepping on each other’s toes remains to be seen.

Keywords: maritime trade, strategic vision, South China Sea, connectivity, ASEAN

Against the backdrop of geopolitical flux in the 21st century, the announcement of two ambitious maritime projects/doctrines proposed by the People’s Republic of China and the Republic of Indonesia that highlight the importance of waterways and sea routes.

Both these nations are striving to revive their respective glorious maritime past. The Chinese Maritime Silk Route (MSR) is based on the revival of the traditional sea routes taken by the Ming dynasty explorer Zheng He in the 15th century, while the Indonesian Global Maritime Fulcrum (GMF) is aimed at restoring the traditional motto of Jalesveva Jayamahe (at sea we are victorious).

On many facets the MSR and the GMF are complementary to each other. The Chinese ambassador to Indonesia Xie Feng, in his speech on 22 September 2015 at the Center for Education and Training (CET) of Indonesia’s Ministry of Foreign Affairs, highlighted how Indonesia by cooperating with China on the MSR could strongly support its own GMF, by taking advantage of China’s technological experience, financial resources and production capacity (Embassy of the PRC in the Republic of Indonesia 2015).

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However, along with these complements there are also a few contradictions that posit a challenge for cooperation between these two nations. The first challenge comes with the case of illegal fishing, though Chinese fishermen are not the only ones fishing illegally on Indonesian waters they are the only ones supported by their state security services at sea. The second challenge comes with the Indonesian plan of enhancing its naval capabilities in order to protect its maritime interests and its sovereignty, which under the present situation has already resulted in escalation of tensions in the South China Sea.

This paper will look into the opportunities and challenges that lie ahead for China-Indonesia relations and for promoting their respective maritime agendas.

**MSR and GMF: What are the Objectives?**

After assuming power in 2012, Chinese President Xi Jinping has sought to bring a fundamental change in the nature of Chinese foreign policy. During a speech at a foreign affairs conference (周边外交工作座谈会, zhoubian waijiao gongzuo zuotanhui) on 24 October 2013, Xi put forward the new foreign policy strategy that of *fenfa youwei* (奋发有为, striving for achievement) against the long held strategy of *taoguangyanghui* (韬光养晦, keeping a low profile) (Yan 2014:154).

In this speech, Xi emphasized the importance of China’s neighbourhood policy especially the importance of good diplomatic relations with its neighbours for the realization of the ‘centenary goals’ that was set during the 18th CPC National Congress in 2012 (*Xinhua* 2013). He also further acknowledged in his speech the strategic importance and the advantages and potential China’s neighbourhood possesses. However, he also stated that the neighbouring states should also take into account China’s core national interests.

Agreeing with the government viewpoint, many Chinese academics and Yan Xuetong in particular have also pitched in their views advocating the necessity of ‘peripheral diplomacy’ (周边外交, zhoubian waijiao). Yan in one of his articles argues that given the context of China’s rise it is important for China to lay more emphasis on this particular form of diplomacy (Yan 2015). He enlists three reasons for the need of a good neighbourhood policy. First, he reasons that in order for China to become a global power it first needs to rise as a regional power. Second, he states that as the US will try and hinder China’s rise, a good neighbourhood policy would help China to garner much required support to counterbalance the pressure. Lastly, a good neighbourhood policy would help China reassure its neighbours about its rise (Yan
2015). Yan thus, states that the huge investment of China on the ‘Belt and Road Initiative’ (BRI) is the best illustration of the importance of neighbours to China.

Along with these strategic implications, the idea of the BRI also reflects a structural change in China’s economy of the ‘new normal’ under which China is expected to have a slower but a better quality growth rate (Zhao 2015:1). The Chinese economy after enjoying years of high growth today is facing several challenges especially the problem of excess production capacity, particularly in the infrastructure-related sector. Thus, with the help of the BRI China hopes to expand its foreign markets and build new bases for those sectors with the problem of surplus output (Zhao 2015:5). Thus, these contexts help to put into perspective the primary objectives of the proposed MSR, which is one leg of the BRI.

