

CHINA'S ECONOMIC DIPLOMACY TOWARDS INDONESIA'S DEVELOPMENT:

A Case Study of Jakarta-Bandung High Speed Railway

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Abstract

The Jakarta-Bandung High-Speed Railway (HSR) project represents a cornerstone of the evolving partnership between Indonesia and China, symbolizing the integration of strategic interests and economic diplomacy. Aligned with China's Belt and Road Initiative (BRI) and Indonesia's infrastructure development agenda, the project underscores the role of connectivity in fostering regional growth. This study examines the project's strategic, economic, and geopolitical dimensions, emphasizing China's diplomatic strategies, including technology transfer, financial flexibility, and long-term cooperation frameworks. The HSR highlights mutual benefits, ranging from economic growth and employment creation to enhanced intercity mobility, while offering a model for bilateral collaboration. The research also explores challenges, such as political leadership transitions in Indonesia, external geopolitical pressures from the United States, and competition with Japan's high-speed rail technologies. Despite these obstacles, the HSR demonstrates the potential of infrastructure projects to address global development goals and foster sustainable growth. By focusing on the project's implications within the BRI framework, the paper provides insights into China's aspirations for regional influence and its strategy to position itself as a global leader in high-speed rail development. Ultimately, the Jakarta-Bandung HSR serves as both a symbol and a practical example of how economic diplomacy can drive strategic partnerships, strengthen regional integration, and reshape perceptions of global power dynamics. This collaboration reflects the increasing interdependence of Indonesia and China, laying the foundation for future infrastructure initiatives and solidifying their roles in the global economic landscape.

Keywords: Jakarta-Bandung High-Speed Railway; China-Indonesia Relations; Belt and Road Initiative (BRI); Economic Diplomacy; Infrastructure Development; Regional Integration

Abstrak

Proyek Kereta Cepat Jakarta-Bandung (HSR) merupakan tonggak penting dalam kemitraan yang terus berkembang antara Indonesia dan Tiongkok, melambangkan integrasi kepentingan strategis dan diplomasi ekonomi. Sejalan dengan Inisiatif Sabuk dan Jalan (Belt and Road Initiative/BRI) Tiongkok dan agenda pembangunan infrastruktur Indonesia, proyek ini menegaskan peran konektivitas dalam mendorong pertumbuhan regional. Studi ini menganalisis dimensi strategis, ekonomi, dan geopolitik dari proyek tersebut, dengan menekankan strategi diplomasi Tiongkok, termasuk transfer teknologi, fleksibilitas finansial, dan kerangka kerja sama jangka panjang. Kereta cepat ini menyoroti manfaat bersama, mulai dari pertumbuhan ekonomi dan penciptaan lapangan



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kerja hingga peningkatan mobilitas antar kota, sambil menawarkan model kerja sama bilateral. Penelitian ini juga mengeksplorasi tantangan, seperti pergantian kepemimpinan politik di Indonesia, tekanan geopolitik eksternal dari Amerika Serikat, dan persaingan dengan teknologi kereta cepat Jepang. Meskipun menghadapi hambatan ini, proyek HSR menunjukkan potensi proyek infrastruktur untuk menangani tujuan pembangunan global dan mendorong pertumbuhan yang berkelanjutan. Dengan berfokus pada implikasi proyek dalam kerangka BRI, makalah ini memberikan wawasan tentang aspirasi Tiongkok untuk pengaruh regional dan strateginya untuk memposisikan diri sebagai pemimpin global dalam pengembangan kereta cepat. Pada akhirnya, Kereta Cepat Jakarta-Bandung berfungsi sebagai simbol sekaligus contoh nyata tentang bagaimana diplomasi ekonomi dapat mendorong kemitraan strategis, memperkuat integrasi regional, dan mengubah persepsi tentang dinamika kekuatan global. Kolaborasi ini mencerminkan ketergantungan yang semakin meningkat antara Indonesia dan Tiongkok, sekaligus meletakkan dasar bagi inisiatif infrastruktur masa depan dan memperkuat peran mereka dalam lanskap ekonomi global.

Kata Kunci: Kereta Cepat Jakarta-Bandung; Hubungan Tiongkok-Indonesia; Belt and Road Initiative/BRI; Diplomasi Ekonomi; Pembangunan Infrastruktur; Integrasi Regional

INTRODUCTION

The Jakarta-Bandung High-Speed Railway (HSR) project represents a significant milestone in the evolving relationship between Indonesia and China. Over the past seven decades, these nations have nurtured a robust partnership across politics, trade, and infrastructure development. Diplomatic ties were established in 1950, and since then, cooperation has deepened, driven by mutual interests in economic growth and regional stability (Lindblad, 2017). Indonesia, as Southeast Asia's largest economy, holds strategic importance for China's Belt and Road Initiative (BRI), a global connectivity program launched in 2013 to enhance trade and infrastructure links across Asia, Europe, and Africa (Cai, 2017).

Indonesia's infrastructure challenges, exacerbated by its archipelagic geography, have hindered regional connectivity and economic integration. The Jakarta-Bandung HSR project, stretching 142.3 kilometers, seeks to address these issues by reducing travel time between Jakarta and Bandung from over three hours to 45 minutes. As Southeast Asia's first high-speed rail project, it reflects both nations' broader ambitions: modernization and regional integration for Indonesia, and enhanced economic influence for China (Booth, 2013; Hong, 2015).

