Questioning the Ties that Bind: Chinese Indonesians' Reponses to China's New Maritime Silk Road

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Abstract

The relations betw (34) China and Southeast Asian Countries are often marked (25) China's rise as a global power. Chinese foreign policy translates the rise of China into the One Belt One Road initiative, now known as Belt and Road Initiative, one component of which is the new Maritime Silk Road (MSR), specifically designed for North, South, and Southeast Asia. The gist of MSR is what Beijing terms as economic cooperation involving aids and investment that would benefit all parties involved. Scholars' opinions on this initiative are divided into at least two camps. One camp views that this initiative is China's grand strategy to hegemonize the regions, and other countries should be very careful with China's entanglement. The other camp has a more favorable view, that is, this initiative would transform the regions involved into a very promising economic zone. As a part of Southeast Asian region, Indonesia cannot avoid China's entanglement. It welcomes MSR. However, because of its historical trajectory, the implementation of MSR in the country, where its citizens of Chinese descent often play a role of intermediaries, faces challenges due to the public's perception on China and its initiatives. Drawing on qualitative data, in this paper I investigate how the ethnic Chinese in Indonesia respond to Chinese economic initiatives as part of MSR. I also investigate how they navigate between the Chinese investment for the country and the consequences the investment brings. Preliminary findings show that due to social and cultural factors, Chinese Indonesians are sensitive to the perception of the other ethnic groups in Indonesia towards China and Chinese initiatives.

Introduction

On a warm evening in early May this year, a friend of mine invited me for dinner. He had a visitor from Jakarta, a Chinese Indonesian businessman, who was active in Chinese social organizations in Jakarta. He wanted to introduce me to this visitor because both of us shared a similar interest. Over dinner we had a small talk on some issues related to Chinese Indonesians and the rise of China. He said that because of its need to accelerate its economic development, Indonesia welcomed the investment China brought and offered. Yet, he noted

that sociopolitical factors may create a problem for Indonesia's effort in attracting china's investment.

This gentleman's opinion is not unfounded. Since early this year, issues related to China's investment that is seen as detrimental to Indonesian sovereignty and society often appeared in newspapers and social media. Not all of those issues have merits. Nevertheless, it influences public perception on China, and, according to this gentleman's opinion, Chinese Indonesians.

In this paper, I investigate how the ethnic Chinese in Indonesia respond to Chinese economic initiatives as part of MSR. I also investigate how they navigate between the Chinese investment for the country and the consequences the investment brings.

The Belt and Road Initiative

The Belt and Road Initiative (BRI), formerly known as One Belt One Road Initiate

was first introduced by Chinese President Xi Jinping in October 2013. Originally, it was

designed as a cooperation in infrastructure development covering the overland "Silk Road

Economic Belt" and the sea-based "Maritime Silk Road" during the Ming dynasty, as seen figure 1.



Figure 1. the overland "Silk Road Economic Belt" and the sea-based "Maritime Silk Road" during the Ming dynasty

China wanted to revive this land and sea route with the intention of materializing what socalled "Chinese Dream" and "peaceful economic development" among countries around the belt and road.



Figure 2. Belt and Road Initiative route

In its development, this initiative has been extended to cover non-infrastructure investment, including cultural ties and people-to-people exchanges (Hillman, 2018).

BRI, according to China's National Development and Reform Commission (http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html), is based on five pillars, namely:

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- 1. policy coordination
- 2. facilities connectivity
- 3. trade cooperation,
- 4. financial integration, and
- 5. people-to-people bond.

The intention is promoting regional connectivity and multilateral cooperation among 65 countries across Asia, Europe and Africa (*Hong Kong Trade Development Council*,

http://beltandroad.hktdc.com/en/country-profiles/country-profiles.aspx, access on November 2, 2018). It covers 70% of the world's population and more than 40% of the world's GDP.

BRI is created as a multilateral mechanism used as platform for strengthening economic, political and cultural ties between China and other countries along the route Eurasian countries, and as a venue for deepening cooperation with the existing regional multilateral groups, like ASEAN, European Union, and Asia–Europe Meeting. To achieve this goal, China created Asian Infrastructure Investment Bank (AIIB) and Silk Road Fund to provide financial support for BRI. BRI has become China's most ambitious foreign policy initiative.