On the other hand, through the GMF, Indonesian President Jokowi aims at reinstating Indonesia’s identity as a maritime power. The GMF has five pillars as illustrated by Jokowi which include first, to rebuild Indonesia’s maritime culture, second, maintain and manage the marine resources, third, to give priority to the development of maritime infrastructure and connectivity along the shore of Java, fourth, seek cooperation from other nations in the marine field and eliminate various sources of conflicts at sea, such as illegal fishing and territorial dispute, and lastly, develop its maritime forces (Witular 2014a).

By taking a closer look at the five pillars, one can draw the conclusion that the GMF is much more about domestic development than about foreign policy. President Jokowi, lacking diplomatic and foreign policy experience, views himself to be more of a domestic reformer than an international statesman and who would use foreign policy to advance domestic development (Connelly 2015:6). The first three pillars clearly relate to the domestic sphere that of instilling a maritime culture, preserving marine resources and developing maritime infrastructure and only the last two have a foreign dimension to them (Connelly 2015:8).

With respect to foreign policy, Jokowi has pledged to maintain stability in the region. In his address at the East Asia Summit at Myanmar in 2014, Jokowi stated that Indonesia as a ‘global maritime fulcrum’ would certainly be involved in determining the future of the Indo-Pacific region (Witular 2014b). He further stated that Indonesia is obliged to ensure its maritime defence, not only to safeguard its maritime wealth and sovereignty but also to take responsibility in ensuring navigation safety and maritime security.

Comparing the respective objectives of the two maritime doctrines one can come to the conclusion that China’s MSR is more international in nature as its primary focus is to develop and foster closer interactions with its neighbours in hopes of forging more alliances and partnerships while in the case of Indonesia’s GMF, foreign policy takes a
backseat as priority seems to be on domestic development rather than fostering foreign relations.

However, even with the differences in their respective objectives the MSR and GMF have certain complementary aspects to them, which are discussed in further detail in the following section.

‘Win-Win’?

The two maritime agendas of China and Indonesia have many overlapping facets to them. The keyword that one needs to focus on while analysing the complementary aspects of these two agendas is ‘connectivity’. Both these countries while putting forward their respective maritime agendas, emphasized greatly on connectivity. President, Xi while putting forward the idea of the 21st century MSR, sought to ‘connect’ China to Europe via Southeast Asia and Africa. On the other hand, when President Jokowi proposed his GMF, he sought to ‘connect’ the numerous islands that make up the nation of Indonesia.

‘Connectivity’ is thus one major aspect in which one can expect a major cooperation between the two nations. Jokowi, aims at building 24 seaports and deep seaports that will connect the archipelago’s 17,000 together, for this he will need as much foreign investments as he can and China’s plans of the MSR gels right with it. Jokowi approximately needs about US$6 billion to expand five major ports in north Sumatra, Jakarta, east Java, south Sulawesi and Papua, and China being Indonesia’s largest trading partner and an increasingly important investor can certainly take the opportunity to boost cooperation with Indonesia(Zhao 2015:19-21).

During Jokowi’s visit to China on the backdrop of attending the Asia-Pacific Economic Cooperation forum (APEC) in 2014, the two sides agreed on enhancing cooperation particularly on the areas of maritime development and infrastructure. Jokowi had also extended his support for the establishment of the Asian Infrastructure Investment Bank (AIIB) and hoped that Indonesia would be able to join it at an early stage (Xinhua 2014). Following this Jokowi paid a state visit to China on March 2015 and before the visit he stated that he was particularly interested in cooperating with China in the field of infrastructure and manufacturing developments (Ibrahim 2015). He however, was unclear about China’s MSR and sought further details of the initiative. Jokowi’s foreign policy advisor Rizal Sukma had stated that as long as the MSR was not about hegemony and was more about economic and diplomatic ties, Indonesia would be more than happy to cooperate (Ibrahim 2015). After the visit, the two sides came out with a joint statement in which they agreed on the view that China’s MSR and Indonesia’s GMF were highly complementary to each other (Ministry
of Foreign Affairs of the PRC 2015). The two sides agreed on strengthening strategy and policy communications, advance maritime infrastructure connectivity, deepen cooperation in industrial investment and major project construction, enhance practical cooperation in maritime economy, maritime culture and tourism, so as to develop a maritime partnership together (Ministry of Foreign Affairs of the PRC 2015).

