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## The Rationality of Indonesia Free-Active Politics Facing Chinese Aggressiveness in the Claims of the North Natuna Sea

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**Abstract.** China's claim to the North Natuna Sea is a manifestation of the South China Sea conflict. For this action, Indonesia responded with diplomatic rebuff either through political means or the presence of national defense and security stakeholders in the North Natuna Sea. The Chinese government responded that the claim of the Nine-dash Line that intersects with the North Natuna Sea EEZ is legal. This aggressive action of China is a threat to Indonesia's sovereign rights over the North Natuna Sea. This paper analyzes foreign policy as the political position of Indonesian interaction in responding to Chinese aggressiveness. The author uses descriptive analytical qualitative research methods using the Hedging Strategy and Dependency theory. The Chinese claim is a potential challenge to the interests and sovereignty of Indonesia, which is contested with the principle of a free and active foreign policy based on soft diplomacy and independent approach. The approach and steps of Indonesian politics become relevant if faced with conditions of asymmetrical power and Indonesia's National interest in China. So that Indonesia needs to build a more flexible foreign policy by maneuvering to emphasize China's aggressive attitude either directly or indirectly through hedging strategies.

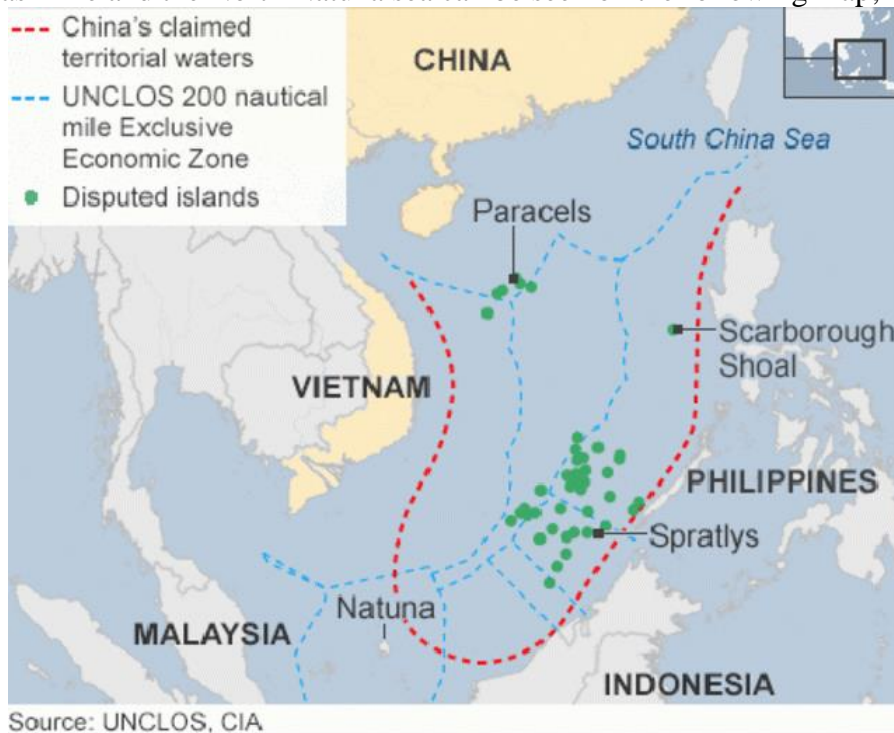
**Keywords.** Foreign Policy, Dependency, Hedging Strategy, Dispute

### Introduction

South China Sea dispute between China and four countries in Southeast Asia is one of the lingering disputes. The settlement of disputes through International Arbitration, which establishes the Philippines as the owner of the Spratly islands, is one of the efforts in resolving this problem (VOA Indonesia, 2016). The results of this decision refute Chinese claims based on a historical approach and are considered to have no firm foundation in claims to the southern China sea area (Koemawardhani, 2016). China responded negatively to the Arbitrase International decision by not considering the decision as illegal and illegal (Koemawardhani, 2016).

On February 25, 1992, China announced the claims on the territory of the South China Sea, which confirmed the Spratly Islands as part of the territorial on the nine-dash line map. Officially, claims to the islands are also confirmed in Chinese law on the Territorial Sea and additional Zones (Jia, 2013). Concerning Indonesia, the nine-dash line map of China has intersection lines in the EEZ region in the North Natuna Sea Indonesia shows a rejection of the nine-dash line since 1994, and this attitude has not changed in Indonesia's foreign outlook on this issue (BBC Indonesia, 2019). The base of Indonesia's foreign policy on the basis that

Indonesia is not a country that claims to have potential losses. The intersection between the Nine-dash line and the North Natuna sea can be seen on the following map;



**Figure 1. China's Claim on South China Sea**

Indonesia, confronted with the challenge of China's attitude in the South China Sea region, which is increasingly aggressive, so it demands to increase surveillance of its territorial border on the northern Natuna Sea. The problem that often occurs is the theft of fish in the Indonesian EEZ area by Chinese ships and escorted by the Chinese Coast Guard. In this case, the attitude of China has officially violated the territory, which is the sovereign right of Indonesia (Damarjati, 2020). This problem can become one of the threats to the Indonesian territory and be one of the triggers for increasing political tension with China either bilaterally or multilaterally with the countries in the region. Indonesia's attitude to date is still limited to the call for diplomatic notes to the Chinese government.