For Indonesia, the HSR project aligns with its Masterplan for Acceleration and Expansion of Indonesia's Economic Develop-

ment (MP3EI). Efficient transportation infrastructure is central to this plan, which aims to stimulate regional economic growth and reduce developmental disparities (Ministry of Transportation Directorate General of Railways, 2011). The project's business-to-business financing model minimizes Indonesia's financial risks while maximizing potential economic benefits (kompas.com, 2021). For China, the HSR is integral to the BRI, representing a strategic investment that solidifies its presence in Southeast Asia. It also reflects China's global ambitions to showcase its high-speed rail technology, challenging traditional players like Japan in the region (Bo, 2022). By prioritizing Indonesia, China underscores its commitment to fostering mutually beneficial partnerships, as highlighted by President Xi Jinping's statement: "We must continue to build and improve the quality of cooperation under the Belt and Road Initiative" (Jiao and Yunbi, 2013).

Economic diplomacy forms the backbone of the Jakarta-Bandung HSR project. China's proposal was selected over Japan's due to its comprehensive financing approach, which excluded government guarantees and relied on private sector participation (kompas.com, 2021). This decision reflects Indonesia's preference for partnerships that align with its developmental priorities and fiscal constraints. Additionally, the project symbolizes enhanced diplomatic synergy, particularly under President Joko Widodo, who has emphasized in-

ternational collaborations to accelerate infrastructure development (Bo, 2022).

The HSR project further illustrates China's diplomatic strategy of leveraging infrastructure to expand its influence. Through the BRI, China connects infrastructure development with long-term geopolitical goals, fostering regional connectivity and trade while establishing itself as a global leader in technology and economic partnerships (Cai, 2017). Despite its promise, the Jakarta-Bandung HSR project faces challenges such as land acquisition delays, environmental concerns, and financial uncertainties. These issues underscore the complexities of executing large-scale infrastructure projects in developing nations (Hong, 2015). However, the project also offers significant opportunities: creating jobs, fostering industrial growth, and enhancing regional accessibility. If successful, it could serve as a model for future collaborations under the BRI, strengthening the Indonesia-China partnership (Booth, 2013; Lindblad, 2017).

This study explores the Jakarta-Bandung High-Speed Railway (HSR) as a pivotal case of China's economic diplomacy, delving into its implementation, impacts, and strategic significance. It seeks to analyze how China's diplomatic strategies influence Indonesia's development through this project, particularly in terms of infrastructure and economic growth. Additionally, it aims to identify China's roles and national interests within the project, examining their alignment with the broader objectives of the Belt and Road Initiative (BRI). Central to this inquiry are questions about the reflection of China's economic diplomacy in the Jakarta-Bandung HSR, the strategic roles and interests China pursues through this collaboration, and the short- and long-term developmental impacts on Indonesia. This research contributes to academic literature and policy discussions by providing a nuanced analysis of China's economic diplomacy. It highlights the mechanisms of bilateral infrastructure collaborations, offering insights into their opportunities and challenges. Furthermore, it underscores the Jakarta-Bandung HSR's significance as a template for regional integration and global economic cooperation (Booth, 2013; Cai, 2017).

The paper is structured into five sections. Following this introduction, the theoretical framework explores economic diplomacy, the BRI, and infrastructure as a tool for geopolitics. The research methodology outlines the qualitative approach used. The results and discussion section analyzes the HSR project's developmental and strategic outcomes, while the conclusion summarizes key findings and offers recommendations for policy and further research.

CHINA'S ECONOMIC DIPLOMACY AND DEVELOPMENTAL STRATEGY

Economic diplomacy is a critical tool in international relations, where economic resources and policies are strategically utilized to achieve a country's foreign policy objectives. Harold Nicholson (1942) defines diplomacy as the management of international relations through negotiations, often by ambassadors and official representatives, to safeguard national interests. Economic diplomacy specifically focuses on leveraging trade, investment, and economic collaborations to strengthen bilateral and multilateral relations. Unlike traditional diplomacy, economic diplomacy also incorporates non-state actors, reflecting the increasing complexity of global interactions in a globalized world (Plano, 1982; Rana, 2011).

The primary goals of economic diplomacy include advancing national economies, fostering trade and commercial ties, protecting citizens abroad, and promoting cultural and ideological exchanges. These objectives ensure a balanced approach to achieving both political stability and economic prosperity. Scholars like Berridge and James further highlight the use of economic tools to influence other nations' policies and actions, integrating political and strategic goals within the broader framework of international relations (Berridge & James, 2003). In practice, economic diplomacy often oscillates between soft and hard power strategies. It employs persuasion, cooperation, and informal negotiations as soft power tools, while sanctions and embargoes represent more confrontational methods. This duality allows states to respond dynamically

to market conditions and political exigencies, emphasizing the importance of adaptability in achieving desired outcomes (Bayne & Woolcock, 2007; Balaam, 2014).

