

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia has inadequate port facilities to support maritime trade activities and is not yet in accordance with international standards, so the government is making several efforts to increase port capacity but progress is relatively slow with limited infrastructure stock and is less competitive with neighboring countries such as Singapore and Malaysia. Through cooperation with China's one belt one road policy, Indonesia not only gets a strong major boost in maritime infrastructure development by providing investment but can improve maritime connectivity and also gain economic benefits.

One Belt One Road (OBOR) or currently better known as the Belt Road Initiative (BRI) is a silk road policy program reactivated by Chinese president Xi Jinping in 2013 as a foundation, for Xi to carry out his foreign policy with all cooperative relations between countries in the world aimed at building sea, land, air infrastructure to increase and improve trade routes and economic progress between countries in Asia and beyond and has invested in more than 130 countries and international organizations¹. The Belt Road Initiative (BRI) is a massive infrastructure project led by China, which aims to connect East Asia and Europe through physical infrastructure, and has since expanded to Africa, Oceania and Latin America. The initiative includes investments in ports, railways, highways,

¹ (Indonesia, 2023)

bridges, airports, dams, and power plants, with the aim of addressing the “infrastructure gap” and accelerating economic growth in Asia Pacific, Africa, and the Eastern and Central regions.²

The significance of maritime to the global political economy is multifaceted and important, encompassing various dimensions such as infrastructure, politics, socio-cultural, legal, security and economic aspects. The maritime sector plays an important role in shaping the global political economy through trade making maritime routes very important for global trade and commerce, facilitating the movement of goods and resources between countries. In addition, resource utilization such as the maritime industry provides access to various natural resources, including fisheries, minerals, and energy sources, which contribute significantly to the global economy and employment for the maritime sector creates employment opportunities and supports the livelihoods of many people globally.³

Indonesia is one of the countries that received China's attention in the development of the Belt Road Initiative (BRI) project, Indonesia is designated as one of the maritime sector development which has the largest economy in Southeast Asia, rich in natural resources, and weak in terms of infrastructure development. China's need for natural resources and the magnitude of China's economic power makes the Bamboo Curtain country interested in investing in Indonesia.

In Indonesia, the Belt Road Initiative (BRI) focuses on infrastructure investments, including ports, railways, highways, bridges, airports, dams and power

² (James et al., 2023)

³ (kominfo, 2016)

plants. The initiative's investments in ports and other maritime infrastructure play an important role in improving connectivity and trade, which can benefit Indonesia by enhancing its maritime capabilities and facilitating economic growth. The Belt and Road Initiative (BRI) also has the potential to assist Indonesia in improving its maritime infrastructure by providing investments in ports, logistics, and other related facilities, which can contribute to improve connectivity, trade, and economy development in Indonesia.⁴

Indonesia and China's bilateral cooperation in the Belt and Road Initiative (BRI) project has been approved by the Indonesian government to be an alternative to support Indonesia's infrastructure development. The Belt Road Initiative (BRI) has been applied in Indonesia to railway construction, power plants, and the steel industry. However, the socialization process at the provincial level regarding the Belt and Road Initiative (BRI) has not been orderly, resulting in a lack of capacity to plan and implement the project. The lack of skilled workers and capital has also hampered the preparation of the initiative.⁵

As a maritime country with thousands of islands, the development of maritime infrastructure is essential to improve trade connectivity and economic growth across the country. By the means of cooperation between Indonesia and China through the Belt and Road Initiative (BRI) policy, which can provide access to financial, technical and experience resources in the development of ports, roads,

⁴ Albertus Hadi Pramono et al., "China's Belt and Road Initiative in Indonesia Mapping and Mitigating Environmental and Social Risks," 2022.

⁵ Ellysia Nur Ifatari and Risman Helda, "The Rise of China: Case Study Belt And Road Initiative In Indonesia," *Journal of Social Sciences* 5, no. 3 (2020): 940–53.

bridges and other maritime infrastructure. In addition, China is one of the countries with great investment potential in the infrastructure sector, the belt road initiative also provides an opportunity for Indonesia to use foreign investment in maritime infrastructure development projects.

