

Chinese economic statecraft in Indonesia/East Timor: a historical and regional perspective

Gunn, Geoffrey C.

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Zur Verfügung gestellt in Kooperation mit / provided in cooperation with:

GIGA German Institute of Global and Area Studies

Empfohlene Zitierung / Suggested Citation:

Gunn, G. C. (2021). Chinese economic statecraft in Indonesia/East Timor: a historical and regional perspective. *Journal of Current Chinese Affairs*, 50(3), 317-338. <https://doi.org/10.1177/18681026211042029>

Nutzungsbedingungen:

Dieser Text wird unter einer CC BY Lizenz (Namensnennung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier: <https://creativecommons.org/licenses/by/4.0/deed.de>

Terms of use:

This document is made available under a CC BY Licence (Attribution). For more information see: <https://creativecommons.org/licenses/by/4.0>

Chinese Economic Statecraft in Indonesia/East Timor: A Historical and Regional Perspective

Journal of Current Chinese Affairs
2021, Vol. 50(3) 317–338
© The Author(s) 2021
Article reuse guidelines:
sagepub.com/journals-permissions
DOI: 10.1177/18681026211042029
journals.sagepub.com/home/cca


Geoffrey C. Gunn

Abstract

From inside China's Belt and Road Initiative (BRI), two southern tier nations offer contrary perspectives as to the efficacy of Beijing's economic statecraft, namely Indonesia and East Timor. While obviously asymmetric in practically every respect, nevertheless a careful study of these two nations' bilateral links with China over long and short times offers salutary lessons on infrastructure financing in particular. Several interconnected inquiries are interposed. In a nation known for its competing political elites and support bases, how successful has China been in micro-managing its relations with Jakarta over trade and investment deals even carrying through to a post-authoritarian order? How has newly independent albeit aid-dependent Timor-Leste been able to parlay the China connection? Mixing documentary with primary research in situ, the inclusion of the East Timor case adds a missing link in the growing literature on the BRI.

Manuscript received 11 August 2020; accepted 9 August 2021

Keywords

China, economic statecraft, political economy, Indonesia, East Timor

Introduction

The literature on economic statecraft is replete with real-world examples, just as comparative studies of case studies lend to theory building. Such is exemplified in the way that China's economic statecraft is being instrumentalised in the current environment where state-owned

Nagasaki University, Nagasaki, Japan

Corresponding Author:

Geoffrey C. Gunn, Nagasaki University, Katafuchi, Nagasaki 8528521, Japan.
Email: geoffreycharlesgunn@hotmail.com



Creative Commons CC BY: This article is distributed under the terms of the Creative Commons Attribution 4.0 License (<https://creativecommons.org/licenses/by/4.0/>) which permits any use, reproduction and distribution of the work without further permission provided the original work is attributed as specified on the SAGE and Open Access page (<https://us.sagepub.com/en-us/nam/open-access-at-sage>).

enterprises (SOEs) and commercial ventures cross boundaries and take on new transnational forms. Essentially the way forward is in the refinement of political economy studies apropos China's interactions with the Belt and Road Initiative (BRI) target countries, such as announced by People's Republic of China (PRC) President Xi Jinping in 2013. Still, there is a gap in the literature, which this article seeks to fill with specific reference to China's interactions with the paired examples of the Republic of Indonesia and the Democratic Republic of Timor-Leste. Mixing documentary with primary research in situ including some official interviews, the article takes a *longue durée* approach, important if we are to understand long-standing attitudes and cultural rationalisations reaching back practically a millennium (if we had space to unpack) (see Gunn, 2011a).

With both nations fitting into China's BRI, their analytical pairing offers highly contrasting empirical cases. Especially, the inclusion of Timor-Leste (or the former Portuguese colony known as East Timor) adds a missing link in the growing literature on the BRI, allowing important lessons to be derived in future studies not excluding other islands or mini-states. A sense of geography is also important. Usefully, Rozman and Liow (2018) divide their world into a Northern Tier (driven by Sino–Russia relations but not neglecting the two Koreas) and a Southern Tier including the Association of Southeast Asian Nations (ASEAN), along with Australia and India. In a word, it is always prudent to problematise any discussion engaging international relations and this is graphically illustrated with respect to China's economic statecraft in its engagement with Indonesia, by far the dominant country of the Southern Tier ASEAN nations.

