

Six Decades of Indonesia-China Relations

Lidya Christin Sinaga
Editor

Six Decades of Indonesia-China Relations

An Indonesian Perspective



 Springer

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Editorial Note

LIPI Press, being a scholarly publishing house, is committed to produce highly worth reading scientific publications for civic education. Before making it available for public, this edited book, *Six Decades of Indonesia–China Relations: An Indonesian Perspective*, has been going through a series of standard quality assurance mechanism, including peer review by LIPI Editorial Board as well as editing.

This book examines the dynamics of mutual cooperation between Indonesia and China, particularly in defense security, politics, and economics. This work should be put in the context of continuously and necessarily evaluating bilateral cooperation between both countries that has been long for more than six decades and sometimes involves tensions and fluxes. Moreover, it turns out that China nowadays plays an increasingly significant role at global and regional levels which potentially fits the Indonesia’s interests.

We hope that this edited volume enriches knowledge and insights of its readers by presenting opportunities, challenges, and prospects in Indonesia–China relations, especially through a case study on service and manpower sectors. Finally, we thank all those who made the publication of this work possible.

LIPI Press

Foreword

This book is one of the research works done by Center for Political Studies, Indonesian Institute of Sciences (P2P LIPI), under the scheme of Research Incentives 2011 from the Ministry of Research and Technology, The Republic of Indonesia. This edited book is a result of research activities conducted by the writers who worked in a team preparing a research design, doing literary reviews, collecting data, having regular discussions and interviews with informants, and conducting seminars on issues related to the research focus.

Above all, it is impossible for this edited book to be in our hands now without generous helps and supports from a number of names and institutions. Therefore, we would like to extend our sincere gratitude to all informants from governmental and non-governmental institutions and universities for their supports during our research activities. High appreciation should go also to all the researchers and administrative staff at P2P LIPI for such a conducive academic environment because of which the researchers are able to publish their works. Last but not least, we thank LIPI Press for publishing this manuscript.

Finally, we are fully aware that this book is far from perfect. Therefore, criticism and inputs from all beneficiary readers to fill the gaps in this book are most welcome. We hope the readers can learn something from this book. Enjoy reading!

Jakarta, Indonesia
December 2013

Prof. Dr. Syamsuddin Haris
Head of Center for Political Studies, LIPI

Preface

Despite a long relationship between Indonesia and China, both have been in up-and-down cooperation over the past six decades. Indonesia fully understands that Asia-Pacific region is pivotal and strategic for the national best interests, be it in politics, defense security, or economics. Any political changes in the region will directly or indirectly affect Indonesia's national interests. Accordingly, China's increasing role at the global and local constellations in the region will obviously bring impacts on the Indonesia's national interests. Being the case, it is important for Indonesia to detect and make the best use of opportunities for the sake of its national development benefits. This is, in fact, the background of our research on the issue.

We thank the Ministry of Research and Technology, the Republic of Indonesia, for providing financial support for this research. We address also our gratitude to Center for Political Studies—Indonesian Institute of Sciences (LIPI), and all informants in Banten and Special Region of Jakarta. Special thanks go to Tri Handayani and Prayogo for their generous help along the publishing process of this book. Finally, may this book be useful for its readers.

Jakarta, Indonesia

Lidya Christin Sinaga

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Abbreviations

ACFTA	ASEAN–China Free Trade Agreement
AEC	ASEAN Economic Community
AFAS	ASEAN Framework Agreement on Services
AFTA	ASEAN Free Trade Area
AMM	ASEAN Ministerial Meeting
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BIMP-EAGA	Brunei Indonesia Malaysia Philippines-East ASEAN Growth Area
BRIC	Brazil Russia India China
BUMN	Badan Usaha Milik Negara (State-owned enterprises)
CNOOC	China National Offshore Oil Corporation
CNPC	China National Petroleum Company
DCA	Defense Cooperation Agreement
DoC	Declaration of Conduct
EAS	East Asia Summit
ECFA	Economic Cooperation Framework Agreement
FDI	Foreign Direct Investment
G-30S PKI	Gerakan 30 September Partai Komunis Indonesia (30 September Movement/Indonesian Communist Party)
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
HAM	Hak Asasi Manusia (human right)
IMS-GT	Indonesia Malaysia Singapore-Growth Triangle
IMT-GT	Indonesia Malaysia Thailand-Growth Triangle
CAA	Konferensi Asia Afrika (Asia-Africa Conference)
KEK	Kawasan Ekonomi Khusus (economic special zone)
KTT	Konferensi Tingkat Tinggi (high-level conference)
KUR	Kredit Usaha Rakyat (People Business Credit Program)
LNG	Liquid Natural Gas

MDGs	Millennium Development Goals
MoU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
NAFTA	North American Free Trade Area
NEFOS	New Emerging Forces
OLDEFOS	Old Established Forces
PHK	Pemutusan Hubungan Kerja (Termination of Employment)
PLAN	People Liberation Army Navy
PLTA	Pembangkit Listrik Tenaga Air (water electricity power plant)
PM	Prime Minister
PMA	Penanaman Modal Asing (foreign investment)
PoA	Plan of Action
PPP	Power Purchasing Parity
PRC	People Republic of China
RI	Republik Indonesia
SBY	Susilo Bambang Yudhoyono
SDA	Sumber Daya Alam (natural resources)
SDM	Sumber Daya Manusia (human resources)
SIJORI	Singapura Johor Riau
SKA	Surat Keterangan Asal (certificate of origin)
SNI	Standar Nasional Indonesia (Indonesian National Standard)
Suramadu	Surabaya Madura
TAC	Treaty of Amity and Cooperation
TKA	Tenaga Kerja Asing (foreign worker)
TKI	Tenaga Kerja Indonesia (Indonesian worker)
TNCs	Transnational Corporations
TPAK	Tingkat Partisipasi Angkatan Kerja (labor force participation rate)
TPT	Tingkat Pengangguran Terbuka (open unemployment rate)
UKM	Usaha Kecil dan Menengah (small and medium enterprises)
UMKM	Usaha Mikro Kecil dan Menengah (micro, small, and medium enterprises)
US	United States
UU	Undang-Undang (law)
WTO	World Trade Organization