The urgency of internal factors owned by Indonesia in establishing cooperation with China is the need for Indonesia for infrastructure development which can be obtained from Chinese investment assistance through the Asian Infrastructure Investment Bank (AIIB). The advantage of China in cooperating with Indonesia is to strengthen diplomatic relations with Indonesia as one of the influential countries in Southeast Asia. The investment was obtained through Indonesia's participation in the Belt and Road Initiative (BRI) project policy⁶. In addition, the external factors underlying Indonesia's cooperative relationship with China are the strengthening of the country's economy through the Open Door Policy, the Belt and Road Initiative (BRI) agenda that connects Asia with Europe in the construction of land and sea trade routes, and China being a rational choice compared to the United States because of China's more favorable position.

1.2 Problem Formulation

How is the implementation of the Belt Road Initiative (BRI) on maritime infrastructure development in Indonesia during the first leadership of Joko Widodo?

⁶ (Soviyaningsih, 2019)

1.3 Research Objective

This research aims to analyze the implementation of the Belt Road Initiative (BRI) towards maritime infrastructure development in Indonesia designed by China and see how the Belt Road Initiative (BRI) plays a role in supporting maritime infrastructure development in Indonesia, this evaluation includes an analysis of the various projects that have been implemented, investment from partner countries and the role of the Belt Road Initiative (BRI) is accelerate the development of ports, maritime logistics lines, and other support facilities. This study aims to provide more insight into the implementation of the Belt Road Initiative (BRI) in the development of maritime infrastructure in Indonesia.

1.4 Research Benefit

1.4.1 Academic Usefulness

This research is expected to contribute to the development of literacy for the community, international relations academics, both lecturers, students, and other researchers so that it can be a means of increasing studies and research in the scope of international relations learning and can increase readers about the implementation of the Belt Road Initiative (BRI) on maritime infrastructure development in Indonesia in 2014-2019.

1.4.2 Practical Uses

The results of this research are expected to be able to provide an in-depth explanation and analysis of how the influence of the Belt Road Initiative BRI can

provide more insight into how the initiative affects Indonesia and China's bilateral relations economically. This includes aspects such as trade, investment, infrastructure, and other economic cooperation. By studying this impact, scholars can gain new knowledge and understand the changes in the economic dynamics between the two countries.

1.5 Literature Review

1.5.1 Previous Research

The author conducts previous research by reading several research journals or theses related to the theme taken. The literature used as a reference in this research includes the following:

The first study was published in the journal of Diplomacy and International Studies with the title **“Implementasi Konsep Kebijakan One Belt One Road (OBOR) China Dalam Kerangka Kerjasama Pembangunan Infrastruktur Di Indonesia”**⁷ This article discusses the One Belt One Road OBOR initiative launched by Xi Jinping in 2013, focusing on the initiative's role in realizing Zhongguomeng. The OBOR initiative acts as a tool to realize Zhongguomeng through infrastructure development that supports industrial trade flows, provides a unifying platform for China, and global peace cooperation relations. Indonesia as a developing country is one of the OBOR member countries that seeks to improve its economy. In its implementation, infrastructure cooperation between the two countries continues to increase.

⁷ (Fahrizal Mohammad, Yudilla Artha, 2019)

The discussion above is a study explaining the geopolitical and geo economic cooperation between Indonesia and China through China's infrastructure development in Indonesia as a form of land silk route which thus raises bilateral economic relations between the two countries. The difference between this research and what the researchers discuss is a focus where the research only focuses on infrastructure development cooperation, in contrast to researchers who will discuss aspects of the maritime sector and investment and will certainly discuss infrastructure development.

The second research with the title **“Kerjasama Indonesia Cina Dalam Belt and Road Initiative Analisa Peluang Dan Ancaman Untuk Indonesia”**⁸ research written by Artha Yudilla about the Belt and Road Initiative (BRI) is a Chinese government mega project policy that aims to rebuild the land and sea silk routes. BRI is a refinement of the One Belt One Road (OBOR) policy launched in 2013. The name change aims to avoid the misunderstanding.