It reflects the shift in China's foreign policy, from "keeping a low profile (taoguang yanghui)" to "striving for achievement (yousuo zuowei)" (Yan, 2014). In other words, BRI is a means of not only promoting regional connectivity and multilateral cooperation, but also strengthening China's role on the world stage.

China's fast economic growth that leads to its increasing military power and international presence has been fueling the perception of China threat. This perception is not favorable for China to expand its influence. That is why, China needs to promote what so-called soft power, through a variety of means, such as culture and economic and diplomatic levers, in the forms of aid, investment and participation in or creation of regional multilateral organizations and institutions (Holyk, 2011). By advancing its soft power through multilateral economic cooperation, China could "help improve its image as a responsible and generous state" (Boboc, 2017). It could also help China to convince others to accept its rising power status in the international community as a peaceful rise (Hall and Smith, 2013). In this aspect, BRI is helpful for China, as admitted by Xi Jinping on November 2014. Xi said,

We should seek other countries' understanding of and support for the Chinese dream, which is about peace, development, cooperation and win-win outcomes. What we pursue is the wellbeing of both the Chinese people and the people of all other countries ... We should make more friends while abiding by the principle of non-alignment and build a global network of partnership. We should increase China's soft

power, give a good Chinese narrative, and better communicate China's message to the world. (Xinhua News Agency, November 24, 2014)

Xi also stressed the win-win outcomes of BRI at the *Belt and Road Forum for International Cooperation* in Beijing in May 2017. In his opening speech, he said,

China will enhance friendship and cooperation with all countries involved in the Belt and Road Initiative on the basis of the Five Principles of Peaceful Co-existence. We are ready to share practices of development with other countries, but we have no intention to interfere in other countries' internal affairs, export our own social system and model of development, or impose our own will on others. In pursuing the Belt and Road Initiative, we will not resort to outdated geopolitical maneuvering. What we hope to achieve is a new model of win—win cooperation. We have no intention to form a small group detrimental to stability, what we hope to create is a big family of harmonious co-existence. (Xinhua News Agency, May 17, 2017).

Thus, it can be concluded that BRI is motivated by China's strategy in establishing its influence and status.

Scholars are divided into two camps when they view BRI. Obviously China wants to portray BRI as China's generous offer intended to "accelerate development across Central Asia, Southeast Asia, India, East Africa, and the Middle East" and "reenergize a moribund Europe with railways, highways, waterways, pipelines, harbors, airports, fiber optics, power grids, and industrial parks" (Case, 2018: 21). Some scholars agree that BRI could become an avenue for countries that needs financial resources for their development. They can tap into China's huge financial resources. Thus, it provides mutual benefits for the parties involved. However, there are those who are skeptical or have a hostile assessment of the BRI scheme.

They view it as a state-driven mercantilist, state capitalist, even neo-imperialist agenda to provide release for China's industrial over-capacity, with uneven contracts designed expressed to benefit China. Nevertheless, Indonesia is quite receptive towards BRI.

BRI and Indonesia

For Indonesia, which is interested in accelerating its economic development, BRI could become a springboard for tapping into China's enormous financial resources and technological capability. Indonesia can use BRI initiative as an alternative financing sources.

This was emphasized by President Joko Widodo, when he attended the inaugural BRI Forum in May 2017. He said that he attended the forum because he wanted to see whether the forum could bring benefits to Indonesia (*Kompas*, May 13, 2017). President Joko Widodo's statement underscores the importance of China as Indonesia's partner. Since the normalization of diplomatic relationship in 1990, Indonesia-China economic relations are improving over the years.

Bilateral trade between Indonesia and China is increasing. Since 1998, the bilateral trade between Indonesia and China have been increasing, from 4% of the total trade value in 1998 to 16% of the total trade value in 2016. Whereas, Indonesia's bilateral trade with Japan, Indonesia's important trading partner, saw the decline, from 21% in 2000, to 10% in 2016.