China's Belt and Road Initiative (BRI) epitomizes economic diplomacy on a global scale. Launched under President Xi Jinping, the BRI encompasses two main components: the Silk Road Economic Belt (a land-based route connecting China to Europe via Central Asia) and the 21st Century Maritime Silk Road (a sea-based route linking China to Southeast Asia, Africa, and Europe). Together, these corridors aim to enhance trade connectivity, infrastructure integration, and cultural exchange across three continents (Berger, 2023). The BRI has grown into one of the most ambitious infrastructure projects globally, encompassing 70 countries and accounting for approximately 65% of the world's population. Investments under the initiative are directed towards developing ports, railways, airports, power plants, and telecommunications networks. Financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund play pivotal roles in facilitating these projects, showcasing China's ability to mobilize resources for global economic integration (C & Li, 2019; Gholizadeh & Zhou, 2021).

The Jakarta-Bandung High-Speed Railway (HSR) project is a flagship initiative within the BRI, representing China's vision for connectivity and development. By integrating Indonesia's strategic location into the broader BRI framework, China reinforces its influence in Southeast Asia while promoting mutual economic benefits. The project also reflects the Chinese government's emphasis on utilizing infrastructure as a diplomatic tool to strengthen bilateral partnerships and advance its geopolitical ambitions (Bo, 2022).

Economic development theory explores the relationship between infrastructure and socio-economic growth, emphasizing sustainable and equitable progress. Infrastructure, particularly in transportation, is regarded as a catalyst for economic transformation, reducing regional disparities, and fostering industrial growth. The Jakarta-Bandung HSR exemplifies this dynamic, as it aims to enhance

connectivity, stimulate local economies, and improve overall quality of life in Indonesia (Nicholson, 1942; Bergeijk & Moons, 2007).

China's approach to infrastructure diplomacy aligns with the principles of economic development theory. By exporting its high-speed rail technology and expertise, China not only addresses the developmental needs of partner countries but also creates opportunities for cultural and technological exchange. The Jakarta-Bandung HSR project embodies this dual objective, serving as a testament to the synergy between infrastructure development and international collaboration (Heijmans, 2013).

The Jakarta-Bandung HSR project provides a compelling case study for understanding the integration of economic diplomacy, the BRI framework, and developmental objectives. From a theoretical perspective, the project illustrates how China employs infrastructure as a strategic asset to achieve both economic and geopolitical goals. The business-to-business financing model adopted for the HSR reflects China's ability to innovate in economic diplomacy, minimizing financial risks for Indonesia while maximizing long-term gains for both nations (kompas.com, 2021). By aligning its developmental goals with Indonesia's infrastructure needs, China positions itself as a reliable partner for Southeast Asian countries. This alignment also strengthens China's narrative of mutual benefit, countering criticisms of neo-colonialism often associated with large-scale infrastructure projects. Furthermore, the Jakarta-Bandung HSR project highlights the potential of such collaborations to serve as templates for sustainable development in the Global South (Berridge & James, 2003; Rana, 2012).

Theoretical analysis of the Jakarta-Bandung HSR project underscores the strategic interplay between economic diplomacy, BRI priorities, and development theory. It demonstrates the importance of infrastructure as a diplomatic tool and a driver of socio-economic transformation. Future research could explore the long-term impacts of such projects on regional development, particularly in addressing challenges related to financial sustainabili-

ty, environmental concerns, and geopolitical competition (Berger, 2023).

RESEARCH METHOD

This study employs a qualitative research approach to analyze the Jakarta-Bandung High-Speed Railway (HSR) project, focusing on its role as a key manifestation of China's economic diplomacy with Indonesia. Qualitative research is particularly effective in exploring complex socio-political and economic dynamics, providing rich, contextual insights into the underlying strategies and impacts of this collaboration. By examining the case within its natural setting, the study seeks to interpret the phenomena through the lens of economic diplomacy, development theory, and the Belt and Road Initiative (BRI) framework (Creswell, 2013; Denzin & Lincoln, 1994).

Data collection for this research relied on a combination of literature review, document analysis, and online research to ensure comprehensive coverage of the project's various dimensions. The literature review encompassed scholarly articles, books, and academic publications, which provided foundational theoretical insights into economic diplomacy and infrastructure development. This step contextualized the research within established academic discourses, enabling a robust theoretical framework (Ruslan, 2008; Danial & Warsiah, 2009). Document analysis was integral to understanding the operational specifics of the Jakarta-Bandung HSR project. Official documents, such as Memoranda of Understanding (MoUs) between Indonesia and China, project feasibility studies, government policies, and reports, were scrutinized to uncover the intricacies of agreements, financing models, and implementation strategies. These documents offered critical details about the project's alignment with Indonesia's Master Plan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI) and China's broader BRI objectives (Ministry of Transportation, 2011). Additionally, online resources, including news articles, press releases, and official updates, were instrumental in capturing contemporary perspectives and

real-time developments related to the project. The internet's vast repository of information provided access to diverse viewpoints and ensured that the study remained current (Sarwono, 2005).