Increased China military activity in the Southeast Asia region is also a condition that needs to be watched by Indonesia. The China activities can affect the stability of the region with every action of China that increases its military power, one of which is in the South China Sea area. China's increasing military activity has also brought attention to other countries, especially the United States, Japan, Australia, and India. These four countries view Chinese policy both in the region and globally as a threat. The Quad's alliance was formed by the United States, Japan, Australia, and India as an effort to balance power over the dominance of power over China in the South China Sea region and the Asian region. One strategy for this condition is the Indo-Pacific collaboration with one of its goals is isolating the strength and development of Chinese power and economy so that it does not become a single hegemon in the region.

Indonesia has a different view from these countries in responding to China. Indonesia does not welcome the Quad as a maritime force that can be a part of maintaining security in the Southeast Asian region. In the Indo-Pacific, Indonesia has a very different view from the concept of the Quad. Indonesia formulated a more inclusive concept of ASEAN Outlook on Indo-Pacific (AOIP) by prioritizing the cooperation of all parties by building mutual trust and

cooperation. The concept of AOIP is a concept that also reflects the views of Indonesia's foreign policy, which are free and active and prioritizes diplomatic and cooperative approaches.

Look at the political attitude of China, which tends to be aggressively related to the South China Sea problem. In response to this attitude, the Indonesian government needs to make strategic steps to keep Indonesia's national interests in mind. On the one hand, Indonesia also has good relations with China in terms of political or economic relations. So in responding to this problem, how is Indonesia's strategic policy step in dealing with China's aggressive attitude related to the territorial crossing problem in the northern Natuna Sea.

### **Theoretical Frameworks**

In this study, the author uses two theoretical concepts, namely the hedging strategy, by conceptualizing an analysis of strategies that can be taken by Indonesia in overcoming disputes with China through political and diplomatic approaches. In determining strategic policy, this research uses the dependency theory as one of the bases for calculation.

### **Hedging Strategy**

Country strategies in dealing with threats to stronger states formulated in three strategies, namely balancing, bandwagon, and hedging. The concept of Balance of Power has traditionally is an effort of a weak state to deal with threats from a powerful state, and to survive a weak state will increase its power or build an alliance to a stronger country to balance its power (MacLean, Paul, Wirtz, & Fortmann, 2005). Morgenthau calls this action the "seek of Equilibrium" (Morgenthau, 1948) wherein, the state seeks a balance to maintain its survival from a stronger state. The concept of balancing power is to provide a deterrence effect for opponents to consider and reconsider their attitude towards the country.

Bandwagon is the actions of a small country to join a powerful state, which is a threat and an opponent. Waltz views Bandwagon as the best choice of a small country because it is safer than forming alliances with other large countries. Waltz conveyed this because the alliance cannot quickly respond to assist (Gunasekara, 2015). The Strategy for responding to threats is a condition of a lack of power distribution. Without the distribution of power, there will be no maritime balance between the warring countries. Finding this balance is one of the strategies in dealing with conflicts in conditions of asymmetrical power. So that balancing of power or bandwagon becomes a strategy that focuses on the distribution of power between countries.

It is different from balancing and bandwagon, which places a full inclination position at a party. Hedging has a strategic concept that takes a middle position by prioritizing the risk-minimizing approach. Hedging is abstractly defined as an action to take-action in ensuring undesired results by betting on several alternative positions. Hedging Strategy is defined as a set of plans that aim to avoid or limit or plan for contingencies from the country's situation that cannot decide on alternatives to Balancing, Bandwagon, or neutral (Goh, 2006).

In this strategy, prioritizing state policies in building closer and deeper relations is called engagement policy. In this policy, the development of political, economic and other fields in deeper relationships becomes a major part of hedging strategies. The operationalization of the policy is intended as an element that can influence the perceptions and preferences of the leaders of opposing countries to tend to take peaceful steps and ways (Goh, 2006). Engagement policies can provide trends in bandwagon positions. So as to overcome these problems, an indirect approach or soft balancing policy can be used (Goh, 2006).

In engagement policy, there are several approaches that can be used by countries in determining hedging strategies. First, soft balancing or indirect by placing a large force as a counterweight to the power that can be influential. Second, complex engagement which brings

a more complex relationship both politically and economically at a strategic level for the purpose of persuading or influencing state leaders to comply with international regulations or applicable norms. This second approach can also be called a constructive approach. Third is enmeshing great power, where this approach aims to bring several other major powers in the region to give their part in maintaining regional stability (Goh, 2006):

The formulation of foreign policy is a response to an interest or a problem in the political domain. In this study, it is looking at responses to the problem of territorial disputes between China and Indonesia. Barry Buzan stated that an issue could be said to be inherent or become a national concern if it is considered politically important. This concept conveyed in the view of Buzan in his securities theory, which explained the politized issue and the non-politized issue. Buzan divide unit of analysis into three actors, including Referent objects, Securitization, and Functional Actors.