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This can be seen in the following figure:

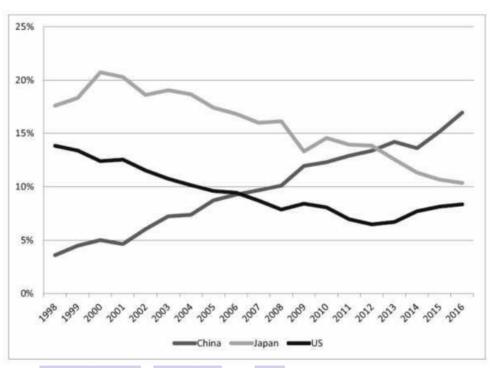


Figure 3. Indonesia's trade with its three major partners (% share of total Trade)

In line with growth of trade, China's investment has also increased. As of 2016, China ranked third as a source of Indonesian inward FDI has moved up from tenth in 2008 to third in 2016. Data from Indonesian Investment Coordinating Board (Badan Koordinasi

Penanaman Modal – BKPM) shows that Chinese FDI has increased a lot from US\$174

million in 2010 to US\$2.7 billion in the third quarter of 2017, as seen in the following figure.

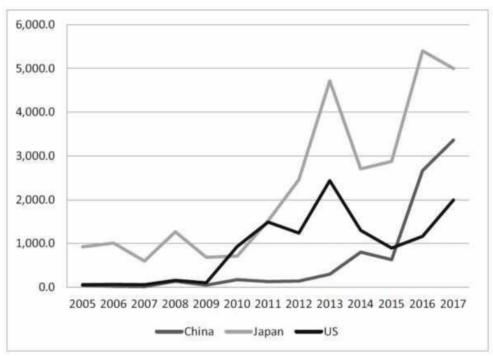


Figure 4. Realized FDI in Indonesia from three major countries

Although China's FDI in Indonesia is smaller than that of Japan, the trends and the potentials impacts of BRI will result in the possibility that China's FDI will take over that of Japan in the next couple of years

Besides in terms of bilateral trade and investment, China's importance in economic relation with Indonesia can also be seen in its role as a source of loan financing. China has been playing this role since a few years ago. When China established Asian Infrastructure Investment Bank in 2015, Indonesia joined in and became one of its key shareholders. It contributed US\$672 million to this new bank (*Kompas*, June 30, 2015). Although AIIB loan

to Indonesia is still relatively small, at around US\$2.4 billion, China's loans to Indonesia have been increasing, from around US\$800 million in 2007 to US\$15.7 billion in 2017 ("Statistik Hutang Luar Negeri Indonesia"). Data from Bank Indonesia mention that the share of the total foreign debt of China in Indonesia is increasing, from 0.6% in 2008 to 4.5% in 2017. This ca be seen in the following figure

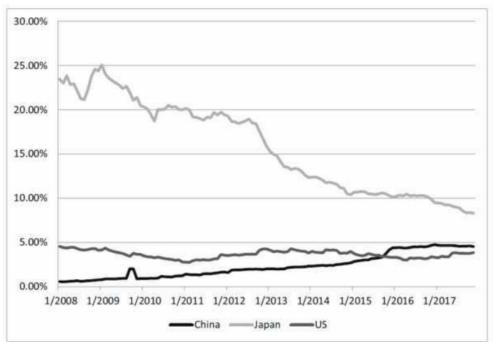


Figure 5. Three major partner's loan to Indonesia (% share of total external debt) With BRI proposed projects, which is subject to both parties' agreement, this trend is expected to continue.

Issues Affecting BRI

Although both parties, Indonesia and China, showed their interest in pursuing projects under the scheme of BRI, there are some issues that create a barrier in implementing BRI in Indonesia. Those issues are the Natuna issue, China's economic domination, China's workers in Indonesia, and anti-Chinese sentiments.

Natuna Issue

Although it has recognized that the Natuna islands are Indonesian territory, China did not acknowledge Indonesia's exclusive economic zone in Natuna waters. Claiming that it is a "Chinese traditional fishing ground," Chinese fishing boats have often entered Natuna waters. In the past, the Chinese boats caught entering and fishing illegally in Natuna waters were quietly released. However, the new administration takes tough policy by seizing foreign fishing boats engaged in illegal fishing in Indonesian waters. As a result, conflicts between Indonesia and China over fishing in Natuna waters started to appear in the news. For example, on March 19, 2016, after a Chinese fishing boat was caught by Indonesian coastguards but managed to escape after intervention by the Chinese coastguard, Indonesia sent its protest to China, only to get a reply that the Chinese fishing boat was conducting regular activities in traditional Chinese fishing grounds (Kompas, March 21, 2016; Merdeka, March 21, 2016). The next incident occurred on May 27, 2016. A Chinese fishing boat entered the EEZ again. However, Indonesian coast guard and navy were better prepared. They managed to detain the boat, and the Chinese patrol boat refrained from intervening (Kompas, June 1, 2017). As usual, China's Foreign Ministry demanded the release of the fishermen and said that China and Jakarta had different views on the waters where the Chinese boat was detained. Another incident took place on June 27. A Chinese fishing boat encroached Natuna waters and intercepted by an Indonesian patrol boat. The third incident occurred on 17 June where a Chinese fishing vessel was again intercepted by an Indonesian patrol boat. The vessel was captured after a firing incident occurred (Kompas, June 21, 2016; Tempo, June 21, 2016; The Jakarta Post, June 21, 2016).