Indonesia has agreed to cooperate in the construction of the Jakarta-Bandung high-speed rail line in 2016. However, Indonesia's decision to join the AIIB and participate in the BRI program has also been criticized. As well as how Indonesia's opportunities in the context of BRI, see Indonesia's bargaining position based on Geopolitical theory and Alliance Transition Theory, and evaluate whether threats such as debt trap diplomacy are true. In the second discussion, the researcher refers to research of the development of infrastructure from one of the Chinese

⁸ (Artha, 2019)

companies that has collaborated with Indonesia in infrastructure development which has made bilateral relations between the two countries.

The third research written by Muhammad Reyhan Alamsyah with the title **“Investasi Cina Melalui *Belt and Road Initiative* (BRI) dan Pengaruhnya Terhadap Ekonomi Indonesia”**⁹ the discussion of this research is the Belt and Road Initiative (BRI) is an ambitious initiative undertaken by the Chinese government aimed at improving infrastructure and trade connectivity with 68 countries around the world. In the Indonesian context, China has made significant investments in various sectors, including transportation, energy, telecommunications, tourism, and other strategic sectors. China's investment through the Belt Road Initiative (BRI) has had a significant positive impact on the Indonesian economy. One of the main impacts is the improvement of infrastructure connectivity. Belt Road Initiative (BRI) projects have strengthened Indonesia's transportation network by building ports, toll roads, and railways that connect various regions. This has improved efficiency in the distribution of goods and strengthened domestic market integration.

In addition, Chinese investment has also been influential for increasing in Foreign Direct Investment (FDI) in Indonesia. Many of the Chinese companies participating in the Belt Road Initiative (BRI) projects have made new investments in Indonesia, creating job opportunities and bringing new technologies and expertise to the Indonesian economy. However, there are some challenges that need

⁹ Alamsyah Reyhan Muhammad, “Investasi Cina Melalui Belt and Road Initiative (Bri) Dan Pengaruhnya Terhadap Ekonomi Indonesia,” *Jurnal Online Mahasiswa Fisip* Vol. 10 (2023).

to be addressed. Environmental risks arise from large-scale infrastructure projects, and trade imbalances with China are a concern. The Indonesian government needs to ensure that these investments contribute to sustainable development and benefit Indonesian society as a whole.

In the research with the title **“Kepentingan Indonesia Melakukan Kerjasama Pembangunan Infrastruktur Dengan Tiongkok Pada Masa Pemerintahan Joko Widodo Tahun 2014-2019 ”**¹⁰ the research explains about the existence of common interests between Indonesia and China as well as China's aggressiveness and proactiveness which then made President Joko Widodo choose China as a cooperation partner in improving infrastructure in Indonesia, which is supported by external and internal factors that strengthen the current relationship between China and Indonesia. The intersection of these two factors encourages Jokowi's foreign policy leanings towards China as an economic partner and infrastructure development.

Belt and Road Initiative: Advantage and Disadvantage for Indonesia¹¹.

In a journal written by Saqib Atar Dil, China is a country with a very fast economy that will occupy the largest economy in the world. Indonesia as the largest country in ASEAN has become a significant trading partner of China and has the potential for large development investment collaboration. Therefore, having a positive economic relationship with China is very important. While Indonesia wants to accelerate its infrastructure development, it is limited by a lack of natural resources,

¹⁰ (Darulingga, 2023)

¹¹ (Dil, 2023)

so the China Belt Road Initiative (BRI) offers an opportunity to overcome these problems because China has great potential in many areas such as trade, economy, education and infrastructure.

1.5.2 Conceptual Framework

BILATERAL ECONOMIC COOPERATION

Bilateral economic cooperation involves agreements and partnerships between two countries that aim to achieve mutual economic benefits. These agreements can cover various areas such as trade, investment, technology transfer, and infrastructure development¹². Caraiani and Georgescu define economy cooperation as a form of international collaboration aimed at achieving mutual benefits through the use of financial resources, material resources, and technology from all partners. Bilateral economic cooperation is cooperation involving two countries that is mutually beneficial, meets the interests of both countries, and achieves common goals. Bilateral cooperation includes the process of response or actual policy from the initiating country, the perception of that response by decision-makers in the recipient country, the counteraction of the recipient country, and the perception by decision-makers in the initiating country. Bilateral cooperation can be carried out in various fields, including politics, culture, education, and economics.¹³

¹² (Dai Xinyuan, Snidal Duncan, 2017)

¹³ (Andruseac & Hertug, 2015)