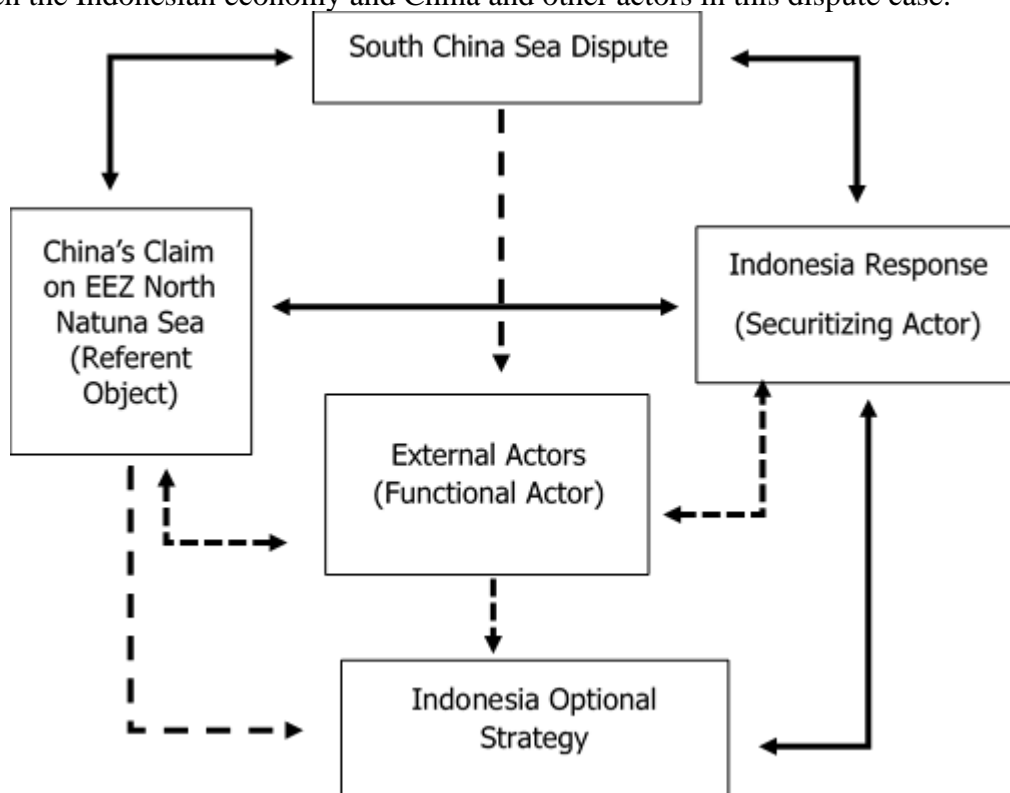
- Referent Object: the condition of a real threat and the right to legally consider themselves threatened. Nation-state formulated the referent objects in which the state maintains sovereignty and nation about the issue of identity. However, in its concept, referent objects can be constructed by the state about any problem that needs attention and threatens security. The security sector itself has defined Buzan in five sectors (Buzan, Barry; Waever, Ole; Wilde, 1998, p. 36).
- The securitizing actor is the actor who securitizes the issue and declares that he is in real danger. Actors, in this case, can be interpreted as political groups such as leaders, government bureaucracy, or other interest groups. Referent objects and securitizing actors are different actors or, in this case, other actors. Each actor can be a country or part of a country or a group of countries. The securitizing actor is an actor who determines the referent object itself (Buzan, Barry; Waever, Ole; Wilde, 1998, p. 36).
- The functional actor is an actor who influences the dynamics of the security sector without the need to be a referent object or securitizing actor, and significantly influences decisions or conditions within the existing security environment. Basically, functional actors are actors that are outside the Referent object and are securitizing actors. Functional actors can be in the form of states or actors that influence the decisions or conditions that exist (Buzan, Barry; Waever, Ole; Wilde, 1998, p. 36).

In the actor unit, actors can be mapped in the policy making of a country and the issues that are the focus of the policy. In this study, the referent object is a territorial dispute in the North Natuna Sea that is unilaterally claimed by China on a nine-dash line. Securitizing Actor is Indonesia, which in this study is an actor who formulates policies in response to Chinese claims. Functional actors are external actors such as ASEAN countries and The Quad. So in this study, categorizing actors based on units of analysis in Buzan's securitization theory.

### **Dependency Theory**

Taking foreign policy steps has a variety of factors that influence. In this study, the authors use the theory of dependency to provide an overview of the relationship between actors in this issue in a political constellation in the Southeast Asian Region. Understanding of this theory appears in the development of views on Marxist and neo-Marxist, where the world political system on the conditions of the post-colonialism and imperialism world (Heywood, 1993, p. 68). Dependency theory is a situation in which a country's economy is governed by the development and expansion of another country's economy in a predetermined form. This theory brings a dependency relationship between two or more countries whose economies are interdependent and their relationship with world trade. This relationship consists of dominant and dependent countries whose relationships can be negative or positive (Namkoong, 1999):

In the era of globalization, trade between countries is a pillar of a country's economic development. Trade between countries can create inter-dependency or dependency conditions for related countries. In the above definition, it can be drawn the thought that the economy and trade can become unbalanced if faced with a transaction situation between dominant and dependent states (Namkoong, 1999). Dependency theory has developed no longer in the problem between the division of social classes. In its development, a class division can be explained by the concept of dominant power represented by the attributes of multinational companies, financial institutions, or technology that operates at the international level (Namkoong, 1999). The theory of dependency, in this case, explains the interconnection between the Indonesian economy and China and other actors in this dispute case.



**Figure 2. Analytical Framework**

In this paper, the author explains the framework for setting state policy moves in responding to the North Natuna Sea dispute. In this framework, a Chinese claim is a referent object for the Indonesian government. Some external actors give influence to the political system in the intra-regional or external Regions. In this framework, see how the interconnection between actors can be considered in making Indonesia's strategic moves over the North Natuna Sea dispute.