The three incidents triggered Indonesian nationalism. Following the June 17 incident,

President Joko Widodo sailed to the Natuna Islands on a navy warship. This apparent show of
force signaled his determination to protect the integrity of Indonesian territory. After June 17,

2016, there have been no China's incursion so far. If not, definitely Indonesia-China relation worsens and the future of China-Indonesia joint projects would be in limbo because according to Fossati, Hui and Negara (2017), the Indonesian public view the Natuna Sea as a national security issue rather than a dispute based on economic interests.

China's Economic Domination

The second issue is not less important. Statistics shows that the economic integration between Indonesia and China are getting closer. Nevertheless, the majority of Indonesian public still has a native view towards China. Although there are those who think that Indonesia can tap into China's financial resources for developing its infrastructure and take a leave from China's book for its economic development, the majority still hold a negative view and suspicion towards China. They are afraid that China would dominate Indonesian economy. This group consists of leaders of some Islamic organizations, retired military generals, former high-ranking officials, academics, and public intellectuals, most of whom still have a "historical distrust" after the 1965 failed coup attempt by the Indonesian communist party. This is proven by a number of concerns about China's "economic invasion" published in various media of posted in social media. In their survey conducted in 2017, Fossati, Hui, and Dharmanegara (2017) discussed that 62% of adult Indonesians believed that close economic ties with China would bring little benefit to Indonesia. Only 28 per cent believed otherwise.

China's workers in Indonesia

Since early this year, the issue of China's workers in Indonesia have attracted public attention. *Kompas* (May 18, 2018), *Merdeka* (My 8, 2018), and some other newspapers and online news outlet reported the case of China's workers in Indonesia again. Actually, the issue of China's workers in Indonesia has been around for a few years, especially since some

companies only hired Chinese workers from China. Since then on, China's workers became the buzzword of the day.

In mid-2015, anti-Chinese posting in social media wrote the presence of foreign workers from China in some joint projects between China and Indonesia. The established newspaper outlets, among others, CNN Indonesia (August 16, 2015), Detik (June 30, 2015), Pos Kota (August 20, 2015), and Tempo (August 31, 2015) also reported that a relatively large number of foreign workers from China were found in a number of factories. A cement factory in Lebak, Banten was said to hire around 800 Chinese migrant workers mainly doing non-skilled works. The company retorted that it only hired 400 Chinese workers and that these workers had special skills (Detik, June 30, 2015). Besides Banten Province, the joint project companies that hired a large number of workers from China were also found in Bali (Merdeka, August 21, 2015) and Kalimantan (Detik, March 14, 2015). The presence of China's workers turned out to be such a political issue that it was debated in the parliament. After conducting investigation, Hanif Dhakiri, the manpower minister, made a statement that foreign workers from China worked in Indonesia legally. Once the projects were completed, they would return to China. However, the problems related to foreign workers from China were not only about whether those workers had work permit or not, but also the irregularities in the employment of those Chinese workers as reported by Tempo magazine in its August 31 - September 4 edition, which published its special investigation on Chinese worker. The cover of the issue was a caricature of President Joko Widodo who wore a Chinese worker's uniform and held a hammer, accompanied by a sentence, "Welcome, workers from China." Besides reporting the irregularities in the hiring practice of workers from China, this special issues also reported that many Chinese workers were in fact blue-collar workers who could be replaced by local workers. The issue that workers from China were hired at the expense of local workers continued to grow. This was fueled by the fact that unemployment rate in

Indonesia was quite substantial. Later, Jusuf Kala, Indonesian Vice-President, clarified that workers from China were in Indonesia for special projects and that they were not taking away Indonesian jobs.