Economy cooperation between Indonesia and China has emerged as a key component of the Belt Road Initiative (BRI) supported by the Chinese government. The main focus of this cooperation is infrastructure development, particularly in the maritime sector, which is very important for Indonesia to improve competitiveness and economic growth in affected areas. The Belt and Road Initiative (BRI) is an ambitious project aimed at expanding national infrastructure and connectivity across the Atlantic and Pacific oceans. In the context of Indonesia, which is a strategic alliance between the Indian and Pacific Oceans, maritime infrastructure development is becoming increasingly important. China has identified Indonesia as a strategic partner in the Belt and Road Initiative (BRI) to develop maritime transportation infrastructure and related facilities

GLOBAL MARITIME FULCRUM

The Global Maritime Fulcrum, also known as the World Maritime Axis, is an Indonesian policy introduced by President Joko Widodo as an effort by the government to improve connectivity between Indonesian islands in order to achieve national prosperity.

Within the framework of realizing Indonesia as the world maritime fulcrum, the administration of President Joko Widodo has established five main pillars as the strategic direction for national maritime development. These pillars include: (1) revitalizing maritime culture as the nation's identity; (2) sustainable management of marine resources, with fishermen as the primary actors in the development of the fisheries industry; (3) strengthening maritime infrastructure and connectivity

through the development of sea toll roads, deep-sea ports, logistics systems, the shipping industry, and the maritime tourism sector; (4) maritime diplomacy aimed at expanding international cooperation in the maritime sector; and (5) building maritime defense capabilities to safeguard Indonesia's maritime sovereignty. Based on these pillars, the author will focus on the third pillar, which emphasizes the importance of developing maritime infrastructure and connectivity as key elements in supporting the flow of goods distribution, logistics efficiency, and the integration of Indonesia's archipelagic regions within the framework of national development¹⁴.

The government is striving to make Indonesia a strong and sovereign maritime nation and to strengthen its role in the global economy¹⁵. This study focuses on the implementation of one of the main pillars of the global maritime axis vision, namely the strengthening of maritime infrastructure and connectivity. The implementation of this pillar is reflected in various concrete steps taken by the government in developing national shipping routes such as sea toll roads, as well as strengthening the maritime logistics system to connect the western, central, and eastern regions of Indonesia.

In the context of the Belt and Road Initiative (BRI) cooperation, this implementation is realized through foreign investment and strategic collaboration between Indonesia and China in the development of large-scale maritime

¹⁴ Frandi Kuncoro, "MEMBANGUN KEKUATAN NASIONAL DENGAN MEWUJUDKAN VISI POROS MARITIM DUNIA," *Jurnal Pertahanan & Bela Negara* 5, no. 2 (2018), <https://doi.org/10.33172/jpbh.v5i2.363>.

¹⁵ (Sinaga et al., 2020)

infrastructure. Based on Presidential Regulation No. 16 of 2017, the global maritime axis is defined as Indonesia's vision to become a strong, independent maritime nation capable of making positive contributions to global and regional peace and security in accordance with national needs¹⁶. According to Herindrasti, the Global Maritime Axis is a quote with the implication that to become a Global Maritime Axis, Indonesia must immediately invest in itself to improve the country's maritime environment. Before becoming a global maritime power, Indonesia must first become a regional power and then advance to the international level. Additionally, Manurung also opines that the Global Maritime Fulcrum is a government strategy to promote the maritime industry (blue economy)¹⁷.

In developing maritime infrastructure, the Global Maritime Fulcrum and the Belt Road Initiative (BRI) are highly complementary. The Global Maritime Fulcrum positions Indonesia as a global maritime hub, while the Belt Road Initiative (BRI) provides investment and resources to support the vision, particularly in terms of investment, infrastructure development, and enhanced maritime connectivity.

