China-Indonesia Relations: The Debate over Foreign Aid during the COVID-19 Era

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Abstract

China-Indonesia relations during the past few decades can be reviewed as a good mark, notably in investment matters. China has become Southeast Asia's most significant donor by periodically providing Indonesia with Foreign Direct Investment (FDI). Nevertheless, this regard is led to a foreign debt trap for Indonesia. This circumstance rapidly raised the negative sentiment toward China and completed with the outbreak of the COVID-19 pandemic, which strengthened the momentum. This research aims to explore the relationship that China is forward to Indonesia amidst the COVID-19 pandemic and the motivation behind such a relationship. The qualitative method and descriptive analysis approach obtained by secondary data has been used to explain this research. Through employing the concept of humanitarian diplomacy and national interest, this research found that the relationship conducted by China for Indonesia amidst the COVID-19 pandemic is the distribution of humanitarian aid in the health sector. The distribution of such humanitarian aid is an instrument for China to develop global image-building for the post-COVID-19 pandemic as well as to achieve national interest in terms of strengthening its presence and relations in the Southeast Asian region, especially Indonesia. This research implies expanding the discussion of the consequences of China-Indonesia relations, as recently become the main debate of many scholars.

Keywords: China-Indonesia relations; Foreign Aid; Image-building; Humanitarian Diplomacy; National Interest

Introduction

China-Indonesia commemorated more than seven decades of diplomatic relations, during which the two countries expressed their willingness to improve and develop friendly relations and cooperation in various essential sectors. China-Indonesia relations developed steadily in economic and trade relations, technological collaboration, exchange cooperation in cultural, scientific, and military fields, and other significant agreements, despite a brief suspension in the 1960s due to misleading information in the context of the "November 30 events" failed coup and other fluctuated relations between the two countries (Embassy of the People’s Republic of China in the Republic of Indonesia, 2004). In elevating the
development growth of both countries, China undoubtedly plays a more important role as they recently become one of the influential actors in global integration and the world's second-largest economy. In this regard, China's effort in Indonesia's advancement can be seen clearly through the way they provide foreign aid for infrastructure development projects in Indonesia (Eng, 2017).

Expanding the aforementioned discussion, foreign aid, especially in the context of Foreign Direct Investment (FDI), has a significant multiplier effect in accelerating economic growth, creating job opportunities, and shifting the current consumption-based economy to an economy driven by production. In this regard, China is gradually becoming one of the biggest countries contributing to Indonesia's foreign investment. According to the data released by Indonesia's Investment Coordinating Board, known as the BKPM, China overtook Japan as the Southeast Asian country's investor by becoming the second-largest donor of foreign aid to Indonesia after Singapore in 2017. Again, China has become more severe in Indonesia's FDI by once becoming first place as a top country donor during the fourth quarter of 2019 with US $1.4 billion, although being placed again second after Singapore in 2020 (Ministry of Investment, 2022). In addition to the numerous benefits acquired by becoming an FDI recipient, this trend attracted many scholars to discuss other consequences as a result of receiving this foreign aid, considering it shown to be an agenda in promoting the donor country's interest (Candra & Paksi, 2021).

Some previous studies have touched upon the consequences of China-Indonesia relations. The first one is a study conducted by Gammeltoft & Tarmidí, (2013), which focuses on the systematic study of Chinese FDI to Indonesia. The study aimed to analyze the Chinese FDI composition as well as the historical evolution in Indonesia. The result showed that the evolution of Chinese investments in Indonesia has evolved over time from being individual and isolated projects to acquiring more systemic properties. On the other hand, the development impact for Indonesia is not pictured in line with the emergence of China's investment since they are likely to give rise to a more modest extent of a positive impact than investment from other countries. Negara & Suryadinata (2018) also explain the impact of China's FDI is related to the increase of the total external debt. This study discovers that China has increased Indonesia's total external debt from around 0.6 percent in 2008 to 4.5 percent in 2017. The following research on China's FDI to Indonesia was by Hennida (2018), which states that the increment of China's FDI to Indonesia goes along with its debt. Indonesia's debt to China has been reported to increase six times over the past ten years. This study also argues that this situation raises concern that Indonesia's foreign policy will take sides with China's interest.