Figure 6. The Cover of the special edition of Tempo

He further argued that, on the contrary, projects with China created more employment opportunities for Indonesians.

The issue of Chinese workers also affected Chinese tourists. The increasing number of Chinese tourists, which was welcomed by the government because it could help local economy, was perceived by the general public as the influx of Chinese workers. Even there was a speculation the Chinese coming to Indonesia with tourist visa wanted to work in Indonesia. Although the government emphasized that those were tourists and the income from tourism was needed, the suspicion still lingered on. Because of this, nowadays it is

getting more and more difficult to get a work permit for Chinese workers. And this affect China-Indonesia joint projects.

Anti-Chinese sentiment

During the Suharto era, as a result of the 1965 incident, in which the communist party of Indonesia was thought of rebelling against the government, Chinese Indonesians were discriminated against. The government only opened economic sector for them. That is why their presence was strongly felt because of their business activities. Their economic power was pervasive in the society. The administrations after Suharto era have opened doors to the celebration of diverse ethnicity and cultures. Chinese Indonesians who used to feel suppressed during the 32 years of Suharto's administration suddenly found a channel to express themselves and take the opportunity to regain their sense of ethnicity. They were expected to blend themselves in the melting pot of Indonesian nationality. Nevertheless, the ethnic compartmentalization is still found in the society, as proven by Fossati's, Hui's, and Negara's study (2017). Their study shows that the "indigenous" Indonesians still think Chinese Indonesians as privileged, overly influential and an exclusive group in Indonesia. What is surprising is that almost 47% thought that Chinese Indonesians had loyalty to China, underlining the continuing perception that they are foreign. This perception could explain why a majority of Indonesians were uncomfortable with Chinese Indonesians holding political leadership. Chinese Indonesians' perceive loyalty towards China was also exacerbated by Xi Jinping's recent policy towards the Chinese overseas. Xi's policy blurs the distinction between Chinese who are the citizens of China and those who are the citizens of other countries. Both groups of people are categorized as "Chinese" and "part of the Chinese nation" (Suryadinata, 2017:24). This may add to the suspicions against Chinese Indonesians. Moreover, the proclamation that BRI is linked to "Chinese overseas" may also worsen the antipathy, and the projects will be perceived to be only benefiting ethnic Chinese.

Situated in the contexts such as described above, Chinese Indonesians' response to China's economic initiatives as parts of MSR are interesting to discuss. Despite the need of the economic initiatives, they respond carefully to China's initiative because they think of the consequences should something wrong take place.

Chinese Indonesians' perception towards BRI

Indonesia view BRI as one important key to its economic development. Its view is also supported by China's assurance that BRI will bring benefits not only to China but also to the countries along the BRI corridor. Because of its limited financial resources for developing the infrastructure in the country, Indonesia was interested in China's investment under the framework of BRI. BRI is getting increasingly important, especially because at the moment Indonesia is lack of funding and technological expertise for achieving its goal, that is, developing its infrastructure (Figure 7), which has been neglected for years under the previous administrations.

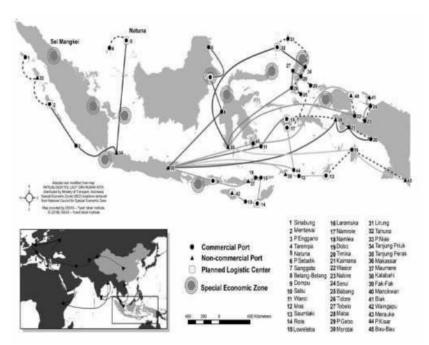


Figure 7. Indonesia's roadmap in developing its maritime and special economic zone (Ministry of transport).