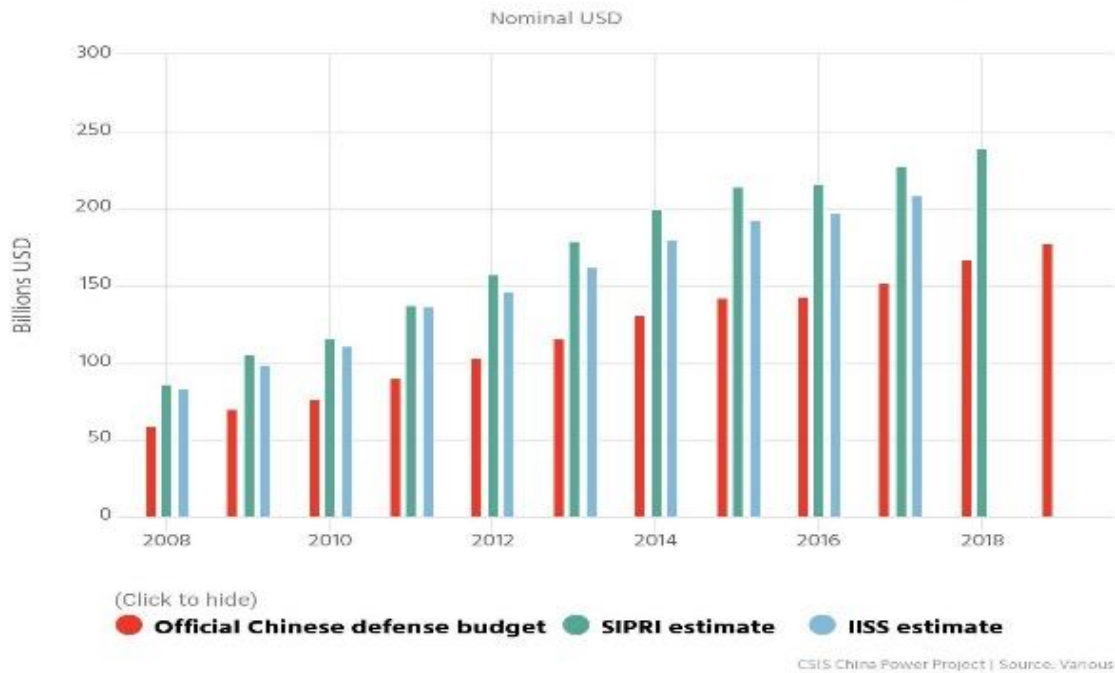
### **China's Presence in the South China Sea: Potential Threats to the North Natuna Sea Dispute**

China's view in implementing its policies cannot separate from its objectives, which reflect as one of the great global powers. China is now a country that has a significant influence on the global economy. China, through the Belt Road Initiative (BRI) and the Maritime Silk Road, becomes China's road in projecting its strength globally (Tkacik, 2018). The expansion of Chinese influence in global politics has met with resistance from countries such as the United States and Japan. We can see China as trying to become a major global power and becoming a country that has a goal as a hegemonic actor, especially in the region. This assessment is base

on assertive Chinese policies and increased Chinese military activity that reflects aggressiveness

We can define the Chinese increasing military activity as the policy for increasing Chinese military power. The Chinese military budget and expenditure report are one of the debates in which China suspected of covering up the original report on its military spending. This China action is one form of threat to military development that is still covered by China and increases the international dilemma of the potential of Chinese military power. In some official reports data on the Chinese military budget, both official reports and estimated reports from several institutions have quite significant differences.

### Estimates of Chinese Defense Spending



**Figure 3. China Military Expenditure 2008 -2018**

Source: (China Power Team, 2019)

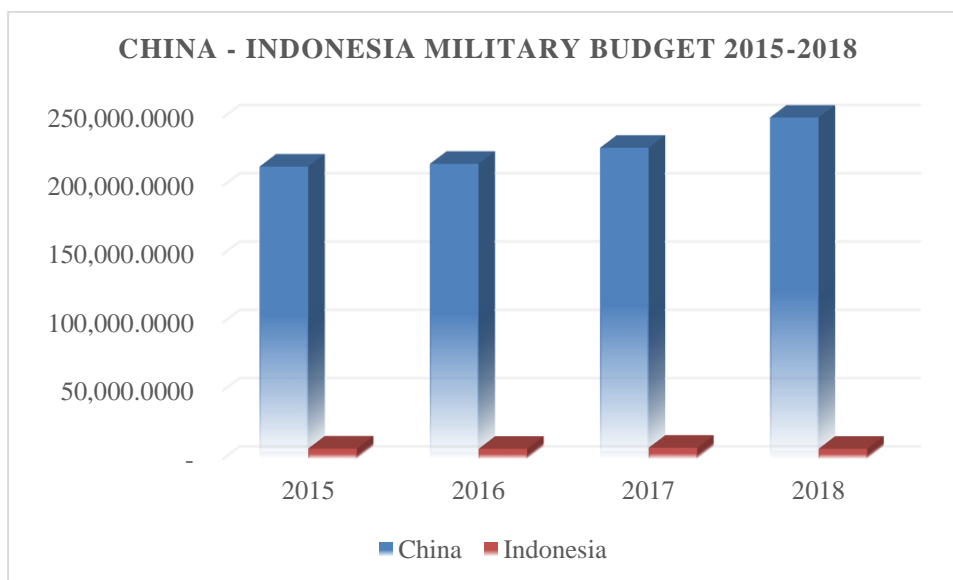
In the graph above, in the last ten years, the Chinese military spending on increasing the military has increased steadily every year. Military spending is also one of the focuses in the estimates calculated and researched by Sipri and IISS. Both of these institutions are concerned about the official military spending reports from the Chinese government with their estimated data. In several comparisons, the two institutions released a report that there was a limitation of information on data reported by the Chinese government and that Chinese military spending was estimated to be higher (China Power Team, 2019). Allegations of closing these budgets certainly cannot be ignored, military budget and expenditure are vital issues for each country to perceive threats from other countries.