With respect to modern Chinese economic statecraft, we should be attentive to major shifts in regional world history such as viewed from a Northern Tier focus. While Indonesia and Timor-Leste are asymmetrical to each other with respect to almost all economic, demographic, and political criteria, historically their foreign relations with China stand at different ends of the spectrum. Whereas in Indonesia Sino-phobia has raised its head at numerous intervals across the decades, in the case of Timor-Leste, China emerged as an earlier backer of independence even prior to the Indonesian annexation of the half-island nation in December 1975. Having had its independence restored in May 2002 following a period under United Nations stewardship, Timor-Leste maintains a fund of goodwill towards Beijing (and this is reciprocated in the form of humanitarian assistance). While Indonesia eschews hosting foreign military bases and asserts ownership of waters within its archipelagic baselines, by contrast Timor-Leste has welcomed port calls by Chinese naval vessels.

Taking an East-Southeast Asian regional world perspective (or one that embraces the historic Chinese Nanyang or south seas), without exception all the old and new concerned nation states are heir to millennium-long interactions with China. As victims of pogroms or massacres going back to colonial times in Southeast Asia, Chinese are not immune to acts of discrimination down unto today and with Indonesia serving as an example. With their presence frequently politicised, China itself sometimes emerges as a “factor” – benign or not – in popular imagination or at the hands of local demagogues. Because of this legacy and demographic reality, Chinese economic statecraft cannot ignore local culture, politics, and ethnonationalism.

To some – and practically the dominant school under the US Trump administration carried through to his successor – the BRI, together with Maritime Silk Road Initiative (MSRI), and the Silk Road Economic Belt, appears as a reiteration of ancient patterns where, under the *tianxia* (天下) or “all under heaven” system, the central kingdom seeks to reassert imperial goals not excluding plunder of natural resources (and in some versions with hegemonic claims over the “nine-dash line” circumscribing the South China Sea serving as an example). In still other versions of the China-threat literature, China’s external behaviour is but the working out of millennium-long assertions of ethnic and racially based nationalism (Friend and Thayer, 2018). Others posit a more benign interpretation of *tianxia*, as with stressing harmonious coexistence and the benevolent interplay of soft power (the view from Beijing) (Perdue, 2015), or even calling down a challenge to Western-centric schools of international relations (Beeson, 2020a, 2020b). As can be rationalised, China’s thrusting economic statecraft with the Southern Tier as a target is just a natural response after a century of humbling at the hands of the West. Yet both sides of the argument would suggest that statecraft comes to the heart of China’s success (or failure) in the face of pushback on the part of the target countries.

Explanations of Chinese Economic Statecraft

Zhang (2014) and Norris (2016) have offered useful formulations explaining economic statecraft as the use of economic power to pursue national objectives (and one broadly adopted in this article). Moreover, as Norris advises, in consideration of modern Chinese economic statecraft, we should also acknowledge its idiosyncratic or “Chinese characteristics.” Whereas foundational studies on economic statecraft as with Hirschman (1980) and Baldwin (1985) have tended to stress sanction regimes, more recently such analysts as Blanchard and Ripsman (2015), have acknowledged the importance of *both* sanctions and incentives “under which states and international institutions can employ economic statecraft effectively to extract meaningful foreign policy concessions from other states” (p. xii). Works like the Blanchard (2018) collection with its focus upon China’s MSRI argue that it has numerous economic *and* political purposes at the national and subnational level. Still another group of scholars have sought to highlight the way that emerging powers wield “financial statecraft” or “the intentional use of credit, investment and currency levers by the incumbent governments of creditor – and sometimes debtor – states for both international economic and political advantage” (Armijo and Katada, 2015).

In sketching the parameters of our research question, namely the fitting of these two countries into China’s past and present regional world politico-economic systems, we should also be cognizant of the conjuncture of shrinking global economic activity. Notably, BRI planning was premised upon the regional economic fundamentals as they stood prior to the eruption of the global pandemic of 2020–2021. With Indonesia, the largest economy by far in ASEAN, according to Indonesia’s Badan Pusat Statistik (BPS; Central Agency on Statistics), by the second quarter of 2020 its once enviable economic expansion exceeding 5 per cent gross domestic product (GDP) growth per annum

and even higher in earlier years had plummeted to a record low of -5.32 per cent, the weakest result since the 1998 Asian Financial Crisis (see Akhlas, 2020). With the effects of the pandemic still playing out, government spending contracted 6.90 per cent, external demand diminished, and both exports and imports in decline.