Due to the scale of infrastructural development, as seen in Figure 7 above, China's financial and technological supports are needed. Nevertheless, not all of China's project under BRI scheme are in line with Indonesia' interest. In fact, many China-Indonesia joint projects are those involving the extraction of raw materials need by China and the expansion of China's companies in tapping into Indonesian middle-class consumption. Describing this situation, Lily¹, an informant in her late50s, whose business is in logistics, said,

We have to take BRI project with a grain of salt. It is true that Indonesia needs China's investment. However, as the saying goes, there is no free lunch.²

Lily's statement underscores the feeling of some Chinese Indonesians who see that despite China's assurance of the mutual benefits of the BRI projects, in reality, there are BRI projects in Indonesia that brings political implications such as China's dominance in Indonesian economy, as well as Indonesia's economic dependence on China. In their opinion, Chinese Indonesians should be very cautious in getting involved with those projects. If projects as such were thought to bring negative impacts, Chinese Indonesians would bear the brunt of Indonesian public's hostility. Anton, another informant who is a 45-year-old Chinese Indonesian businessman, said

The problems with China's investment in Indonesia is that Indonesians in general could not or do not want to differentiate between China Chinese and Indonesian Chinese.³ If some of Chinese companies were exploitative, Indonesian society would tar us with the same brush, and we are accused that our loyalty goes to China.

Anton voiced the concerns of a number of Chinese Indonesians on the instability of their position in Indonesia. Despite having been in Indonesia for ages, they are considered as perpetual foreigners. They still suffer from negative perceptions and prejudice. Their loyalty to Indonesia is questionable. Anton's opinion on how Indonesian public view their fellow citizen of Chinese background is not unfounded.

¹ In this paper, I used a pseudonym to protect the privacy of all my informants.

² All the interviews were conducted in Indonesia.

³ Mr. Jiang use the phrase *orang Tiongkok* for referring to Chinese from China, and the phrase orang Tionghoa for *Chinese Indonesians*.

The case of Basuki Tjahaja Purnama, popularly known as Ahok, can attest to this.

When he decided to enter the gubernatorial race, the race was marred by anti-Chinese sentiment. Although he worked hard for Jakarta, his double minority status, Indonesian of Chinese background and Christian, was used for discrediting him. His Chinese ethnic background is often questioned. Cited Ahok as an example, Hatta Taliwang, a former MP, accused that the political participation of Chinese Indonesians was dangerous because they were loyal to China. He even went further that China would colonize Indonesia by using the economic and political power of Chinese Indonesians (*Rakyat Merdeka Online*, July 18, 2016). Hatta Taliwang was not alone, there were a number of political elites and academics who held a similar view, which provides an example of how suspicious the Indonesian public towards their Chinese counterparts. Explaining the instability of Chinese Indonesians' position, Anton said

Due to the New Order policy, most of Chinese Indonesians born and growing up during the New Order era, including me, lost their heritage language. They have also been disconnected from the culture of their ancestors. I cannot fathom how we, Chinese Indonesians, are still accused that we show our allegiance to China?

Such a perception and accusation was exacerbated by China's move in South China Sea and Natuna sea. In their survey, Fossati, Hui, and Negara found that the majority of Indonesians thought that the Natuna sea incident was alarming because China was encroaching Indonesian territory (2017:46). Daniel, another informant, said

The Natuna sea incident is worrying for us, Chinese Indonesians. If things are out of control, and there are open conflicts between China and Indonesia, average Chinese Indonesians will suffer from the consequences the conflicts.

That is why, many Chinese Indonesians took extra caution when they dealt with China's initiative.

Some who are very optimistic about China's investment, both under the scheme of BRI and outside the initiative also voiced their concern.

Budi (a 40-year-old professional working in a Chinese company): We, Indonesians, need foreign investment. That is why the government welcome China's capital and expertise. Actually the government has also taken extra measure in welcoming foreign investment, by for example, issuing a regulation that some sectors are not open for foreigners, some are open for foreigners who have Indonesian partners, and some are completely open for everybody. But the problem with China's investment in Indonesia is that, Indonesian public are always suspicious about it. Even the suspicion goes to the extent that domestic companies owned by Indonesians of Chinese descent serve as Chinese agents whose tasks are dominating Indonesian economy.

Hendarman (a businessman in his mid-thirties): [responding to the practice of hiring workers from China] It is not that we want to hire Chinese workers. But, the problem is, they have the expertise needed. ... In Indonesia nowadays, everything is seen from racial perspectives. And Chinese Indonesians are always portrayed in a negative way. This could create a barrier for investment from China, which often have a joint project with Indonesian companies. And those companies belong to Chinese Indonesians. It is not that Chinese company do not want to work together with Indonesian companies belonging to other ethnic groups. They choose to have joint project with the companies that belong to Chinese Indonesians because of Chinese Indonesian companies have better track records.