The constraints faced by Indonesia as a result of China's FDI have been linked to anti-China sentiment. These frequently resurface anytime China is discussed in Indonesia (Danubrata & Suroyo, 2017; Umagapi, 2017). It has re-emerged recently as the main discussion among Indonesian due to the outbreak of COVID-19. As a result, the negative impact of China's FDI completed with the COVID-19 outbreak strengthened the momentum to increase anti-China sentiment, which has existed throughout history (Panggabean & Smith, 2011; The Conversation, 2020). Nevertheless, the data revealed that China still demonstrated its presence toward Indonesia – despite the spread of negative news related to Chinese investment and the anti-China sentiment – in the midst of the COVID-19 high cases. This circumstance perplexed authors to explore the China-Indonesia relationship amidst the COVID-19 pandemic. This paper generated questions: What forms of relationship which China put forward to Indonesia? What is the motivation behind such a relationship? This research implies expanding the discussion of China-Indonesia relations amidst the COVID-19 pandemic and filling the research gap related to the other consequences, as this case has not yet been explained.

To address this issue, the concept of humanitarian Diplomacy and national interest has been used in this article. The understanding of these concepts will be explained below. First, humanitarian Diplomacy in this article refers to the context of maximizing support for operations and programs and building the partnerships necessary if humanitarian objectives are to be achieved (Régnier, 2011). This concept emerged in the early 2000s to persuade decision-makers and leaders to uphold vulnerable people
with full respect for fundamental humanitarian principles at all times and in all circumstances. However, the existing humanitarian Diplomacy raises questions as Diplomacy is characterized by compromise and pragmatic dealing, whereas humanitarian action is the opposite (Lauri, 2018; O’Hagan & Hirono, 2014). It is about working for ideals and universal principles. Therefore, although humanitarianism is believed to be universal, skepticism is required to see humanitarian Diplomacy, notably its actions, actors, motives, means, and consequences (O’Hagan & Hirono, 2014). Central to the debate is whether it is legitimate to promote such interest in the name of humanitarianism, considering in view of the consequences.

The following concept is the national interest. Although it is difficult to define national interest precisely, international relations scholars use this concept to understand international politics by striving to articulate foreign policy since it believes as a means of formulation to achieve the country's national interest. In this article, a six-tiered classification of national interest, according to Thomas W. Robinson, has been employed (Robinson, 1967). The following are some of them: (1) Primary Interest refers to the protection of the nation's physical, political, and cultural identity against possible encroachments of other states; (2) Secondary Interests are considered to protect citizens abroad and maintain proper immunity for diplomats; (3) Permanent Interests are those which are relatively long-term interests to achieve; (4) Variable Interests are given the circumstances in which the interest is a function of the national branding, obtain all the cross-currents of public opinion, sectional interests, partisan politics, and political and moral folkways; (5) General Interests are those that nation could positively apply to a large number of nations that share a common in various fields; (6) Specific Interests are usually closely defined in time and space and often are the logical outgrowth of General Interests. All the classifications mentioned earlier will help to indicate a country's interest through its presence in international affairs.

Result and Discussion

China’s Foreign Aid to Indonesia during the COVID-19

Foreign aid during the cold war by Morgenthau (1962) is defined as a foreign policy tool to "win the hearts and minds" of the country that was become the recipient. Foreign aid was also later reclassified into two different models, namely the interest model – which aims to achieve the interest of the donor country – and the model of needs – to beneficiaries aimed at helping the low-middle country. Often, this foreign aid, according to Baldwin (1985), is a form of economic assistance to fulfill foreign policy interests. According to Dreher et al. (2019), during the past few decades, the number of non-Western countries offering foreign aid has increased, which raises new issues about whether the motivations and objectives behind the provision of assistance are the same as those of Western nations.

