CHAPTER II
A VISION FROM ASIA

CHINA'S BELT AND ROAD INITIATIVE (BRI): AN INDONESIAN PERSPECTIVE

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SUMMARY: I. *Abstract*. II. *Introduction*. III. *The Evolving Concept of the OBOR/BRI*. IV. *Indonesian Responses*. V. *Conclusion*. VI. *References*.

I. ABSTRACT

China's contemporary trans-regional initiative to establish the Belt and Road Initiative (BRI) —previously known as One Belt One Road (OBOR)— has attracted a lot of attention; not only because the initiative involves more than 60 countries across Asia, Africa and south Europe, but also because it represents a re-emerging China that is being considered a challenger to the post-second World War liberal world order led by the United States. The initiative has also been perceived as a Chinese strategy to enhance its influence beyond its traditional realm by taking advantage of its economic prowess. Indonesia was among the first countries introduced to the OBOR and whose territory is at the heart of the OBOR route. The country, however, has been prudent in the face of Chinese offers since it has perceived the initiative as both an opportunity and challenge in economic as well as strategic dimensions. In addition, the Chinese BRI grand initiative may create regional problems due to hotspots in the South China Sea and the inclination of some regional states to support China rather than strengthen the Association of the Southeast Asian Nations (ASEAN). Thus, while it is important to welcome the initiative, critical assessments of the project are indeed necessary in order to understand its impact on the geo-economy and geo-politics of involved regions and on future relations between the involved countries and China.

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II. Introduction

The rise of China in the last three decades has changed the map of the global economy and politics. The most populous country in the world has not only become the engine of world growth but also an increasingly assertive military power that changes the economic and political balance regionally and globally (Keller & Rawski, 2007; White, 2013). This phenomenon has led to problematic relations between China and the United States (US) (Shambough, 2013; Gill, Goh & Huang, 2016; Fels, 2017) and left observers to debate future scenarios for the world.

In the last several years, China has introduced an international initiative, namely the One Belt One Road (OBOR), which was later changed to the Belt and Road Initiative (BRI). The initiative appears to be China's grand strategy to enhance its influence beyond its traditional realm by taking advantage of its economic prowess. Debatably, the OBOR/BRI may also become a strategy to create a new world order under Chinese leadership. As the closest neighbors with traditional economic linkages, Southeast Asian countries were offered the OBOR at an early stage when the concept of this initiative was not even clear to the Chinese themselves. As the biggest country in Southeast Asia —in terms of population and territory— Indonesia was among the first countries to be introduced to the initiative.

Indonesia's response to the Chinese initiative and how the OBOR/BRI affects the two countries' relations have not been studied thoroughly. Previous studies that have examined the Indonesia-China relationship have focused more on Indonesia's behaviors amid competitive relations between the US and China (Storey, 2000; Novotny, 2010; Hamilton-Hart & McRae, 2015) or on the Chinese diaspora in Indonesia and the diplomatic normalization of the two countries in 1990 (Suryadinata, 1990; Sukma, 2009; Tjhin, 2012). This chapter attempts to fill the knowledge gap by investigating Indonesian perspectives of the initiative. The chapter is organized into two sections before the conclusion is presented. The first phase focuses on the process through which the OBOR/BRI evolves and the initial responses from countries in Southeast Asia. The second phase identifies both Indonesian enthusiasm and concerns related to the OBOR/BRI, as the country perceives the Chinese initiative not only as an opportunity, but also as a challenge.

III. The Evolving Concept of the OBOR/BRI

As an initiative, the OBOR/BRI has been perceived differently by different people, including those in China. Naturally, a new initiative by a re-emerging state evokes diverse responses from other countries based on their perceptions, concerns and hopes. Partly, the diversity of reactions stems from the fact that the initiative was not sufficiently explained when it was introduced by the Chinese top leader. There was not conceptually clear and robust explanation when President Xi Jinping mentioned the 21st Century Maritime Silk Road in his speech before the Indonesian Parliament in October 2013. When Indonesian diplomats and scholars asked for clarification, their Chinese counterparts were unable to answer adequately. Indeed, different people responded differently. Despite efforts by some Chinese officers and scholars to obtain positive responses to the new initiative, China did not publish any sufficient official explanation on the initiative. Consequently, this led to a lot of confusion, and suspicion.