They also agreed on deepening infrastructure and industrial cooperation. They welcomed the signing of two Memoranda of Understanding, on Infrastructure and Industrial Cooperation and on the Jakarta-Bandung High Speed Rail Project between China’s National Development and Reform Commission (NDRC) and Indonesia’s Ministry of State-owned Enterprises (Ministry of Foreign Affairs of the PRC 2015). Under the latter MoU the construction of a US$5.5 billion worth high speed rail service linking Jakarta with Bandung by PT Kereta Cepat (KCIC) Indonesia-China, a joint venture between an Indonesian consortium of four state-owned companies and China Railway International Co. Ltd began on 21 January 2016 (Alangkara 2016). The Indonesian government chose China over Japan for the construction as China agreed on completing the project without using the Indonesian government’s money or requiring any government guarantee for loans. Other railways are under construction in Sumatra and Sulawesi (Alangkara 2016). However, progress of the Jakarta-Bandung line hit a bump just after a week of its initiation when the Indonesian Transportation Ministry, refused to grant permits for further construction until requirements including the network’s life span and seismic safety were met (Maulia 2016). The construction of the railway line has also engendered opposition in the Indonesian House of Representatives, where several of its members amid apprehensions over the state budget and irregularities, are calling for a halt to the project.¹

The Chinese ambassador to Indonesia in the aforementioned speech at the Indonesian Ministry of Foreign Affairs underscored the benefits of cooperation between China and Indonesia on MSR and GMF. He stated that for China, Indonesia was an important part of the MSR as Indonesia had an advantage in the fields of advantages in resources, market, labour and geography (Embassy of the PRC in the Republic of Indonesia 2015). He illustrated why it was more beneficial for Indonesia to take advantage of the MSR. Xie noted that, Indonesia could further its GMF by taking advantage of the infrastructure construction and technological experience that China has gained in the last 30 years. Along with the experience, Indonesia could acquire the much needed financial assistance from China by taking advantage of the AIIB and the Silk Road Fund. He also stated that by taking advantage of China’s economic structural adjustment and its efforts to take its production capacity global, Indonesia could

¹ The Deputy Speaker of the House stated that the project was expensive and would cause damage to the areas that are prone to landslides. The members of the House also proposed the formation of a committee to oversee the feasibility of the project and if it could proceed further (Susanty and Lubis 2016).
meet its development demand and boost its infrastructure construction and create jobs (Embassy of the PRC in the Republic of Indonesia 2015).

**Points of Conflict**

Though, the two maritime projects seem to be highly complementary to each other there are still certain reservations among the two sides which might possibly curtail a full cooperation between the two states. The first is the issue of illegal fishing and the second is the burgeoning conflict in the South China Sea. The two issues are also inter-related to each other in several ways.

Since, President Jokowi came to power he has had a tough stance towards illegal fishing. Indonesia being archipelago fishing constitutes a major sector of its economy. However, due to illegal fishing Indonesia loses approximately US$25 billion per year (Hutton 2014). Thus to tackle this issue, the Marine Affairs and Fisheries Minister Susi Pudjiastuti, in her first year in office ordered the sinking of 106 foreign boats that were fishing illegally in Indonesian waters (Amindoni 2015).

Although, most of the illegal boats are from the neighbouring Southeast Asian states, Indonesia has started taking a harder stance on China as well. Indonesia has seized several Chinese linked vessels and also sunk a Chinese vessel. Along with this, Jakarta also unilaterally revoked the bilateral fishing cooperation that was signed in October 2013 (Zhang 2015b). In order to enforce its claim of the nine dash line, China has been using its fishermen as proxies and providing them financial and political support for their fishing activities in contested waters (Zhang 2015a). President Xi while visiting the fishing town of Tanmen in Hainan, advised fishermen to ‘not only lead fishing activities, but also collect oceanic information and support the construction of islands and reefs.’ (Zhang 2015a).