With East Timor an economic minnow in the region, its petro-economy and development plans appeared to have been sunk on plummeting global oil prices, paralysis of megaproject development on its south coast as potential partners distance themselves, and with damaging losses in excess of USD 1.8 billion in early 2020 from its Petroleum Fund due to the falling US stock market (Gunn, 2021; Lusa, 2020). Necessarily, we should be acute as to the effectiveness of China's economic statecraft in this dramatically changing environment. In sum, as Norris (2016: 231) reasons, the first step in deriving a more general theory of economic statecraft would likely be to see how well the theory holds across the universe of cases (or suspected cases) of Chinese economic statecraft. Moreover, MSRI-generated economic stimuli may not necessarily have positive political consequences. To the extent that Indonesia and Timor-Leste are integral to the BRI and MSRI, we seek in the following pages to assay China's political and economic impacts upon both these nations, however, variant they are as to history and political culture.

The section "The Broad Lines of Indonesian Foreign Policy: From Sukarno to Suharto to Post-*Reformasi*" sketches the broad lines of Indonesian foreign policy straddling the Cold War and Post-Cold War eras especially examining continuities and ruptures in Indonesia–Chinese relations. With specific reference to the BRI, the section "China–Indonesia Economic Links Today" examines the current Chinese economic engagement with Indonesia including the on–off Jakarta–Bandung High Speed Rail (HSR), also noting the limits imposed by history and culture to China's soft power approach. The section "Chinese Economic Statecraft: The Example of Timor-Leste" examines the Chinese economic statecraft with reference to Timor-Leste, highlighting humanitarian assistance *and* infrastructure support. A conclusion assesses the two empirical cases with reference to the overall framing of China's economic statecraft.

The Broad Lines of Indonesian Foreign Policy: From Sukarno to Suharto to Post-*Reformasi*

The world's fourth most populous country with over 269 million people (2020), Indonesia is by far the largest economy in Southeast Asia. Although hosting the largest Muslim community in the world, any discussion of Indonesia's political economy cannot ignore the small but economically important Chinese minority population, many with multigenerational roots, and with many becoming business leaders alongside a rising middle class and probably an even larger working class but also subject to a history of discrimination (Robison, 1986). However, misleading with respect to a total demographic, Chinese in Indonesia have frequently been charged with controlling a disproportionate amount of national wealth leading to what some

analysts have described as the “contentious embeddedness” of Chinese investments in Indonesia (Sukma, 1999; Tritto, 2020). Political participation on the part of local Chinese carries even higher risk, such as illustrated by the high-profile case of Basuki Tjahaja Purnama (Zhang Wanxue), the former governor of Jakarta incarcerated in 2017 on a spurious charge of blasphemy (see Gunn, 2018: 166).

In any consideration of Indonesia–China relations, history – even long history – cannot be neglected. Recalling the *tianxia* system, for over two millennium China was wedded to East-Southeast Asia via an elaborate and highly formalised Tributary Trade Networks, generally a China-focused trade system in which almost all of the maritime East-Southeast Asian polities participated. Needless to say, the *nanhai* (南海) or south sea trade spanning the eleven centuries before the foundation of the Song dynasty in 960, as described by Wang (1958), was a multifaceted trade and much of it outside of the officialised China-centred Tribute Trade. As Stuart-Fox (2003: 53–54) has summarised, a tribute in a Southeast Asian context was very different from that demanded by Chinese emperors of vassal kingdoms. Tribute was not an economic transfer that necessarily benefited China, especially as the emperor constantly offered higher value goods in return. Nevertheless, it amounted to a symbolic submission on the part of the respective tributary state as well as a reinforcement of China’s superior status in its own Sinocentric world order. Over a long time the Southeast Asian polities, as different as they were from the Chinese centre, operated a culture of compromise in building acceptable bilateral relations with the Central Kingdom, albeit building upon certain congruities. The system was not static and evolved according to China’s own dynastic history (see Gunn, 2011a).

An island nation, Indonesia “commands” the sea lanes linking the Indian and Pacific Oceans (and several times has exercised its veto on maritime traffic). On 13 December 1957, under founding President Sukarno, the cabinet of Prime Minister Djuanda Kartawidjaja declared that, under its *wawasan nusantara* or archipelagic principle, the Indonesian government had “absolute sovereignty” over all the waters lying within straight baselines drawn between the outermost islands of the nation. Eventually, in 1982, Indonesia gained international recognition for its claim when the United Nations Convention on the Law of the Sea formally recognised the existence of a new category of states known as archipelagic states and declared that these states had sovereignty over their “archipelagic waters” (Butcher and Elson, 2017).