China develops its defense policy on an active defense strategy (US DoD, 2019, p. 136) and a coercive approach. Active defense is a defensive defense strategy, but operationally it is offensive in the face of threats to China. This approach used by China is coercive by prioritizing an aggressive approach to achieving its strategic objectives (US DoD, 2019). The active concept of China in defense is in its military development. In April 2017, China launched the new Aircraft Carrier Shandong, and this is one indicator we can pay attention to China's aggressiveness. The construction of the aircraft carrier can also be attributed to China's offensive

stance in expanding its defense range. The construction of the aircraft carrier has also entered the construction of the second ship.

In other positions, the reach of Chinese military power in the southern China sea region is also supported by the construction of military bases in the sub coral islands, on the island of Subi, mischief, and fiery cross (Pascal S. Bin Saju, 2017). China has placed its power in the heart of the Southeast Asian region and has become the leading hegemon in the heart of the Southeast Asian region. China's military activities are also increasingly visible with Chinese military budget spending, construction of aircraft carriers, fighter planes, especially the manufacture of Inter-Continental Ballistic Missile (ICBM). In terms of military power, China and Indonesia have military imbalances.

Quote from the quasi-mathematical perception of threat in David Singer's writings, Threat - Perception = estimation of capability X perception of intention (Singer, 2014). In this concept, the threat, in this case, can be interpreted about the North Natuna Sea dispute, where recognition of the nine-dash line will make Indonesia lose sovereign rights over the North Natuna Sea EEZ region. Perception, in this case, is Indonesia's perspective on the issue of this dispute. Indonesia has given the rejection of China's nine-dash line and unilateral Chinese claims in the North Natuna Sea. Indonesia policy indicates that in this dispute, Indonesia has a perception that Chinese claims are part of the threat to sovereign rights in the North Natuna Sea. Incapability, China, and Indonesia are in an asymmetrical position in military power. The power difference can see from the military budget and the position of power of the two countries in the world. China is a country with military power in world rank three, and Indonesia is ranked 16 in the world. One factor that can see in the comparison of the two countries is the enormous military budget as an indicator of the development of military power.



**Figure 4. China and Indonesia Military Budget 2015-2018**

Source: Computing by author from (Global Firepower, 2019)

In terms of military capability, China has military power over Indonesia, and from the figures above, the average Indonesian military budget is 3.5% of China's military budget. Then, how the intention held by China in this dispute is the deciding factor to see whether the Chinese attitude triggers conflict with Indonesia in the territorial dispute and turns Indonesia into a claimant state in the South China Sea conflict. The establishment of China as a threat to

Indonesia's sovereign rights cannot separate from how political relations and talks between China and Indonesia, in this case, whether this case will resolve peacefully, the status quo between the two countries, or end in the conflict between the two countries.

### **Indonesian Political position on the challenges of Chinese Aggressiveness**

Buzan and Waever explained that securitization is a concept of politicization of issues to become an essential issue for the state as a security problem (Buzan & Hansen, 2009). The concept can explain that securitization is a concept constructed based on the level of importance and influence on the state. Terry L. Deibel, in his book, also explained that in the formulation of foreign policy can be analyzed based on the influence of the international environment on national interests. The influence can be in the form of threats or opportunities for the country so they can take strategic steps in achieving national interests (Deibel, 2007). these two concepts, it can be conceptualized that threats to the national interest are one of the factors that can be constructing as a matter of national security.

Indonesia's national interest is to maintain the integrity and to uphold of the Unitary Republic of Indonesia based on Pancasila and the 1945 Constitution as well as ensuring the smoothness of national development to realize national goals (Kementerian Pertahanan RI, 2014). Indonesia's national goals are fundamentally stating in the Preamble of the 1945 Constitution in the fourth paragraph. This goal is a manifestation of Indonesia's national interests by maintaining regional sovereignty and the development of national security as conditions that must meet for national development (Kementerian Pertahanan RI, 2014). In defense of the Indonesian State, threats are defining as any affair and activity either domestically or abroad that endanger the country's sovereignty, territorial integrity, and safety of all Indonesians (Kementerian Pertahanan RI, 2014). In this conception, two main ideas on threats can take as namely disruption of sovereignty and territorial integrity.

The nine-dash line announced in 1992 by China received active protests from Indonesia in 1994. Since the establishment of the nine-dash line, Indonesia has never recognized the nine-dash line. One of the policies taken by Indonesia in anticipating problems in the South China Sea Region is to change the name of the South China Sea within the Indonesian territory to the North Natuna Sea region in July 2017 (Sinaga, 2017). This policy is a firm stance of Indonesia to strengthen its national territory over the North Natuna Sea. China responded to this policy by sending a protest note to Indonesia and not recognizing the name change. This Chinese protest could become ambiguity over Chinese statements to Indonesia that Indonesia and China do not have overlapping territorial boundaries, especially the nine-dash line (Sinaga, 2017).