Indonesia was one of the first countries to be introduced to the OBOR/BRI. When President Xi Jinping visited Jakarta for the first time in October 2013, he spoke before the Indonesian Parliament on the importance of the relationship between the two countries in which he mentioned the 21st Century Maritime Silk Road. This rather surprising initiative created confusion among Indonesians and other observers as the President did not explain the new initiative clearly. It created the perception that the concept of the 21st Century Maritime Silk Road had not been developed when it was first introduced.

From 2014 to 2016, Chinese officials and scholars ran several workshops and seminars on the 21st Century Maritime Silk Road in particular, and on OBOR in general to gather input and ideas from neighboring countries, including Indonesia. In these academic forums, Chinese scholars generally asked two big questions to their counterparts from other countries: what did they think about the initiative and what did they expect from the new initiative. In a bilateral dialogue forum in June 2014, when the Chinese counterparts were asked about the OBOR and the 21st Century Maritime Silk Road, including any relations between the concepts, a Chinese official responded by asking back what Indonesian perceptions and expectations were on the newly introduced initiatives. In another symposium between China and the Association of the Southeast Asian Nations (ASEAN), a Chinese scholar openly requested input from Southeast Asian counterparts in order to develop the concept of OBOR.

These Chinese reactions imply three possibilities regarding China's attitudes toward developing the initiative. Firstly, the Chinese had possibly not developed a clear concept and empirical meaning of OBOR and were therefore reluctant to be too open about the initiative. This might have resulted from the fact that OBOR was the first Chinese trans-regional grand strategy that would significantly affect China's image and position regionally and globally. They have a lack of experience in undertaking such an enormously important task.

Secondly, relevant decision makers, officers and scholars in China might have a broadly conceptual understanding of the initiative but they might still need constructive input from their counterparts from other countries to create a welcomed initiative. This second possibility represents China's willingness to hear and accommodate the interests, hopes and concerns of other countries and reflects China's "good neighbor policy", introduced in the 1990s by President Jiang Zemin, and "China's peaceful rise" approach of President Hu Jintao in the early 2000s.

The first and second possibilities imply the continuity of Jiang's pragmatic approach "to learn from global actors as well as the overall international system" (Lanteigne, 2009, p. 20).The two circumstances also show that the Chinese accept the fact that China needs cooperation with other countries in order to develop a well-received initiative.

Thirdly, China might have sufficient ideas about their new initiative, but they might not be sure —or confident— of the reactions of other countries so they need to test and synchronize the initiative with other countries' expectations. In this third possibility, one may observe China's accommodative foreign policy in order for the successful implementation of a rising power's initiative.

The accommodative attitude of China's foreign policy appears to have led to China changing the name of the initiative in 2016 from the OBOR to the BRI —as China acknowledged that their initiative might encompass more than one belt and one road— and China's hosting of the OBOR Summit in May 2017, at which China's leaders more clearly explained and promoted the initiative. One needs more insights and information to determine which one of the aforementioned three possibilities likely happened in reality. This discussion on China's behavior in the earlier stages of OBOR's conceptualization is important due to some indications that China has shown a more assertive and upper-handed attitude recently.

Eventually, the Government of China released an official article, *Vision and Actions on Building the "Silk Road Economic Belt"* and the *"21st Century Maritime Silk Road"*, which is now known as OBOR, in March 2015. The

their first official document, the Govenment of China did not mention the purpose of the OBOR. However, in the document it has been written that

> ...accelerating the building of the Belt and Road can help promote the economic prosperity of the countries along the Belt and Road and regional economic cooperation, strengthen exchanges and mutual learning between different civilizations, and promote world peace and development. It is a great undertaking that will benefit people around the world (The Government of the PRC, 2015).

Another source cites that the OBOR initiative aims for "win-win cooperation that promotes common development and prosperity, and a road towards peace and friendship by enhancing mutual understanding and trust, and strengthening all-round exchange…" (Maritime Insights, 2015). In 2016, China started to address the OBOR as the BRI but as the former is more popular than the latter, the two names have been used interchangeably.