As demonstrated below, the secular and unitary state ideal with the army (Tentara Nasional Indonesia) as a defender has held across a sequence of presidencies in Indonesia. By way of elaboration, this has been witnessed through the long Sukarno presidency (1945–1965), and the even longer rule of his successor, General Suharto (1965–1998), heading up the military-backed authoritarian New Order government. As a presidential political system with a strong concentration of powers, the president in Indonesia literally sets the tone for foreign policy initiatives, although backed by a professional foreign affairs ministry and with foreign ministers of some caliber and influence. The following pages step out four major stages in PRC–Indonesian relations. In sequence, these are, first, the high tide of the Bandung Conference of 1955, second, the Western-backed coup against Sukarno and the rupture in relations with China, third, tentative steps taken

under the New Order regime to rebuild trading links with China pending the normalisation of diplomatic relations, and fourth, the current conjuncture of expanded economic ties between Indonesia and China including participation in BRI projects.

The Spirit of the 1955: The Afro-Asian Bandung Conference and the Emergence of Non-Aligned Movement (NAM)

Declaring independence on 17 August 1945, the fledgling Republic of Indonesia almost immediately sought to stamp its identity, both nationally and internationally. Although a Muslim majority state, the founders of the Republic backed by the military adopted secularism over religion as their foundational principle. Facing down a range of challenges, both domestic and international, Indonesia under the Sukarno presidency also emerged as host of the now-iconic Bandung Conference of Asian–African nations held in April 1955, thus positioning the country as a founding member of the NAM. At the same time, we should not ignore that the Five Principles of Peaceful Coexistence or formulaic expressions around non-interference in others internal affairs and respect for each other's territorial integrity, had earlier been established by PRC Foreign Minister Zhou Enlai in his talks in Beijing with the Indian delegation at the start of the negotiations that took place from December 1953 to April 1954. Just as Indonesia gained new prestige as a defender of political independence, non-interference, and the United Nations charter, so the principles adopted at Bandung, would become a widely recognised set of norms for international relations (and further endorsed by President Xi Jinping when attending a meeting of the Asia–Africa Conference in Bandung on 22 April 2015) (see Gunn, 2009). As Choo (2015) points out, we should also not neglect that Zhou Enlai addressed the question of the allegiance of the overseas Chinese, notably in repudiating the principle of *jus sanguinis* and going on to sign a Sino-Indonesian dual nationality treaty.

Enjoying the world stage, Sukarno saw himself as a symbol of the new post-colonial world, although not especially as an actor on an Islamic stage as with his contemporary, United Arab Republic President, Gamal Abdel Nasser. Under threat of US and UK machinations, namely coordinated attempts to overthrow his regime, President Sukarno would tilt to a Phnom Penh–Beijing–Pyongyang axis down until his ouster in 1965–1966 by his US-backed successor, General Suharto (see Kahin and Kahin, 1995). He may have been considering military assistance from Beijing (see Mozinga, 1976: chapter 7), just as he rallied support from the military and the Indonesian Communist Party (PKI) (then the largest outside China). In cataclysmic events that played out in September 1965, and not without American Central Intelligence Agency connivance, Suharto levered himself to power amid an orgy of the killing of communists and pro-Sukarno nationalists, and with the fiction of a so-called communist revolution becoming a self-sustaining myth under the New Order regime (see Kammen and McGregor, 2012; Roosa, 2006, 2020). While the West would rejoice in this turn of events, not so China which suffered the burning of its embassy premises in Jakarta

and the widespread targeting of the local Chinese population leading to an immediate rupture in diplomatic relations between the two nations.

Importantly, the aftermath of the Western-backed coup against Sukarno in September 1965, saw Indonesia position itself as first among equals within ASEAN coming into being on 8 August 1967, although arguably this leadership role has waxed and waned in recent years. Initially comprising Indonesia, Malaysia, Singapore, Thailand, and the Philippines, and with its Secretariat located in Jakarta, essentially ASEAN served as an anti-communist forum prior to including the Indochinese states within its membership, and indeed, prior to engaging with China as a partner. Still, ASEAN professes neutrality, as with the 1971 declaration of a Zone of Peace, Freedom, and Neutrality. Backed by the military, for the next thirty-four years, Suharto would anchor Jakarta to ASEAN, an organisation seemingly oblivious to the Indonesian military invasion and occupation of Portuguese East Timor from 1975 to 1999.