Another policy established by Indonesia is to strengthen a military base in northern Natuna. The development of an integrated military base is part of Indonesia's efforts to protect the border region (CNN Indonesia, 2018). This military base can also be perceived as Indonesia's reaction to securitize sovereignty in the northern Natuna region. Notwithstanding, the development of this military base is still part of doubts in Indonesia's approach towards China. Continuously, Indonesia has not been aggressive towards Chinese aggressiveness in LCS. Indonesia still prioritizes good relations with China, especially in economic terms, to support Indonesia's investment and development.

The ambiguity of Indonesia's approach is also reflected in Indonesia's attitude in facing Chinese claims to the North Natuna Sea Zone. Diplomatically, the government gave a firm stance to reject China's recognition unilaterally. On the other hand, Indonesia still maintains that China is a strategic partner and not an enemy. The government is still giving a good signal in maintaining its relationship with China (Prasetya, 2020). Contradictively, the government mobilizes a naval fleet to the North Natuna Sea to maintain sovereignty in the region (Wardi &

Nathalia, 2020). Indonesia runs a safe political strategy as an effort to maintain good relations with China.

### **Indonesia Strategic Policy and Dependency between Actors**

Taking strategic policy steps that Indonesia can take in the North Natuna Sea dispute is an oversight of the principle of Indonesia's free and active foreign policy. Free and active politics is a principle of Indonesia's freedom in running politics that is not biased towards one party but can still be free in establishing cooperative relations with any country. In the analysis of strategic policy-making in responding to disputes with China over the North Natuna Sea claim is a building of synergy in building engagement policies among strategic actors. Hedging strategy prioritizes the development of close relations between actors as a strategic step to influence the political environment in achieving interests. Hedging strategy offers optional strategic steps through soft balancing, Complex Engagement, and great power enmeshing.

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Mapping the actors in this dispute, the authors conceptualize based on the analysis of the unit of actors in Buzan's securitization theory. The referent object in this paper is the North Natuna Sea dispute that places China as an actor. Indonesia is a securitization actor, and functional actor is a regional actor, in this case, ASEAN and external actors, in this case, are the United States and member countries of The Quad. Each actor has an interest in both the South China sea conflict or other interests between countries. Relations between countries can be described in the following relations:

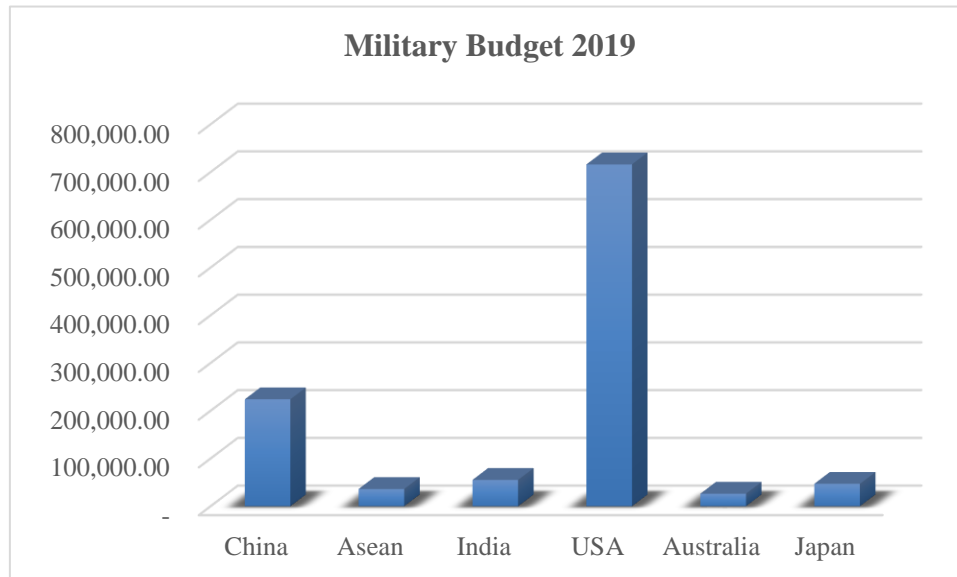
### **Power Gap as Strategic Policy Factor**

Strategies in foreign policy, especially in conflicts between countries in positions of asymmetrical power, place choices for survival strategies. In Morgenthau's thought, the state seeks a balance of power to maintain stability between states, especially for opposing states (Morgenthau, 1948). Waltz sees a strategic move with bandwagoning as the best option for a small country to place enemies as friends to defend. Both Morgenthau and Waltz's views look at the concept of power and its distribution in seeing the behavior of the state, especially in conflict or political conditions in a state. In the context of China's unilateral claim to the southern China sea area, which contradicts the recognition and respect for territorial law under UNCLOS 1982. China itself is a country with an advanced economy and has a powerful military power in the East and Southeast Asia region.

In the concept of gap power in military power can be illustrated in state military spending as an indicator of military power. Gap power between actors in the region can be seen in the following illustration;

**Figure**

**5.**



**Military power in region 2019**

Source: computing by author, from (Global Firepower, 2019)

China's military budget shows its superiority as a regional player. This Chinese superiority is demonstrated by the military budget, which has reached US\$ 224 trillion in 2019. In the world ranking, China ranks second for the largest military budget and ranks third in terms of military power (Global Firepower, 2019). The comparison of the regional military forces can be illustrated in the graph above between China, Japan, and ASEAN countries. China occupies the first position in the military budget, far from the budget figures of ASEAN countries and even Japan and India. The data above shows the difference in power between actors, especially in military terms.