The OBOR/BRI seems to be a grand international project under the Xi Presidency. In terms of physical scale, the OBOR/BRI is a giant project that links China and Europe through two routes: the land route —the Road— and the sea passage —the Belt—. The Road follows the ancient Silk Road from China's city of Xian —across Central Asia and Eurasia— to European cities such as Moscow, Duisburg and Rotterdam, and will create a network of railways, roads, gas and oil pipelines, and a wide range of infrastructure projects (Maritime Insights, 2015). The Belt is called 'the 21st Century Maritime Silk Route' and starts from China's harbor city of Fuzhou and goes through the South China Sea, the Strait of Malacca, the Indian Ocean, the Arabian Sea, the Gulf of Aden, the Red Sea, the Mediterranean Arab Sea and up to the cities in southern Europe such as Athens and Venice (Maritime Insights, 2015). This maritime passage is claimed to follow the legendary sea journey of the 16th Century Ming dynasty fleet under the leadership of Cheng Ho. The route includes more than 60 countries in Asia, Africa and South Europe. The vast coverage area of the OBOR/BRI indicates China's global ambition to spread its leadership and influence across three continents.

The Government of China appears to invest enormously —economically and politically— in the OBOR/BRI. In term of economic magnitude, the Chinese Government has invested hundreds of billions of US dollars and established the Asian Infrastructure Investment Bank (AIIB) in 2015. The new bank, which aims to support economic developments by investing

in infrastructure projects, has been so attractive amid the scarcity of development capital in many countries that even some members of the European Union were willing to join. The OBOR/BRI is said to promote welfare for people along the route through the development of infrastructure and the revitalization of international trade. (the Governmnet of PRC, 2015) For the OBOR/BRI, China could invest as much as US$313 to US$501; since its launch in 2013, it has invested around US$62 billion in Pakistan and US$32 billion in Malaysia (Sundaryani, May 12, 2017).

In terms of politics, the Chinese top leader President Xi Jinping showed his strong political will when he announced the initiative in 2013, hosted the high-level meeting of country leaders on OBOR in 14 and 15 May 2017, and included the OBOR in the country's legal document. The OBOR Summit was attended by 29 heads of state involved in the initiative, including 12 European and six ASEAN leaders; among them President Joko Widodo of the Republic of Indonesia. In addition, President Xi managed to include the OBOR/BRI in the Constitution of China's Communist Party at the 19th Party Congress held previously in Beijing. With this highly official "position", the initiative seems to have increased in seriousness. Moreover, the OBOR/BRI has appears to become the central theme of China foreign policy and diplomacy in the last three years. Furthermore, the Government of China seems to mobilize the support of scholars through the huge amount of funding for academic engagements in which Chinese academics promote the initiatives to their counterparts from countries along the routes in a number of forums, symposiums or conferences and writings.[1] Determinedly, they promote the novel aims of the OBOR/BRI and have tried to convince their counterparts —especially in Asia— that the initiative would bring peace and prosperity along the way. Indeed, a Chinese undergraduate student, when participating in an exchange program at an Indonesian university, tried to assure the class that the infrastructure projects offered or undertaken by the Chinese was a brilliant program that was needed by many states and that they would bring prosperity to those countries. This reflects a serious national systemic approach to undertaking the OBOR/BRI mobilized by the Government of China's economic resources and socio-political capital to support the promotion and implementation of the initiative.

[1] See for example articles by Chinese scholar individually or with colleague that have been circulates among his international peer group in Southeast Asia. "Belt and Road Is Coming to South Asia, But Not Everyone Is Enthusiastic" by Li, Xue & Zheng, Haiqi (2017), retrieved from *https://www.chinausfocus.com/foreign-policy/the-belt-and-road-is-coming-to-south-asia-but-not-everyone-is-enthusiastic*; or "Chinese Economic Diplomacy: New Initiatives" by Zha Daojiang (2015), *Policy Report*, published by the RSIS, NTU, Singapore.