The Organization for Economic Cooperation and Development (OECD) reported the value of foreign aid in 2020 had reached 161.2 billion dollars, a 3.5% rise over 2019. This increase was influenced by the focus on mobilizing aid to developing countries in the face of a scant COVID-19 pandemic impacting many life sectors (OECD, 2021). According to WHO data from April 2022, there were 143 million documented cases of COVID-19 in the health sector, 3 million of which resulted in fatalities. According to the IMF, the world economy suffered a severe loss in the economic sector in June. In 2020, the world economy recorded a contraction of 4.9%. This pandemic also exacerbates various social problems, such as increasing social inequality and layoffs that threaten social stability. The United Nations budgeted USD 10.3 billion through Global Humanitarian Response Plan for COVID-19 to address the problem (Gong, 2021). The OECD also emphasized that foreign aid during a pandemic, particularly important in the distribution of vaccines and hospital facilities in the country's development – support the acceleration of global recovery in all areas sector (OECD, 2021).

China International Development Cooperation Agency (CIDCA), formed in 2018, then marked the growth of China as a country of becoming a global power. It is also in progress from a non-leader global state becoming a superpower that competes in domination with the state of another powerful
country. According to Zhang et al. (2020), the establishment of CIDCA represents China's rebranding attempts to become a significant player in the global system and a signal that China is capable of transitioning from a country that receives foreign aid into a country that provides foreign aid. But again, the motive and intention of giving Chinese foreign aid is still a matter of debate (Telias & Urdinez, 2022).

During the pandemic, China is one of the countries that have a role active in providing assistance. This dynamic role is seen when China delivers assistance in the supply of health facilities, health workers, and assistance funding to 150 countries worldwide and several international organizations. President Xi Jinping also revealed that China is committed to making vaccines from China a global public commodity and is reserved to providing assistance in the United Nations scheme dealing with COVID-19 disasters (Gong, 2021). Among the 150 countries, Southeast Asia is an area in which China has given sufficient focus to provide foreign aid during a pandemic. Countries in Southeast Asia, such as Cambodia, Laos, Malaysia, Myanmar, and Indonesia, are recipient countries of assistance from China in the health sector and funding. Although the relationship between China and Indonesia has had challenges at the same time, COVID-19 due to increasing anti-China sentiment and the crisis in the South China Sea, the relations between the two countries were more or less not significantly affected. In contrast, foreign aid and cooperation throughout the COVID-19 period have enhanced the relationship between the two countries (Rakhmat, 2021).

China provided Indonesia with 40 tons of medical equipment masks, gloves, personal protective equipment (PPE), and test kits in March 2020, followed by the shipment of 50 portable ventilators, 150,000 PCR kits, 80,000 medical masks, 1.4 million surgical masks, and 80,000 pieces of PPE in June of the same year (Purnama & Rakhmat, 2022). During this period, China provided Indonesia with medical equipment valued at up to USD 10 million. In addition, through the Protocol on Prevention and Control of COVID-19 and the Diagnosis and Treatment Protocol for COVID-19 – China and Indonesia exchange procedures for managing COVID-19. China has also resulted in cooperation between pharmaceutical companies - Sinovac Biotech (China) and Bio Farma (Indonesia) - in vaccine development and production (Embassy of China, 2020; Gong, 2021). Through this collaboration, the Minister of Foreign Affairs of Indonesia traveled to China to produce a collaboration agreement between Bio Farma and Sinovac Biotech for the supply of 40 million doses of vaccine to Indonesia from November 2020 until March 2021, as well as the priority supply of vaccines from April until December 2021 (Musthofa et al., 2021).