1.6 Hypothesis

The Belt and Road Initiative (BRI) designed by Xi Jinping covers various strategic infrastructure projects and makes Indonesia one of its main partners due to its strategic geographical location on international shipping routes. This project

¹⁶ (Budi, 2018)

¹⁷ (Yani & Montratama, 2015)

is a form of bilateral economic cooperation between Indonesia and China that focuses on maritime infrastructure development to improve connectivity between regions, particularly in connecting the islands of Indonesia as the world's largest archipelagic country, through the Belt and Road Initiative (BRI). Indonesia stands to gain numerous benefits, including increased investment in economic development and the modernization of maritime transportation infrastructure. This initiative aligns with President Joko Widodo's concept of the “maritime axis of the world,” which aims to position Indonesia as a global maritime hub through mastering maritime connectivity, port development, and the advancement of the national maritime industry—a concept also utilized by the author in their research.

1.7 Research Methodology

1.7.1 Research Design

In this study, the author uses a qualitative research method based on case studies and descriptive analysis. According to John Gerring, a case study is an in-depth analysis of a single component of a widely discussed phenomenon, such as a revolution, political party, nationalism, or individual killed at a single moment in time or during a period of time under discussion.¹⁸

1.7.2 Research Object

The research object focuses on the impact of the Belt and Road Initiative on maritime infrastructure development in Indonesia from 2014 to 2019, which

¹⁸ (Bakry, 2016)

includes various aspects of changes or improvements in infrastructure development, such as port construction, improvements in maritime facilities, maritime connectivity, as well as investments and related projects carried out under the Belt and Road Initiative (BRI).

1.7.3 Data Collection Techniques

The data collection technique used in this study is a literature review or study of previous data related to the research topic, involving the collection of information from various sources such as books, journals, official websites, reports, internet magazines, and others related to Indonesia-China cooperation in the Belt and Road Initiative (BRI) policy on maritime infrastructure development in Indonesia.

1.7.4 Data Analysis Technique

This study uses qualitative data analysis methods with a descriptive analysis approach. According to Milles and Huberman, data analysis is carried out through three main stages. The first is data reduction, which is the process of simplifying and filtering the data that has been collected. In this stage, data is selected based on its level of importance so that researchers can focus more on relevant information. Next is data presentation, which is displaying the simplified data in the form of tables, graphs, or images, with the aim of making the data easier to understand and

analyze. The final stage is drawing conclusions, which is formulating the final results of the analysis process to answer the questions or objectives in the research¹⁹.

The data analyzed is sourced from secondary data that is relevant to the research topic. The author interprets the data using a theoretical framework and concepts appropriate for explaining the phenomenon being studied, namely the implementation of the Belt and Road Initiative (BRI) on maritime infrastructure development in Indonesia. This approach aims to gain a deep understanding of the patterns of cooperation and the dynamics of implementation in the development of national maritime infrastructure.

1.8 Writing Systematics

The writing in this research consists of four chapters, each of which has sub-chapters, details, and a general overview, as follows:

CHAPTER I INTRODUCTION

The first chapter is the introduction, where the author will outline the background, problem statement, research objectives, research benefits, literature review, theoretical framework, hypotheses, research methodology, and writing structure. In this chapter, the author will explain the topic to be researched, based on the problem statement, which will then be analyzed using the concepts and theoretical framework proposed.

¹⁹ (Hans, n.d.)

CHAPTER II BELT ROAD INITIATIVE COOPERATION IN INDONESIAN MARITIME INFRASTRUCTURE DEVELOPMENT

In this chapter, the author will describe the origins and causes of bilateral relations between Indonesia and China in cooperation in trade, economy, investment, and infrastructure development between the two countries, as well as the interdependence of the two countries.

CHAPTER III THE IMPLEMENTATION OF THE BELT AND ROAD INITIATIVE (BRI) TOWARDS MARITIME INFRASTRUCTURE DEVELOPMENT IN INDONESIA IN 2014-2019

This chapter will elaborate on the core discussion of the research topic, namely the implementation of the Belt and Road Initiative on maritime infrastructure development in Indonesia from 2014 to 2019. The Belt and Road Initiative (BRI) policy, which assists Indonesia in maritime infrastructure development, will facilitate Indonesia's efforts to achieve its vision of becoming a global maritime axis.

CHAPTER IV CONCLUSION

The conclusion from the discussion in the previous chapter, which explains the implementation of the Belt and Road Initiative (BRI) on maritime infrastructure development in Indonesia, highlights how the economic cooperation between Indonesia and China can benefit China's economy through maritime infrastructure

development, thereby realizing the vision of making Indonesia a global maritime hub.