Placing it in a regional context, the OBOR/BRI seems to be one of the pillars to achieve what has been envisioned by President Xi as the "Chinese dream". The initiative has been perceived as a Chinese strategy to maintain the momentum of its economic development. The slow-down of its trade with the US and Europe due to financial crises in the two regions means that China has to generate economic activities with smaller and less-developed countries and re-channel its industrial surpluses and foreign reserves outside its traditional markets in the US and Europe. By focusing on infrastructure developments, China aims for the direct involvement of economic development in the countries along the routes. Given the fact that the availability of global finance to build infrastructure has been limited in the last decades due to financial crises in many countries that used to supply investment, loans and grants, China's strategy to offer financial investments through the newly established AIIB seems to meet the expectations of many developing countries in the three continents. Some regional countries immediately embraced China's OBOR invitation and launched infrastructure projects with China's investments. In Southeast Asia, Cambodia, Malaysia, and Laos were among the first to seize the economic opportunities offered by the OBOR/BRI. Similarly, Sri Lanka, Pakistan and Bangladesh saw the Chinese offers as rare opportunities not to be missed, whereas India has perceived the initiative negatively and opposed it (Xi & Zheng, 2017). Nevertheless, after the inclusion of the OBOR into the CCP's Constitution last October, an editorial of an established English newspaper in Jakarta wrote that, "With Xi calling on party members to clinch a final victory in building a society of moderate prosperity, the BRI has become a mechanism with which to share China's prosperity with its neighbors…" (*Editorial*, 26 October, 2017).

This means China uses its economic prowess to participate directly in the economic development of more than 60 countries across three continents to create not only "win-win economic cooperation" but also economic —and politico-strategic— leverage. In the 1990s and early 2000s, China also approached the ASEAN countries through economic instruments. In addition to the vast trading networks built in the 20th century by the Chinese diaspora (*huaqiau*) in Southeast Asia, China established the China-ASEAN Free Trade Agreement (CAFTA) in 2003 which sped up the linkage of regional economies to China's global expansion. By 2013 China was the top trading partner of almost all ASEAN countries. With its economic domination in the neighboring region, China seems to be more confident to expand its economic network to other countries in South and Central Asia, Northeast Africa, and east and south Europe through the Road and the

Belt. Many countries along the Road and Belt have been developing or less-developed countries that were unable to obtain prosperity under the liberal world order led by the US after the Second World War. Consequently, the OBOR/BRI provides an alternative to these countries not only because of its loans for infrastructure development, but also because of China's principle of not combining economic engagements with political preconditions commonly applied by existing financial institutions such as the World Bank and the Asian Development Bank. In short, through the OBOR/BRI, the Asian giant appears to have expanded its wings beyond Asia to incorporate the three continents by taking advantage of its economic strength, the needs of other countries along the routes, and the absence of competitors.

The meaning of the OBOR/BRI can also be associated with China's global position: through the initiative, China is emerging as a new world power, establishing a new global order under China's leadership. This means the OBOR/BRI is not only about economics, it is also about politics and strategy. By being a dominant economic partner of countries along the routes, China is establishing its political influence and strategic leverage. Several Southeast Asian countries that embraced the OBOR/BRI immediately after its launch, such as Cambodia and Laos, have been seen to fall under Beijing's influence in recent years, which have been detrimental to the development of the ASEAN Community. Other countries like Singapore and Indonesia are more cautious. Countries that have had problems with China in the Paracel Islands, Spratly Islands and Scarborough Shoal, such as the Philippines and Vietnam, seem to be in limbo as they calculate the economic imperatives with strategic costs as —according to analysts— China kept building artificial islands in the conflict areas of the South China Sea and claimed the Exclusive Economic Zone (EEZ) (Chapman, 2016; O'Rourke, 2017). One of China's strategic aims in Southeast Asia is not to be encircled by other powers (Goh, 2015). To some extent, this strategic goal seems to have been achieved as, taking into consideration OBOR's/BRI's geographical coverage, strategically, the OBOR has broken up the encircling maneuver of the US and its allies in Asia and the Pacific. Indeed, in order to build an alternative energy passage and to open the isolation of its inland provinces, China appears to have established its own alliance strategy in South Asia by pouring in infrastructure investment under the China-Pakistan Economic Corridor (CPSC) that goes through the disputed area of Kashmir. For India, the CPSC is more than just an economic partnership between China and its regional competitor; it irritates India (Anonymous, 2017) and affects the strategic balance in the region. Similar reasons have led India to oppose China's proposals of Bangladesh-China-

India-Myanmar Economic Corridor and Sino-Nepal-India Economic Corridor (Xi & Zheng, 2017). The OBOR/BRI may be welcomed by some countries but it has also been a concern for some others.