The Quad is one of the elements that can change the direction of the political constellation in the dispute in the South China Sea region. The United States has a negative perception of the increasing power of China and its rejection of the potential of Chinese hegemony in the region. The existence of this opposition group places ASEAN countries, especially Indonesia, in the middle position over the rivalry of global forces in Southeast Asia. In terms of military strength, America is still ranked 1 in the World. America's commitment to developing its military strength can be analyzed in the military budget, which is currently far above the military budget of other countries. The entry of America in the political constellation in the Asian region will change the direction and shape of the power distribution projected by China and provide optional policies from countries in dispute with China.

**Trade and Economy Relation as Dependency Factor between Actors**

The interest in overcoming the problem of gap power to build relations of relationships from the strategy carried out by Indonesia is through an analysis of economic interests. Economic factors can be one of the determinants of state attitudes beyond thinking about security and defense. The economy is one indicator of the country's interest in achieving prosperity.

International trade is one element in achieving the country's economic goals. So that trade relations between countries can describe economic relations between countries.

The relationship of Indonesia's economic dependency to China can be seen in the comparison of Indonesian trade data to China and vis a vis, as well as global trade comparisons. In 2018, Indonesia placed China as the primary export market in its trade, with 18.95% of Indonesia's trade going to China with a value of US \$ 34.15 Trillion. From 2016 to 2018, Indonesia's trade to China experienced an average growth of 2%. This data is a comparison of Indonesian trade to China vs. Indonesian trade on the global market. This figure illustrates that China is the largest market for Indonesia; the damage to relations between China and Indonesia could pose a risk for a significant economic impact for Indonesia.

**Table 1. Trade between Indonesia – China 2016 -2018**

Export	Import	2016	2017	2018
Indonesia	China	21.414.036	28.574.306	34.154.685
Indonesia	World	144.489.796	168.810.043	180.215.034
% Indonesia Trade to China and Global		14,82%	16,93%	18,95%
World	China	1.587.920.688	1.843.792.939	2.134.987.265
% Trade to China from Indonesia and Global		1,35%	1,55%	1,60%
China	Indonesia	30.800.449	35.767.203	45.537.815
China	World	2.097.637.172	2.263.370.504	2.494.230.195
% Trade China to Indonesia and Global		1,47%	1,58%	1,83%

\*this data in thousand dollar

Source: Computing by author, 2019 from (Trademap.org, 2019a)

In the opposite condition, Indonesia is the 16th market order in Chinese trade. In comparison with global trade, Chinese trade to Indonesia is only 1.83%, with a value of US \$ 45.53 Trillion in 2018. This figure has experienced growth since 2016, with an average growth of 0.18% / year. Indonesia is not the primary market for China, and Indonesia's strategic position for China can be analogous to the 16th priority in its trade order. Nevertheless, positive growth in trade between the two countries shows good relations between countries, and this can be an essential factor in improving strategic relations with China as a step to build complex engagement.

The development of this strategic relationship can be done by Indonesia, through enhancing the centrality of ASEAN as a major player in the Region in Southeast Asia and becoming China's strategic economic partner in its trade. The ASEAN Outlook in the Indo-Pacific (AOIP) can make ASEAN the center of the economy in the Indo-pacific region. Trade relations between China and the ASEAN Region. In 2018, trade of ASEAN countries to China reached 18.56% of ASEAN's global trade figures, with an average growth of 0.68% / year since 2016. This figure places China as the largest market for trade movements in ASEAN. In total, Indonesia and other ASEAN countries have an import market in China, on average 12.50% per

year. In percentage terms, ASEAN is also one of the biggest markets for China. This data is indicated by the average Chinese exports of the ASEAN region, reaching 12.86% in 2018, with an average growth of 0.28% / year from 2016. This figure places ASEAN as one of the potential and strategic markets for China.

**Table 2. Trade Data Between ASEAN and China**

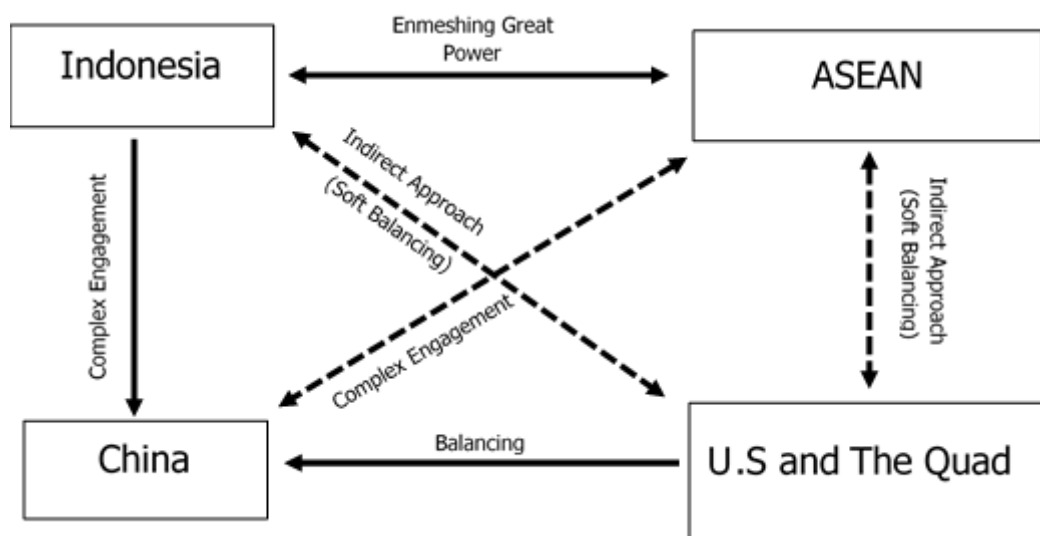
Export	Import	2016	2017	2018
ASEAN	China	196.407.137	235.950.683	269.090.089
ASEAN	Global	1.148.042.784	1.322.580.343	1.449.517.305
% Trade from ASEAN to China and Global		17,10%	17,84%	18,56%
China	ASEAN	256.001.165	279.502.481	320.658.019
China	Global	2.097.637.172	2.263.370.504	2.494.230.195
% Trade from China to ASEAN and Global		12,20%	12,35%	12,86%
Global	ASEAN	1.087.391.353	1269.344.375	1437.582.167
% Trade from ASEAN to China and Global		24,54%	22,02%	22,31%