The data analysis process was structured and iterative, aimed at synthesizing diverse sources into a coherent narrative. Initially, data was reduced and organized through coding and thematic categorization, focusing on key aspects such as economic diplomacy, infrastructure development, and bilateral cooperation. This reduction process helped eliminate irrelevant information, allowing the study to concentrate on the core elements of the research questions (Moleong, 2014). Thematic analysis further enabled the identification of patterns and relationships within the data, facilitating a deeper understanding of the Jakarta-Bandung HSR project's economic, social, and political implications (Boeije, 2010). The findings were then presented in a narrative format, supplemented by visual aids where appropriate, to ensure clarity and accessibility. Verification of conclusions was achieved through triangulation, cross-referencing multiple sources to strengthen the study's validity and reliability (Lamont, 2014).

The research focuses exclusively on the Jakarta-Bandung HSR project, examining its significance within the context of Indonesia's development priorities and China's BRI strategy. While the qualitative approach allows for an in-depth analysis of the project's complexities, the reliance on secondary data presents certain limitations. The absence of primary data, such as interviews or field observations, may restrict the scope of direct stakeholder perspectives. Nevertheless, the study offers a comprehensive analysis that can serve as a foundation for future research. Subsequent studies could enhance these findings by incorporating primary data collection methods, providing a more holistic view of the project's long-term impacts. This methodological framework underscores the rigor and depth of the study, ensuring a thorough examination of the Jakarta-Bandung HSR project's multi-dimensional significance. By combining theoretical exploration with practical insights, the research aims to contribute meaningfully to

the discourse on economic diplomacy and international infrastructure collaborations.

CHINA'S ECONOMIC DIPLOMACY IN THE JAKARTA-BANDUNG HIGH-SPEED RAILWAY PROJECT

China's economic diplomacy in the Jakarta-Bandung High-Speed Railway (HSR) project is anchored in a Memorandum of Understanding (MoU) under the Framework of the Global Maritime Fulcrum (GMF) and the Belt and Road Initiative (BRI). This agreement emphasizes people-to-people exchanges, investment, trade, and cooperation in areas such as maritime security, navigation infrastructure, coastal area protection, and research. While China offered the HSR project as a flagship initiative, Indonesia prioritized maritime cooperation, embodying a mutually beneficial partnership based on equality and sustainable economic diplomacy.

Key elements of China's economic diplomacy strategy are clearly demonstrated in this collaboration. The BRI serves as the foundation, aimed at creating infrastructure and trade corridors connecting China with various global regions (Esteban & Otero-Iglesias, 2015). Through investment and development assistance, China cultivates strong economic ties and mutual dependencies with its partners, including Indonesia (Das, 2018). Trade diversification is another priority, reducing reliance on specific markets and enhancing global economic flexibility (Council on Foreign Relations, 2018). Strengthening regional and bilateral ties, as exemplified by the joint venture between Chinese and Indonesian stakeholders, fosters shared economic growth and strategic cooperation (Riyanto, 2015). Furthermore, China incorporates technology and innovation into its diplomatic approach, with significant investments in research and development and the promotion of advanced high-tech exports, such as its Siemens-based high-speed rail systems (Hao, 2018).

China's influence in the global financial sector further enhances its economic diplomacy. Institutions like the World Bank and International Monetary Fund (IMF) amplify

China's ability to support infrastructure projects, including the HSR, while participating in global economic governance (Lewis, 2017). Additionally, China addresses global challenges like climate change by advocating for sustainable and environmentally friendly solutions, aligning the HSR project with broader green development goals.

Economic diplomacy played a pivotal role in Indonesia's decision to collaborate with China. Initially, Japan's proposal for the HSR gained traction, but China's more competitive offer—which included lower costs and technology transfer—ultimately won Indonesia's favor. This decision aligned with Indonesia's infrastructure development goals and maritime policy orientation under President Joko Widodo's leadership, emphasizing sovereignty, economic independence, and cultural distinctiveness within a framework of free and active foreign relations (Lin, 2015).

Bilateral relations between China and Indonesia have matured across economic, political, cultural, and security dimensions. Economically, robust trade and investment ties have enabled transformative projects like the HSR. Politically, both nations collaborate in international forums, share positions on global issues, and engage in both bilateral and multilateral diplomacy. However, challenges such as territorial disputes in the South China Sea and differing views on human rights highlight the complexities of their partnership (Chan, 2016). Culturally, their relationship features significant exchanges in education and other cultural activities, fostering mutual understanding. Security cooperation has also been notable, including counterterrorism initiatives, military collaboration, and broader assessments of shared risks. These engagements provide the foundation for projects like the HSR, which symbolize a broader commitment to mutual development (Chan, 2016).

The Jakarta-Bandung HSR project, initially proposed by Japan with a \$6.2 billion investment financed through a 40-year loan at a 0.1% interest rate, was ultimately awarded to China. China's offer of a \$5.5 billion loan over 50 years at a 2% interest rate, alongside a 40%-60% investment ownership scheme between

Chinese and local stakeholders, proved more favorable. This led to the creation of the PT Kereta Cepat Indonesia China (KCIC) consortium (Muhammad, 2021). Unlike Japan's plan, China's proposal required no government guarantees, making the joint venture company solely responsible for risks and financing. Indonesia was also exempt from land procurement responsibilities (Ilyas, 2017).