Furthermore, in 2021, when Indonesia was experiencing an outbreak of the Delta variant of COVID-19, which increased the demand for medical devices, the Chinese government provided USD 7.8 million or approximately IDR 113 billion in medical assistance to the Indonesian government in the form of liquid oxygen, ISO Tank, oxygen regulator cylinder, oxygen concentrator, generator oxygen, and a vaccine for the treatment of COVID-19. On this occasion, The Coordinating Minister for Maritime and Investment Affairs also said that apart from this assistance, China is committed to securing vaccine supplies for COVID-19 to Indonesia while simultaneously creating Indonesia as a Production Center for Regional vaccines (CNBC Indonesia, 2021). Most recently, in 2022, China, through the People's Liberation Army Navy (PLAN), sent its hospital ship known as "Peace Ark" for the second time to Indonesia, intending to provide outpatients and medical services to residents (Purnama & Rakhmat, 2022).

**Analysis behind China's Foreign Aid to Indonesia during COVID-19**

China's foreign aid activities that assisted Indonesia during the pandemic could be called humanitarian diplomacy, which is synonymous with humanitarian assistance in the framework of increasing access and securing the needs community in an area experiencing social or political instability and security resulting from conflicts such as war or genocide that threaten civil society life. An example of the implementation of this humanitarian diplomacy can be seen in Qatar, Turkey, and the UAE.
actively assisting in humanitarian development to several countries in Africa and Asia experiencing conflicts such as Palestine, Syria, Afghanistan, and Yemen (Lauri, 2018).

China, as a new power in Asia and even the world, is also actively contributing to assisting countries experiencing humanitarian conflict, such as USD 29 million in assistance to refugees due to the Syrian conflict and USD 100 million to help with the worldwide refugee crisis. However, in addition to China providing humanitarian aid to countries experiencing conflict due to war and humanitarian disasters, China is also focused on actively providing humanitarian aid to countries experiencing crises resulting from natural disasters. It can be seen in China's assistance to Nepal, which experienced this earthquake in 2015, to Cambodia, which experienced severe floods due to the collapse of the hydropower dam in 2018. Furthermore, China also provided assistance to Indonesia, which was experiencing a tsunami disaster (Gong, 2021).

However, foreign aid in the context of aiding humanity as a result of humanitarian disasters and natural disasters reap several controversies that question the value of humanitarian aid and its relationship to the interest behind the aid. A number of debates that arose as an implication of China's actions in providing this foreign aid can be seen in some of China's foreign aid cases. The first was when China sent aid to the Philippines, which experienced Typhoon Haiyan in 2013 and drew criticism from the international community because it was considered too small, which then gave rise to speculation. China deliberately did it because the relationship between China and the Philippines was in bad condition due to territorial conflicts in the South China Sea region. Second, in the context of resolving the Rohingya conflict in Myanmar, China is considered to place too much importance on its interests in the sector development over human rights by resolving conflicts and helping Rohingya refugees in Bangladesh. Third, Chinese aid in Nepal in 2015 also did not escape criticism because it was full of interest in the struggle for influence in the South Asian region with India. Some of the prejudice and criticism from the international community towards China then raises questions about China's actions in providing foreign aid and what values and interests it embodies as a motive for the action (Gong, 2021).

The discussion of China's interests and their relationship with its humanitarian diplomacy is indeed something that often occurs. As stated by Cook & Gong (2021), humanitarian diplomacy carried out by the state sometimes raises suspicion that the motive for providing aid is based on humanitarian interests or national interests. Things will not be much different either. The question is, what motive is the background for giving Chinese assistance to Indonesia during the COVID-19 disaster? China delivers aid to Indonesia in the health sector in the form of medical devices, production and distribution of vaccines are essential to analyze. Therefore, using the concept of the national interest, according to Thomas W. Robinson mentioned above, the result of Chinese motivation in providing foreign aid in this humanitarian form is further known. Thus, based on the concept, then aid from China to Indonesia is China's attempt to fulfill interests within the framework of the General Interest. Within the framework of the General Interest, which has a broad-spectrum including economics, politics, trade, geographical location, and the country's image, is a motive that is considered suitable for describing China's interests in providing assistance to Indonesia.