\*This data in thousand Dollar

Source: Computing by author, 2019 from (Trademap.org, 2019b)

Indonesia, as a state entity, individually is not a very important market for China. The policy that can be done rationally by Indonesia is to improve cooperation relations between ASEAN countries by prioritizing and increasing ASEAN centrality. Enmeshing great power through enhancing strategic relations can also be used by ASEAN countries, which are claimant states for the dispute over the South China Sea as an economic deterrence effect. Building relationships within the framework of strategic cooperation and increasing unity of voice over ASEAN is facing the problems in the region will increase ASEAN's strength in suppressing China's aggressive attitude through economic and trade relations.

So that this study provides an overview of the formulation of Indonesia's strategic steps in responding to disputes with China can be described in the following relations;



**Figure 6. Manifestation of Indonesia's hedging strategy in the North Natuna Sea Dispute**  
Thought of Indonesia's policy strategy through the Hedging Strategy framework places the principle of free and active Indonesia in the development of cooperation. The development of

strategies prioritizes the development of active relations to all relevant actors without prioritizing political inclination on one party. In the manifestation of thought on the analysis of this policy strategy, it can be understood that Indonesia is increasing regional power as a political media to enhance ASEAN's strategic role in China or the United States and The Quad Countries. ASEAN's Strategic Role for China is trade relations, where both China and ASEAN have a significant trade value, which is explained in the discussion above so that Indonesia builds a strategy through strengthening ASEAN Centrality as a key actor in cooperation in Enmeshing Great Power.

ASEAN Solidity and Centrality as a major regional player will provide a strategic role in the region, especially in the development of the Indo-Pacific concept. The existence of The Quad, which seeks to enter as penetration of China in Asia, can be utilized as an opportunity for Indonesia or ASEAN countries as a balancing actor to the supremacy of China in the region. The military budget and global military power, The Quad itself, has America with the supremacy of its military power and is followed by India, Australia, and Japan. Through ASEAN's strategic role, the approach to external regional actors, in this case, The Quad, will become a potential partner for trade in the Indo-Pacific Region. ASEAN's policy move to the Quad will be a potential threat to the cooperation between China and ASEAN that has been developed. The Indo-pacific concept offered by the United States is the concept of Free and Open, which prioritizes freedom in cooperative relations. Another goal held by the United States and allies is isolating China to stem its dominance. Indo-pacific partnership can be a strategic policy for balancing financial control because of the dependencies relation with China. This Policy can be through by strengthening the ASEAN Centrality for balancing china's power in South East Asian in general and Indonesia in specific (Siahaan & Risman, 2020).

Through this condition, Indonesia, through ASEAN, can improve relations more involved with China. ASEAN's proximity to the quad will influence political constellation by placing external actors to enter regional politics. In this strategic approach, Indonesia, through ASEAN, can conduct an indirect approach (soft balancing) through Indo-Pacific and the Quad. In other conditions, Indonesia, through ASEAN, can build complex engagement with China through the development of ASEAN's strategic position by presenting external actors as balancing power in the Southeast Asian Region. So that through a hedging strategy, Indonesia can build policy steps in a free and active corridor by promoting the development of more complex cooperative relationships on an inclusive basis to build mutual trust and mutual co-operation between relevant actors.

## **Conclusion**

Policy-making by Indonesia cannot be done based on emotions and rash decisions in responding to and responding to China's claims to the northern Natuna Sea. Indonesian decision-making and policy need to be based on analytical calculations and studies of Indonesia's losses and benefits for the policies taken. The policy-making factor in Indonesia's response can be based on the calculation of Indonesia's economic strength and dependency on China. In terms of military or economic power, Indonesia and China have an asymmetrical position. China has military power in the world rank 3, while Indonesia is in the 16th position of the world. In the economic field, China is the country with the world's largest economic power, and Indonesia has economic dependencies on Indonesia's import market to China. Hedging Strategy in the framework of active principle is the basis of analysis in the formulation of Indonesian policy to respond to the problems of disputes between Indonesia and China. The development of strategic and complex relations between actors through the synergy of policy steps in engagement policy between actors is an optional strategy for Indonesia. Through ASEAN, Indonesia, which is

considered as a natural leader of ASEAN, can build and strengthen ASEAN centrality as a player in a stable and robust region. With ASEAN's strategic role, Indonesia can build a complex engagement with China and an indirect approach with The Quad as a balancing actor in the Southeast Asian Region.

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