China's bid further demonstrated its commitment to utilizing 58.6% local content, creating 39,000 jobs during construction, and ensuring Chinese workers were involved only in expert roles. By employing Siemens-based technology tailored to Indonesia's tropical environment, the project reflected a strategic approach that aligned with Indonesia's development priorities while emphasizing mutual benefits (Ilyas, 2017).

The bilateral cooperation between China and Indonesia through the HSR project reflects several critical aspects of international cooperation, including technology transfer, sovereignty, and political neutrality. First, the project facilitated significant technology transfer and knowledge sharing between China and Indonesia. Chinese experts worked alongside Indonesian personnel, fostering collaboration and the exchange of technical expertise. This partnership enhanced local capacities, ensuring the project's sustainability beyond its construction phase. Second, the project was carried out without interference from external actors, respecting the sovereignty of both nations. The absence of involvement from other countries highlighted the mutual interest of China and Indonesia in this infrastructure initiative, which was vital for addressing globalization-driven demands for rapid mobility and economic growth. Third, the project adhered to political neutrality, focusing solely on economic development rather than advancing any specific political agenda. This neutrality ensured that the railway served the common interest of increasing economic growth and fostering regional connectivity.

Aligned with the BRI, the HSR project addresses global challenges by facilitating technological acceleration and improved human mobility. The Asian Infrastructure Investment

Bank (AIIB) played a pivotal role in financing the project, contributing \$216.6 million toward a \$1.743 billion infrastructure initiative aimed at enhancing urban connectivity. This financing strategy highlights China's use of the AIIB as an instrument of soft power to strengthen economic cooperation in Asia and Europe while supporting developing countries like Indonesia (Xie & Han, 2019; The Diplomat, 2021).

China's economic diplomacy in the HSR project was marked by careful negotiation, collaboration, and mutual agreements. Regular high-level meetings and joint commitments underscored the dedication of both nations to project development. Economic diplomacy served as the cornerstone of the partnership, ensuring that the project aligned with Indonesia's development priorities and China's BRI objectives. Indonesia's decision to select China over Japan was informed by a thorough evaluation of mutual benefits, emphasizing a pragmatic and collaborative approach. As the project progresses, China aims to replicate this model to support additional infrastructure initiatives, further solidifying its role as a leader in global connectivity (Dollar, 2015).

CHINA'S STRATEGIC INTERESTS

In recent years, Indonesia and China's bilateral relations have deepened across political, economic, social, and cultural dimensions. Frequent meetings between President Joko Widodo, who assumed office in 2014, and President Xi Jinping, as well as other senior officials, underscore this closeness. Over the past four years, approximately 60 agreements and 20 cooperation deals focusing on public relations have been signed between the two nations (Chan, 2016). Bilateral cooperation is driven by mutual needs and shared goals, with national interests evolving based on global conditions (Poole, 2014). For instance, during the Cold War, national interests often prioritized military capabilities, while post-Cold War priorities shifted to economic cooperation, foreign investment, and technological exchange.

China's Belt and Road Initiative (BRI), in-

augurated in 2013 by President Xi Jinping, exemplifies this shift. The BRI aims to build the “Silk Road Economic Belt” to connect Central Asia and Europe while enhancing trade, expanding economic corridors, and consolidating diplomatic relations with participating countries, including Indonesia (Wang B., 2019). The Jakarta-Bandung High-Speed Railway (HSR) project serves as a strategic BRI initiative, providing China an opportunity to efficiently utilize resources while diversifying imports of energy and other commodities.

Japan initially conducted a feasibility study for the Jakarta-Bandung HSR in 2011, investing over \$4 million. Its proposal, valued at \$6.2 billion, included a 40-year loan with a 0.1% interest rate (JETRO, 2017). Despite Japan's technological expertise and safety standards, Indonesia invited alternative proposals. China responded with a comprehensive feasibility study and a more attractive offer, including lower costs, shorter timelines, and a flexible financing scheme supported by the China Development Bank. Unlike Japan's government-dependent approach, China's proposal relied on a business-to-business framework, requiring no government guarantees (Kompas.com, 2021).

In September 2015, Indonesia rejected both initial proposals due to financial and technical concerns. President Widodo deemed the proposed high-speed train unnecessary for the short Jakarta-Bandung route, instead suggesting a medium-speed alternative as more economical. However, Indonesia ultimately accepted China's revised proposal, which eliminated government guarantees and state liabilities, addressing the financial concerns of the Indonesian government (Jakarta Post, 2019).

Although Japan expressed regret over its exclusion from the project, the competition between China and Japan remained strictly economic. Diplomatic relations among Indonesia, Japan, and China remained unaffected, with Indonesia continuing to engage with Japan in other sectors, including infrastructure development. For instance, plans for Japan to upgrade existing railway lines between Jakarta and Surabaya demonstrated ongoing collabo-

ration despite the HSR decision (Jibiki, 2020).

The Jakarta-Bandung HSR project highlights the strategic competition between China and Japan in Southeast Asia. While Japan emphasized its technological superiority, China's focus on financial flexibility, time efficiency, and alignment with Indonesia's development goals ultimately secured the project. Despite this rivalry, Indonesia has balanced its relations with both nations, leveraging their strengths to address broader infrastructural and economic priorities.