The context of China's aid to Indonesia includes China's image-building initiatives in Indonesia and Southeast Asia. According to Hartig (2016), the image of the country is an important instrument that affects a country's relationship with other countries because countries tend to cooperate with countries with friendly or non-aggressive ideas. In the last four decades, China has been trying to build its image globally as one of its main focuses so that it can benefit the country's domestic development. The dynamics of China's principles in the context of building its image in the international level is quite diverse. Starting Chinese principles in the time of Deng Xiaoping, who was more keeping a low profile and did not seek later leadership, impacted China's lack of activity in international events such as peacebuilding. According to Breslin, (2010), in the 2000s, China more focused on increasing its contribution and involvement regionally as well as internationally by adopting China's principle of using
its power responsibly and putting forward the narrative that China's aid is in construction is carried out peacefully. At that time, this narrative was chosen as an implication of the view that China's development is strength-wise not to be of benefit to the international world but will have a negative impact on other countries. That assumption is then referred to as the Chinese Threat Theory.

In order to refute this assumption, China responded by increasing China's involvement in world peace efforts by the addition of soldiers in peacekeeping from 52 personnel at the beginning of 2000 to 1038 personnel in 2005. In addition, this Chinese re-imaging effort was also carried out by continuing to encourage the foreign aid sector to the other state. This effort then made China in 2005 become the third-most donor country (Gong, 2021).

During the COVID-19 period, the assistance provided to Indonesia and other countries can be seen as one of the efforts to improve China's image as a country whose existence offers benefits to the country differently. According to Smith & Fallon (2020), China's commitment to providing assistance abroad during the COVID-19 era is aimed at building relationships and strategic partnerships within the scope of the state and non-state. In this case, Roshchin (2006) states that partnership or friendship between countries is important in order to become the foundation of the international structure. Therefore, assistance given to Indonesia is expected and can be an instrument for China and Indonesia to strengthen friendly relations with each other. It is consistent with China's long-held belief that friendship lies within the realm of international cooperation and that efforts to strengthen partnerships are an essential part of building an international system, so COVID-19 is an opportunity for China to strengthen and expand new partnerships in foreign aid recipient countries (Pramudia, 2022).

This aspect of strengthening and expanding is important for China to fulfill image-building interests in order to place China as a country with power that can benefit the international world. So later, this will lead to a long-term impact and has implications for increasing cooperation between China and the receiving country help. In addition, the improvement of China's original negative image as a threat to the international system to a more positive image will help the international community accept China's rise and be able to support China's vision in the Belt and Road Initiative (BRI) project, which is China's economic, diplomatic, and geopolitical effort (Pramudia, 2022).

Motives for Strengthening Bilateral Relations between China and Strategic Partners in the Southeast Asian Region

Indonesia had a strong influence in the Southeast Asian Region, especially under the President Suharto. However, during the post-financial crisis in the 1990s, Indonesia's leadership in Southeast Asia became less aggressive and tended to be more egalitarian. However, in recent years, Indonesia has made progress economically and in politics, which quite reflects a new chapter for Indonesia as an actor major in the Southeast Asian Region (Rattanasevee, 2014). Most recently, Indonesia was chosen to become the ASEAN leader.