On 19 March 2016, a Chinese fishing boat, the *Kway Fey*, was held by an Indonesian patrol boat for fishing illegally in Indonesian waters (Supriyanto 2016b); Indonesian fishery officials after inspecting the vessel arrested 8 crew members and then commandeered the Chinese vessel. The situation escalated when a Chinese coastguard vessel came close to Indonesia’s 12-nautical mile territorial sea off Bunguran (Natuna Besar) Island and rammed the *Kway Fey* forcing it to stop, and at the same time another Chinese coastguard vessel also appeared in the vicinity following which the Indonesian navy decided to abandon the *Kway Fey* and the Chinese coastguard officers boarded the fishing boat and steered it away from the Indonesian waters (Supriyanto 2016b).
Though the Chinese vessels have previously been charged of fishing illegally in Indonesian waters, this incident saw unprecedented actions from both sides. On the Chinese side as mentioned above this was the first time that a Chinese Coastguard vessel ventured in so close to Indonesia’s 12-nautical mile territorial sea. On the other side, this was the first time that Indonesia broke its traditional approach of playing down the Chinese incursions as being minor incidents and summoning the Chinese ambassador in Jakarta to seek clarification on the issue (Costa 2016).

Apart from illegal fishing, though inter-related in many ways, is the current crisis in the South China Sea that also casts a shadow over the cooperation between the two states. Even though there is no territorial dispute between the two states, the overlapping of the Chinese nine-dash line over the Indonesian claimed EEZ near the Indonesian Natuna Islands, might become a bone of contention.

The Chinese appear to have included the Natuna Islands in its territorial map within the nine dash line; the map was also included in the new passports of Chinese citizens (Antara News 2014). A Chinese Foreign Ministry spokesperson did say in a statement however, that China recognized the sovereignty of Indonesia over the Natuna Islands, but made no comments on the overlapping of the nine dash line and the Indonesian EEZ (Yu 2015). The vagueness of the Chinese statements on the nine-dash line contributes to uncertainty among Indonesian policymakers about the Chinese motives in the region (Supriyanto 2016a). The Chinese continue to use the excuse of ‘traditional fishing zones’ in the Natunas waters for supporting its claim of not having encroached into Indonesian territory (Cochrane 2016). The Indonesians for their part have refused to acknowledge the ‘traditional fishing zone’ claimed by the Chinese and see the encroachments as an undermining of Indonesian sovereignty over the Natuna Islands (Yosephine 2016).

President Jokowi during his visit to Japan in March 2015 had stated that China lacked a legal basis for its Nine-Dash Line in the South China Sea (Kapoor and Sieg 2015). He has also increased military presence in the Natuna Islands by ordering deployment of more Su-27, Su-30, and F-16 fighter planes and P3-C maritime surveillance and anti-submarine aircraft to the islands and adding extra troops to the military base in the island to exhibit Indonesia’s commitment to protecting its territory (Yu 2016).

These issues, are the possible impediments that might act as a hindrance to a smooth cooperation between the two states.
Conclusion

Thus, to conclude a smooth and strong bilateral cooperation between China and Indonesia can greatly boost their respective maritime projects. The MSR and GMF are highly complementary to each other as both of the maritime projects seek connectivity. This provides China and Indonesia to enhance their bilateral ties which may also help in stabilizing the present South China Sea crisis.

With an enhanced relationship with Indonesia, China can acquire a much needed ally in ASEAN, one that can help China forge stronger ties with other ASEAN countries and one that can help China reassure the rest of its ASEAN neighbours about its rise. Indonesia can prove to be a valuable ally as it being a follower of a non-aligned policy has kept a certain distance from the US.

For Indonesia and Jokowi in particular, a healthy cooperation can help him realize his aim of building Indonesia as a global maritime axis. As Indonesia needs vast amount of foreign investments for building the required infrastructure that connects its various fragmented islands, it can take advantage of China’s Silk Road Fund and the AIIB as well as its infrastructure development expertise. However, the cooperation between the two is not one without obstacles. The two sides still need to work out certain aspects of military and governmental functioning in order to have a smooth cooperation. Indonesia needs to work on decreasing the bureaucratic red-tape that currently impedes foreign investments while China needs to dial down its burgeoning assertiveness in the South China Sea in order to assure Indonesia about its intentions of a genuine cooperation.

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