Decision-making in large-scale initiatives like the HSR is deeply tied to national interests encompassing economic, political, and cultural dimensions. For China, the HSR aligns with its BRI, a trillion-dollar global infrastructure strategy designed to strengthen trade ties and expand diplomatic influence (Wang B., 2019). The Chinese government views the Jakarta-Bandung HSR as an opportunity to export high-speed rail technology, enhance economic ties with Indonesia, and use this portfolio to secure similar projects in other nations.

The HSR project showcases China's exercise of soft power. China employed negotiation, lobbying, and state visits to secure Indonesia's partnership, ensuring the project served mutual economic and political benefits. Soft power, as Joseph S. Nye explains, focuses on persuasion rather than coercion, creating a framework of shared benefits and peacebuilding. By investing in Indonesia's first high-speed rail line and linking it to the broader BRI vision, China demonstrated its commitment to long-term collaboration while building goodwill and trust (Nye, 2004).

China's national interests in the Jakarta-Bandung High-Speed Railway (HSR) project are rooted in economic and strategic considerations. Exporting high-speed rail technology to Indonesia provides direct economic benefits for China, as all project needs are supplied from Chinese industries, bolstering domestic prosperity and improving its trade balance. For Indonesia, the partnership eliminates the need to source materials independently, offering cost-efficiency and convenience. The agreement between the two nations adheres to international norms, ensuring mutual ben-

efits and sustainable political relations.

Bilateral diplomacy plays a pivotal role in achieving these goals, with both nations pursuing their national interests while fostering strong relations. Hans Morgenthau's concept of national interests as power is evident in China's leveraging of economic and diplomatic capabilities to strengthen its presence in Southeast Asia. The HSR project exemplifies Chinese railroad diplomacy, combining economic objectives with subtle political aims, such as improving Indonesian perceptions of China amidst anti-Chinese sentiments and regional disputes like the Natuna Island conflict (Yue, 2022).

Public opinion significantly impacts national interest formation, and the HSR project seeks to reshape Indonesian perceptions of China. By demonstrating tangible infrastructure achievements, the project aims to mitigate negative stereotypes and foster grassroots support for continued collaboration. This initiative aligns community-level acceptance with broader bilateral objectives, emphasizing economic growth and cultural understanding.

The HSR project integrates both economic and political dimensions. Economically, it supports the Belt and Road Initiative (BRI) by enhancing regional trade and transportation networks. Politically, it strengthens bilateral relations by fostering inter-community ties and building trust. However, it also underscores the critical role of community-level agreements in achieving BRI goals. Negative sentiments and ideological differences threaten the policy's success, but by addressing public concerns and showcasing benefits, the project transforms these challenges into opportunities for deeper cooperation (Zhangbing & Yuxing, 2022).

The construction of the HSR demonstrates China's global development ambitions and its evolving role as a leader in international infrastructure innovation. As the first major Chinese-led high-speed rail project in Southeast Asia, its success positions China to expand its market across the region and influence future high-speed rail investments by other countries (Bo, 2022).

China's involvement extends beyond Indonesia, using the project as a promotional tool to showcase its high-speed rail capabilities. This includes marketing the HSR model to potential investors and highlighting China's expertise in innovative rail technology and infrastructure. These efforts reflect China's belief in high-speed trains' role in enhancing regional economic integration and transportation efficiency within BRI countries. Domestically, the HSR system helps close regional development gaps and boost economic growth through improved transport planning (Khonkhleng, 2022).

China's comprehensive role in the Jakarta-Bandung HSR project, including the provision of experts, low-interest financial assistance, and project coordination, underscores its strategic interest in aligning the initiative with the BRI's long-term goals. The railway facilitates business and investment between Bandung and Jakarta, indirectly supporting Chinese enterprises operating in Indonesia (Hong Y., 2014). By advancing the One Belt One Road policy, China consolidates its influence in Southeast Asia while fostering mutual benefits.

On a broader scale, China's ambition to create an extensive high-speed rail network positions Indonesia as a key node in Southeast Asia. This initiative forms part of China's strategy to establish itself as the world's leading high-speed rail provider. However, the project also increases Indonesia's dependency on China for technology, investment, and expertise, reflecting the high levels of interdependence that characterize international relations (Wu, 2020).

China's strategic interest in the HSR project also includes countering Japanese influence in Southeast Asia. Japan, a strong competitor in high-speed rail technology, has been expanding its presence in the region, particularly in Indonesia. This competition drove China to secure the Jakarta-Bandung HSR project through more favorable terms, emphasizing its technological capabilities and cost advantages. The success of the project in Indonesia is expected to enhance China's reputation, encouraging other nations to choose

Chinese high-speed rail services. By securing the Jakarta-Bandung HSR through cost-effective terms and technological innovation, China strengthens its position as a global leader in infrastructure development (Wu, 2020).

In the long term, the Jakarta-Bandung HSR project underpins China's goal of realizing the BRI in Southeast Asia and entering the global high-speed rail market. By proving its capabilities in Southeast Asia, China aims to solidify its position as a global leader in high-speed rail, using the project as a steppingstone to expand its influence and market reach worldwide. This strategic integration of economic and geopolitical objectives underscores China's commitment to leveraging the HSR project for regional dominance and global recognition (Bo, 2022).