Over the last four years, the OBOR/BRI has moved from an unclear initiative to a bold and assertive scheme that exhibits China's capability to advance its economic and political prowess across regions. The OBOR/BRI has been promoted to facilitate cooperation and boost prosperity along the routes, however, it is generally known that the Chinese initiative has not only an economic dimension but also politico-strategic ones. While the initiative offers rare economic opportunities, its politico-strategic implications for other countries' relations with the Asian giant are not to be overlooked.

IV. Indonesian Responses

As the largest country in Southeast Asia and one of the key states in the Asia-Pacific, Indonesia has been approached by China and offered the OBOR/BRI since the beginning. President Xi's speech on the OBOR before the Indonesian Parliament in October 2013 was one of the first official statements of the initiative by the Government of China. This implies that China's top leader perceived Indonesia to be among the most important countries that China has to deal with in order to implement the OBOR/BRI. The Chinese seem to understand that the largest country in Southeast Asia is not to be undermined. Indonesia ranks as the world's fourth most populous country, is home to more than 200 ethnic groups who have lived together since its independence in 1945 in a relatively peaceful and united state despite the country's archipelagic nature, which is difficult to guard and defend. In addition, Indonesia has the largest Muslim population in the world, but has a pluralistic society, promotes moderate Islam[2] and is a relatively successful democracy. These characteristics —plus its free and active foreign policy— allow Indonesia to play an active role in bridging relations between Islamic states and Western countries. Moreover, this country has been relatively successful in maintaining a united single country[3] amidst complex political and economic

[2] There have been several social incidents in the last several years, but they were not simply religious animosities between groups with different religions. Rather, they were identity politics that have been used by politicians and community leaders to achieve their political goals. This phenomenon is a serious and detrimental impediment to the development of Indonesian democracy.

[3] Except for the separation of Timor Leste which, in this case, has been seen as a positive development rather than a negative one.

transformations for the last two decades. Its process of democratization, although very difficult and costly, has managed peaceful changes of government since 1999. Less than fifteen years after the end of 32 years of authoritarianism, Indonesia has been able to undertake political developments and emerge as one of the largest democracies in the world. Furthermore, the transformation process was undertaken under scarce development capital after being hit by the Asian Financial Crisis at the end of the 1990s. Indeed, its economic development after the downfall during the crisis has created a more prudent and stronger economy among developing countries. This political and economic stability has encouraged current Indonesian leaders to resume an active role in international relations and global politics in the last decade. Regional countries also expect Indonesia to take an active role given the fact that this country has become the "natural leader" of ASEAN since its inception in 1967. Thus, China's strategy to include Indonesia in its OBOR/BRI is understandable.

Consequently, Chinese bureaucrats and diplomats have eagerly promoted the initiatives among their counterparts in Indonesia and became anxious when the Indonesians seemed restrained. They have not only approached Indonesian officials but also the business community and academics. As the result, when President Widodo attended the OBOR Summit in May 2017, he and President Xi three documents[4] important to Sino-Indonesia economic relations and indicate Indonesian involvement in the OBOR. In media interview, however, Indonesian official stated that his country would only open two to three of 34 the state's provinces for Chinese investments on infrastructure projects mainly focus on focus on maritime projects encompassing transportation, telecommunications, tourism, industrial estates, energy and power (Sundaryani, 2017). All there show that, unlike several countries, Indonesia has rather restrained in openly jumping into the OBOR/BRI despite the fact that the country dearly needs foreign capital to finance the development of infrastructure.

Indonesians have responded prudently to Chinese offers and there are several reasons for such attitudes. Firstly, the concept of the OBOR/BRI was not clear until very recently. The Chinese failure to provide satisfactory explanations of the initiative provoked confusion and suspicion among decision makers in Indonesia. One particular concern is the format of the

[4] The three documents are The Action Plan of 2017 to 2022 on the Implementation of the Comprehensive Strategic Partnership, An agreement on a grant to finance a site study on Infrastructure development worth of US$11.25 million (Rp. 150 billion), and the financing agreement of the Jakarta-Bandung hih speed railway project (Negara, 2017)

OBOR/BRI as an international cooperation scheme. By dealing individually with each of the involved countries along the Road and the Belt, the Chinese seem to want to create "a China-centered institution" that is similar to the ancient tributary system in which China became the Middle Kingdom and the center of surrounding nations. This means that the OBOR/BRI cooperative format does not treat all involved countries on an equal level neither among them nor between them and China. For Indonesia, multilateralism is the best institutional design for international cooperation as it provides equal opportunities for interaction for all involved parties and prevents any unilateral actions and decision making by dominant member(s).