And those who are neutral or quite pessimistic of BRI project s are even more concerned.

Teguh (a fifty something businessman): News reports on BRI projects in some other countries are not very encouraging. That is why, I am not quite optimistic about the projects. I heard that some projects could create a problem for their host countries. A good example of projects as such is the case of Jakarta-Bandung high-speed train, that has been stalled for a few years. I am worried about the impact of BRI projects on Chinese Indonesians.

Teguh's opinion finds support among other like-minded people. They do not completely reject Chinese investment in Indonesia because at the moment Indonesia badly needs foreign investment and technology to develop its economy. However, implementing BRI project is not easy because of China's terms and condition.

First of all, loan from China is not cheap. The interest rate of the loans is not as low as people expects. The case of Jakarta-Bandung High Speed Train is an example. Both China and Japan competed for the project. Japan's offer, USD 6.2 million, is higher than China's, USD 5.5 million. So China won the contract. But if it was scrutinized carefully, China's loan had much higher interest than Japan's. In building the high-speed train, Japan gave loan of 75% of USD 6.2 million, with the annual interest of 0.1% for 40 years. Whereas, China

would give loan of 75% of USD 5.5 million, with the annual interest of 2% for 40 years (*CNN Indonesia*, August 31, 2015). So, the interest Indonesia has to pay to China is USD 2.062.500 annually, or USD 82.5 million for 40 years. Whereas, if Japan would build it, the annual interest Indonesia would pay is USD 116.250 or USD 4.6 million for 40 years. Thus China's loan is 20 higher than Japan's.

Secondly, China always imposes conditions on their preferential loans. The conditions imposed are such that the project must use Chinese technologies and equipment, and that Chinese contractors must be appointed to execute the projects. Whereas loans from other international institutions normally have fewer terms and conditions. They also do not require that the projects funded use technology or contractors from any specific country.

While some segments of Chinese Indonesians acknowledged that China had the privilege of setting up its term and condition, they said that could pose social and political problems for Indonesia, problems that affect Chinese Indonesians. This occurs because Indonesian public still perceive their fellow Indonesians from Chinese ethnic background as foreigners whose loyalty goes to China. And new Chinese policy concerning Chinese overseas, in which China has emphasized the protection of the Chinese overseas and considers ethnic Chinese as part of the "Chinese Nation" blur the distinction between Chinese citizens and foreigners of Chinese descent and regard both as "Chinese" could endanger Chinese Indonesians, whose position has already been precarious. The new policy could fuel the distrust towards Chinese Indonesians and make their position even more precarious. That is why Chinese Indonesians' response towards BRI is very cautious.

Conclusion

Because of the need to develop its infrastructure and economy, Indonesia welcome

BRI. It is seen as an opportunity to tap into Chinese financial resources. China is also keen implement BRI in Indonesia because it sees Indonesia as a strategic partner, which can be

used for a source of raw materials for China's companies and for developing China's market.

In this perspective, BRI is a win-win solution for both parties. However, the implementation of BRI projects is affected by the political, social, and economic factors. In the political sphere, China's aggressive policy in South China Sea and Natuna Sea triggers Indonesian hostility towards China. In the social and economic sphere, BRI is often perceive as increasing China's dominance on Indonesia. This occurs because of Indonesia's historical distrust of China and concerns about the strategic implication of BRI in the context of rising China.

BRI also affects Chinese Indonesians. Their role in Indonesian economy create a position as intermediaries between China and Indonesia. And this role faces challenges due to the public's perception on China and its initiatives. Chinese Indonesians are very cautious in navigating between the Chinese investment for the country and the consequences the investment brings. Due to social and cultural factors, Chinese Indonesians are sensitive to the perception of the other ethnic groups in Indonesia towards China and Chinese initiatives. They are afraid that their already precarious situation is getting worse, if things between China and Indonesia do not run well. As Indonesians, their loyalty goes to Indonesia, and of course they want to work together with any other countries, including China for Indonesian development. However, while working together with other nations does not bring any social and political implications, that is not the case with working with China. Working with China needs extra caution because of the social and political implication it can bring. That is why many of them question the ties that bind them with China, the ties imposed by Indonesian public, which is unfounded.

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