CHALLENGES AND PROSPECTS OF THE INDONESIA-CHINA INFRASTRUCTURE COOPERATION

During the ten years since the launch of the Belt and Road Initiative (BRI) in 2013, many strategic projects have been implemented in Indonesia, reflecting deepening collaboration between China and Indonesia. This partnership has extended beyond economic and infrastructure projects into cultural and people-to-people relations. Cooperation under the BRI has accelerated trade and investment in Indonesia, presenting promising prospects rooted in mutual commitment and consistency. However, this cooperation also faces significant challenges and opportunities that shape the intensity of Indonesia-China relations.

One critical challenge lies in the dynamics of Indonesian politics, particularly changes in state leadership and political party power. Strengthening relations between China and Indonesia, especially through the high-speed train project, has been heavily influenced by President Joko Widodo. As a key actor, Jokowi has played a pivotal role in fostering bilateral relations. However, a change in leadership could jeopardize the sustainability of such projects, particularly the high-speed rail initiative. It is normal for foreign policy directions to shift with new administrations, but this

presents a challenge for ensuring the long-term continuity of Indonesia-China cooperation. Moreover, there is concern that the high-speed train project might not lead to broader collaboration in other sectors, especially if the next president alters Indonesia's foreign policy or takes a less favorable stance toward China.

Indonesia also faces external challenges stemming from U.S. efforts to counter China's influence. As a strategic nation in Southeast Asia, geographically proximate to China, Indonesia is of significant interest to the U.S., which seeks to maintain control over the region's economic and political dynamics. The U.S. influence in Indonesia, particularly during presidential elections, is seen as an effort to encourage pro-American policies over pro-China alignments. This external pressure poses an obstacle to the sustainability of Indonesia-China cooperation, as America's presence actively seeks to prevent stronger bilateral ties between Indonesia and China in both economic and political spheres.

From a competitive perspective, the Indonesian high-speed train project represents a struggle between China and Japan. In Southeast Asia, Japan is often viewed as a proxy for U.S. interests. Consequently, Indonesia's economic development is shaped by the interplay of influence among China, the U.S., and Japan. The strength of these major powers inevitably affects any infrastructure development initiative (Arase, 2015).

China's rapid economic growth over the past two decades has presented both challenges and opportunities for developing countries in Asia, including Indonesia. Recognizing China's pivotal role in the global and Asian economies, Indonesia has embraced China as a strategic partner in its economic cooperation efforts. In recent years, Chinese investments in Indonesian infrastructure—spanning ports, roads, and railways—have significantly contributed to Indonesia's economic development. These investments are a testament to the Indonesian government's commitment to leveraging China's economic influence to achieve national development goals.

Indonesia and China have historically enjoyed positive relations, which have evolved

into a strategic partnership over the past decade. While trade and investment have been the primary drivers of this collaboration, both nations are looking to expand their cooperation beyond economic exchanges. There is a shared aspiration for deeper and broader collaboration that yields greater mutual benefits than the high-speed train project alone. As China progresses toward its Second Centennial Goal and Indonesia pursues its Vision 2045, the alignment of their long-term ambitions underscores the potential for sustained partnership.

For Indonesia, the Belt and Road Initiative (BRI) represents a crucial economic opportunity to harness Chinese investment for infrastructure development. Projects like the Jakarta-Bandung High-Speed Railway (HSR) exemplify the transformative impact of Chinese funding, technology, and expertise. Beyond boosting connectivity between cities, these initiatives are instrumental in advancing equitable national development and addressing regional disparities. From China's perspective, these investments not only promote Chinese trade and infrastructure expertise but also deepen its influence in Southeast Asia, solidifying its role as a dominant regional power.

The successful implementation of the HSR project symbolizes the strength and seriousness of Indonesia-China relations within the BRI framework. It reflects Indonesia's commitment to integrating the BRI into its national development strategy and demonstrates China's confidence in Indonesia as a reliable partner. This collaboration fosters opportunities for economic exchange from China to Indonesia, while simultaneously enhancing China's strategic position in Southeast Asia. As the high-speed train becomes a reality, it will likely pave the way for further infrastructure projects and deepen the interdependence between the two nations.

Both Indonesia and China derive significant benefits from the Jakarta-Bandung High-Speed Railway (HSR) project, which operates under a business-to-business (B2B) financing model. This approach avoids reliance on Indonesia's state budget (APBN) or other public funding sources, allowing both countries to

focus on profit-sharing and investment-based development. The B2B model exemplifies a win-win solution, paving the way for sustainable infrastructure development beyond the HSR project. The success of this initiative has the potential to serve as a blueprint for future collaborative projects, driving mutual economic growth and innovation.

The HSR project also fosters the exchange of science and technology between the two nations. Chinese experts, tasked not only with building and maintaining the high-speed train but also with sharing their expertise, provide Indonesia with valuable technological insights. This long-term partnership is not limited to the HSR but extends to broader technological development, enabling Indonesia to enhance its industrial capacity and innovation. This exchange is an investment in Indonesia's future, helping to bridge technological gaps and strengthen its global competitiveness.