Secondly, having been bitterly exploited under Western countries' colonialization, Indonesia does not expect to be subjugated to any foreign power. The country has pursued a free and active foreign policy since its independence. The domination of China in the region's economy —and beyond— has generated concern for the future dependence of individual countries. From an Indonesian perspective, no single country should be allowed to dominate the region and Indonesia should not take sides in great power competitions that could endanger the country's national interests. The hedging strategy that Indonesia has undertaken regarding Sino-US competition seems to be the best strategy to maintain the country's freedom and to serve the country's interests.

Third, at the same time, Indonesia has some —but critically important— uneasy economic interactions with China. The most well-known among Indonesian people is the influx of Chinese goods and trading commodities that did not only create a trade deficit for Indonesia (Hadi, 2012) but also endangered small and medium enterprises in Indonesia due to product similarity between the economies of the two countries. In addition, negative sentiments toward Chinese products and Chinese workers have developed in Indonesia. In recent years, national mass media has reported frequently that the police had caught illegal Chinese migrant workers from Chinese companies in Indonesia (Endi, 2017; Harahap, 2017; Surdaryani, 2017; *Tempo*, 2017). It seems that China has not only exported its capital but also its excess products and workers. These facts are dangerous to Indonesia, which has a lot of uncompetitive products and a relatively high unemployment rate.

Fourth, Indonesia has questioned the quality of Chinese investment. While acknowledging that the country desperately needs foreign investments to help build ruined infrastructure such as toll roads, seaports, airports and power plants, Indonesia must be careful not to be trapped under

excessive debt and failed projects. The failure of the airport project of Sri Lanka —built with the help of OBOR/BRI investment— and its own experiences with Chinese investment have been important lessons for Indonesia. Previously, there was an example of a failed infrastructure project that was funded by Chinese loans and built by Chinese companies, namely the Fast Track Project of 10.000 MW power plants in Java and Bali (*Tempo*, 2009). The high-speed railway between Jakarta and Bandung has not progressed significantly either (*Bisnis Indonesia*, 2015; Sukmana, 2017). This phenomenon has created concern in Indonesia regarding the delivery of China's investment.

Fifth, in Indonesia, China and the Chinese have been used for political purposes. During Suharto's regime, China's support for the Indonesian Communist Party (ICP) was used to demonize the PRC, the ICP and the Indonesian Chinese. Anti-Chinese sentiments developed in Indonesia in the 1990s because several Indonesian Chinese conglomerates became Suharto's cronies, and in the early 2000s due to the unnationalistic attitudes of several rich Indonesian Chinese who flew their capital out of the country during the Asian Financial Crisis. Previously, anti-China sentiments escalated due to political contestation over the position of Jakarta governor. Any indication of Presiden Widodo'd "tolerance" to China will be used as political weapons to bring him down. Such news can be very provocative such as the invasion of illegal workers from China (Aninomous, 2016) or Chinese economic colonialization (Askar, 2017). Thus, President Widodo has to be very careful not to align himself too closely with China and Chinese capital as they can be used by his opponents to attack him. This political risk has to be managed so that the OBOR-related projects are not perceived as the President's liabilities in domestic politics.

Sixth, it cannot be denied that there have been skepticism and curiosity among several member countries of ASEAN regarding China's real intentions. These countries observe that the OBOR was launched almost at the same time as increasing concerns regarding China's economic domination and political assertiveness in the region. One of the most crucial problems is China's recent development in the South China Sea that has provoked not only increasing tension with several regional countries but also invited power contests with other extra-regional great powers. As the 21st Century Maritime Silk Road includes a sea-line going through the South China Sea and the Strait of Malacca, Indonesia and other ASEAN countries do not wish to complicate the flashpoints by rushing to accept the OBOR Initiative. In these circumstances, Indonesia is aware of the necessity to push

harder in managing conflicts by convincing China to be more cooperative in establishing and following the ASEAN Code of Conduct (CoC). As the problems in the South China Sea reflect a lack of trust between China and ASEAN, it is important that the two parties manage the territorial disputes before the OBOR/BRI is used to justify China's claim on disputed areas.