In the economic sector, Indonesia is in the Southeast Asian Region, which has the greatest power. In 2021, Indonesia's GDP will reach USD 1.19 quadrillion or one-third of the total GDP of ASEAN countries, amounting to USD 3.34 quadrillion, making it the largest economy in the region. Based on BPS data, economics Indonesia in semester 1 of 2022 grew by 5.23% compared to 1 semester of the previous year. In the 2nd quarter of 2022, Indonesia's GDP reached IDR 4.92 quadrillion, of which 51.47% came from public consumption.
The stability of the Indonesian economy in Indonesia during this COVID-19 period cannot be separated from China's role in maintaining economic relations with Indonesia (Abhipraya et al., 2021). At the beginning of the pandemic, trade performance between Indonesia and China indeed decreased by 24%. However, trade between China and Indonesia in the first semester of 2021 was recorded at USD 53.3 billion, or an increase of as much as 50.3% when compared to the same period in the year previously. It was also reported during this period, Chinese import activities to Indonesia increased by 49.3%, or USD 27.3 billion, and export performance from Indonesia to China is worth USD 26.2 billion, or an increase of 51.4% (Rakhmat, 2021). This shows the relationship between China and Indonesia during COVID-19—although there were several challenges, such as anti-China sentiment and conflict in the South China Sea—remains a beneficial impact on the performance of the second trade country.

In addition, to maintain Indonesia as China's partner in the region of Southeast Asia in the context of the BRI project's, China has also invested in various strategic projects. During the pandemic, the value of the investment foreigners originating from China in Indonesia jumped by four times, with a capitalization value of USD 2.3 billion (Maesaroh, 2022). Indonesian strategic projects where China is an important investor in its operations, among others, are Jakarta-Bandung high-speed rail, 5G technology, Medan-Kualanamu toll road, Jatigede Reservoir in West Java, Artificial Intelligence, Big Data, Cloud Computing, technological innovation, education, and tourism (Hanura et al., 2022). In this period, Indonesia and China are also exploring cooperation in infrastructure development and projects maritime sector in Eastern Indonesia. According to President Joko Widodo, this represents China's cooperation commitment to contributing towards post-pandemic development in all sectors (Rakhmat, 2021).

On the other hand, it is different from the approach of the Joko Widodo administration, which often involves an investment from China in its national strategic projects. China's role in one of Indonesia's megaprojects, namely moving the capital city countries from Jakarta to East Kalimantan, which has a value of USD 33 billion, is the bare minimum. This was allegedly an attempt by Jakarta not to be too dependent on investment from Beijing because China's track record got a lot of negative perceptions caused by the debt trap as well environmental damage. With the debate about moving the capital city, which raises many pros and cons, coupled with various controversies about Chinese investment, Joko Widodo is considered to want to avoid a more negative perception of this mega project (Rakhmat & Permadi, 2020). Examining this situation, improving the perception regarding sentiment toward China and promoting bilateral relations between the two nations is essential. Assuming that this is not taken seriously, Indonesia is able to seek investment opportunities outside of China.

**Conclusion**

China's track record and sentiment as part of the "China Threat" become one of the obstacles to develop into a country that is influential in the global economic and political arena. In an effort to change...
the perception and achievement of its interests in that field, China is lately active in providing foreign aid, especially in the humanitarian sector, as an effort in humanitarian diplomacy.

During the time of COVID-19, China was a royal country that provided foreign aid, especially in the health sector. To Indonesia, China sent various aid packages in the form of medical devices as well as cooperation in the procurement and distribution of vaccines made in China. However, the motive behind such foreign aid still can be debated because it is an attempt by the state to achieve its national interests.

Through analysis of national interests based on the concept of interests according to Thomas W. Robinson, China's motives for providing assistance abroad to Indonesia during the COVID-19 period in the health sector are categorized in the General Interest classification. This matter is based on the results of the analysis in this article, which states that the background China provides foreign aid to Indonesia as an effort to China's image-building to show that China is not a threat, but countries are willing to collaborate with other countries to create a better world. Apart from that, the second reason is that the background of this aid is an effort for China to maintain China's strategic economic partner while strengthening the bonding of cooperation between countries for the success of BRI's dream.

For future research, it is expected to conduct more in-depth research regarding the implications and effectiveness of China's image-building and relationship-strengthening bilateral relations between China and Indonesia for the realization of the BRI project in scope Indonesia and Southeast Asia.

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