The collaboration aligns with Indonesia's six sustainable economic development priorities: downstreaming, digitalization, infrastructure expansion, education, economic distribution, and decarbonization. By centering development on community needs, this partnership enhances Indonesia's human resource capabilities, particularly in managerial and technological reliability. Improved intercity connectivity, facilitated by the HSR, creates opportunities for regional economic integration and supports national economic equity.

Moreover, the HSR initiative positions Indonesia as an attractive destination for foreign investment. China's commitment to competitive investment conditions in Indonesia can stimulate interest from other countries, further strengthening bilateral and multilateral economic ties. This investment-driven growth not only benefits Indonesia's economy but also enhances China's standing as a reliable development partner.

From an economic perspective, China views the HSR project as part of its broader One Belt One Road (OBOR) initiative, which aims to reduce economic disparities between regions while opening new trade routes. Indonesia's strategic location makes it a vital partner in this vision, solidifying its role as a

key hub in regional infrastructure development. The shared interests and complementary goals of the two countries ensure a strong foundation for long-term cooperation.

China's involvement in Indonesia's development carries strategic implications. By reducing Indonesia's reliance on the United States, the partnership weakens U.S. influence in the region, offering Indonesia an alternative economic and political ally. Additionally, the use of the Yuan in bilateral trade transactions presents a more profitable option for Indonesia, reducing dependence on the U.S. dollar and enhancing financial independence. This shift further reinforces the sustainability of Indonesia-China relations.

CONCLUSION

The relationship between Indonesia and China has deep historical roots, dating back to interactions between their ancestors in ancient times. Evidence of this interconnectedness is visible in the historical remains of Indonesian kingdoms that maintained ties with China. Over the years, bilateral relations have developed significantly across political, economic, social, and cultural dimensions, with a notable acceleration during President Joko Widodo's tenure. Jokowi's leadership has prioritized strengthening ties with China, making the partnership an integral part of Indonesia's foreign policy agenda.

China, as one of the world's largest economies, benefits directly and indirectly from its partnership with Indonesia, which serves as a regional power in Southeast Asia. This relationship has become a pillar of regional stability, with both nations fulfilling each other's complementary needs. Over time, this collaboration has evolved into one of Asia's most transformative partnerships, transitioning from a period of frozen ties to a comprehensive strategic alliance. Although not yet a global superpower like the United States, China wields substantial influence globally, with its economy and policies shaping international dynamics.

The Jakarta-Bandung High-Speed Railway

(HSR) project exemplifies the depth of Indonesia-China cooperation. China secured the project by offering terms that required no financial assistance from Indonesia's government, enabling the construction of a 140-kilometer railway line that reduces travel time between Jakarta and Bandung from three and a half hours to just 45 minutes. This project, launched in 2016 and linked to the One Belt and Road Initiative (BRI), reflects China's commitment to economic diplomacy. The collaboration involves a phased process of negotiation, cooperation, and mutual agreement, with coordination involving both governments and private enterprises. For China, the HSR is a critical component of its long-term BRI vision, which is poised to become the largest infrastructure initiative in the world.

Over the next two decades, the BRI's capital investments are expected to enhance connectivity between Indonesia, China, and other nations. Trust in China has grown significantly since the 1970s, with China demonstrating skill in maintaining diplomatic relations with Indonesia and prioritizing multilateralism. This approach has been vital amidst recent disruptions to global multilateral cooperation frameworks.

Economic diplomacy underpins Indonesia's decision to partner with China over Japan for the HSR project. The process was marked by careful deliberation and mutual benefit considerations. China's involvement in Indonesia's infrastructure extends beyond the HSR, as the success of this project sets the stage for additional joint developments. For China, the Southeast Asian market is crucial for countering Japanese influence and positioning itself as a global leader in high-speed rail. The HSR's success in Indonesia serves as a benchmark, encouraging other countries to adopt China's services in similar projects.

China's economic interests in the HSR project also reflect its broader ambitions under the BRI. Beyond strengthening the Southeast Asian economy, China seeks to enter the global high-speed rail market, using its projects in the region as a proving ground. This dual-purpose strategy advances China's economic goals while enhancing its image as a world leader in

infrastructure innovation.

The partnership between Indonesia and China has reached new strategic heights, transitioning from a transactional relationship to a comprehensive collaboration. Economic cooperation, particularly in infrastructure and connectivity, has outpaced Indonesia's partnerships with Japan, the U.S., and Australia. The increasing use of the Yuan in bilateral trade further solidifies the partnership, reducing Indonesia's reliance on the U.S. dollar.

China's arrival as a major economic and political force in East Asia has reshaped the region's power dynamics, influencing finance, security, and diplomacy. Its open-door policy has modernized its market economy, enabling sweeping changes to its national economic structure. For Indonesia, embracing China as a strategic partner not only strengthens its own economic development but also ensures long-term growth through enhanced connectivity and infrastructure. However, the sustainability of this partnership depends on the continuity of favorable leadership and policies in both nations.

Therefore, the Indonesia-China partnership represents a transformative relationship built on mutual economic and strategic interests. The Jakarta-Bandung HSR is a cornerstone of this collaboration, embodying the shared vision of both nations. As this partnership continues to evolve, it holds the potential to shape regional and global economic landscapes, ensuring a prosperous future for both countries.

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