Finally, recent Chinese assertive behaviors have also been problematic. Since 2009, China has become assertive in its territorial claims in the South China Sea that have led to some incidents with its neighbors. In recent years, China has been more assertive in claiming the EEZ of its "nine-dash line" and has included the water adjacent to Indonesia's islands of Natuna in its claim. This led to several incidents between Indonesian officers and Chinese fishermen and coast guards in the Natuna Sea (Supriyanto, 2016). The incidents were reported widely in the Indonesian media and sparked anti-Chinese sentiment among some parts of society.

Some over-confident behaviors of Chinese scholars have also become impediments among Indonesians to nurture positive perceptions of the OBOR. In one forum on OBOR, a "Chinese scholar arrogantly stated that China's patience might run out when waiting for a positive response from its neighbors". The scholar implied that if China's neighboring states were not graceful after being treated so nicely by China's offer of help for their development, China may lose patience. Another shocking incident happened recently in a symposium on the OBOR in which several Chinese scholars urged other countries —especially those in Southeast Asia— to adjust themselves to (the interests of) China as the latter was reemerging as a global leader. These kinds of over-confident attitudes are counter-productive to trust-building between China and its partners, including Indonesia.

Consequently, Indonesia has been restrained in responding to the economic opportunities the OBOR/BRI presents. While its neighboring countries have enthusiastically absorbed Chinese loans, so far, Indonesia has only accepted $5 to 6 billion US dollars of Chinese investment for its infrastructure projects (Sundaryani, 2017). Before the OBOR Summit last May, the Head the Investment Board told the media that Indonesia would only open two to three of its provinces to OBOR/BRI infrastructure projects (Sundaryani, 2017). In the Summit, President Joko Widodo insisted that he needs to see concrete projects under the OBOR/BRI (Josephine, 2017) even though he did not directly mention that he wanted China to immediately start building the high-speed railway whose contract was granted controversially last year to China investors. However, apart from infrastructure projects, the President has pushed hard to attract Chinese investment in Indonesia, especially to compensate for Indonesia's trade deficit with China and enormous

amounts of out-flown capital that had been invested by Indonesian Chinese businessmen in their home towns in China. Until several years ago, China's investment in Indonesia was low (Gammeltof & Tarmidi) and only recently it increases (Setiawan, 2017). After political efforts made by the top leaders of both countries, China has become the third biggest investor in Indonesia in recent years. Despite its small amount, the investment of the OBOR infrastructure projects is part of China's increasing investment in Indonesia. Currently, China has listed as the third source of foreign direct investment (FDI) in Indonesia.

V. Conclusion

The OBOR/BRI has provided opportunities and challenges to Indonesia and other countries in Southeast Asia. Previously, countries in the region had to face a strategic dilemma: in terms of economy they depend on China whereas with regard to security they have to rely on the US. With the OBOR/BRI high on the agenda, other countries have seen how serious China is in promoting and implementing the initiative.

China has been the center of gravity of geo-politics and geo-economy in the Asia-Pacific. This country not only leads regional economic growth but has also become a potential challenger to the US liberal world order. By launching the OBOR/BRI in 2013, China seems to work to manifest its potency by taking advantage of its economic prowess to build its political and strategic leverage over more than 60 countries across southeast, south, and central Asia, northern Africa and south Europe.

However, Indonesia has to respond carefully to the Chinese initiative because of its previous negative experiences with Chinese investments and trade relations, its free and active foreign policy, the political cost of the OBOR, the regional consequences of the initiatives, and China's assertive behaviors.

In the meantime, it would be better for China not to push Indonesia and other ASEAN countries to embrace the initiative, but rather to address uncertainties and concerns created from the hot spots in the South China Sea and improve the quality of its investments in order to show China's good intentions and commitment to win-win solutions. China has to prove that the OBOR provides development and prosperity along the routes. Only by doing so can the Asian giant convince other countries that it does not follow exploitative behaviors commonly attached to great powers.

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