Indonesian Relations with China in the 1980s–1990s

With relations between Jakarta and Beijing suspended in 1967, they were resumed only in 1990 (thus opening the way for the Republic of Singapore to follow suit and with Singapore deferring to Jakarta on this important issue). Of particular importance was the visit to China in July 1985 by an Indonesian economic delegation under the *Kamar Dagang dan Industri* or the Indonesian Chamber of Commerce and Industry, an umbrella organisation of Indonesian business chambers and associations, maintaining a privileged liaison to government officials; and second, the reciprocal visit to Jakarta of a Chinese trade mission in August 1985. Nevertheless, as the author ascertained through an interview conducted in September 1985 with the Trade Counselor of the Indonesian Consulate General in Hong Kong, the volume of two-way trade at that time was insignificant given the size of the two economies. Indonesia not only hedged against China with Taiwan trade but then actively promoted two-way trade with the Soviet Union and Eastern European countries, along with Vietnam. The reconciliation process was glacially hedged by Indonesia's paranoia about communist plots, and Chinese conspiracies such as still inform hardliner elements in the military and civilian-religious circles. In fact, it was only at the thirtieth anniversary of the Bandung Conference in May 1985 that tentative contacts were resumed but only with respect to trade (Gunn, 1986–1987: 17).

Finally, following a visit to Beijing in July 1990 by then Indonesian Foreign Minister Ali Alatas, the two sides issued an Agreement on the Settlement of Indonesia's Debt Obligation to China leading to the signing on 6 August 1990 of a Communiqué on the Restoration of Diplomatic Relations, based upon the five principles of peaceful coexistence and the ten principles of the Bandung conference. Given the prior history of solidarity on the part of the two nations around NAM, this was a matter of astute diplomacy, read statecraft, on both sides. In sum, there has been remarkable continuity and consistency in Indonesian foreign policy, especially around the themes of non-alignment, neutrality,

defense of territory including the archipelagic principle, and a declaimed *bebas/aktif* (“independent and active”) foreign policy.

Post-Reformasi

In a turn of events fueled by a populist *reformasi* or reform movement in favour of political change, in 1998, Indonesia returned to civilian rule in the aftermath of the Asian Financial Crisis. Setting aside Suharto’s appointed successor, the technocrat B.J. Habibie (1998–1999), all subsequent presidents in Indonesia have been democratically elected, namely, Abdulrahman Wahid (1999–2001), head of the largest Islam social–political organisation, the Nahdatul Ulama; his successor, the military-back nationalist and daughter of the founding president, Megawati Sukarnoputri (2001–2004); the former military general Susilo Bambang Yudhoyono (2004–2014) serving two five-year terms in office, and the incumbent Joko (Jokowi) Widodo (2014–), currently serving his second term.

Not surprisingly the dictator did not make a graceful exit and, in anticipation, the US, Japan, and other nations positioned warships offshore Jakarta to rescue their nationals. Chinese apprehension was confirmed by acts of rape and murder of ethnic Chinese and the virtual burning of Jakarta’s “China Town” in May 1998, actions attributed by some to former Suharto relative, Prabowo Subianto, then serving as head of the Strategic Reserve Command. A future presidential contender in the 2014 and 2019 elections and the current defence minister, Prabowo is an individual who pulls no punches when it comes to communist bogeys, China, and external threats in general. As Indonesian Coordinating Minister for Maritime Affairs Luhut B. Pandjaitan admitted just prior to a visit to Beijing in mid-2018, and as published as an op-ed in the *South China Morning Post* (10 April 2018), “unfortunately” the attacks tested relations as with Beijing’s intervention on their behalf [however, tepid] even though they were now Indonesian citizens.

Indonesia’s Geopolitical Imperative and China’s Maritime Strategy

While not directly a claimant to the South China Sea, Indonesia is concerned to draw the line on maritime incursions into her territorial waters surrounding the Natuna Islands, specifically those mounted by Chinese vessels. To this end, in July 2017 Jakarta boldly renamed the northern reaches of its exclusive economic zone in the South China Sea as the North Natuna Sea. Indonesia also endorsed the 12 July 2016 ruling by an arbitral tribunal at The Hague on the South China Sea, and this endorsement was further reiterated in June 2020 (Panda, 2020). Geo-politically, both Indonesia and East Timor are important from within China’s maritime strategy, the former asserting “absolute sovereignty” overseas enclosed in its baselines and virtually exercising a choke over such vital maritime passages as the Malacca Straits, the Sunda and Lombok Straits, and, as well-known to the Pentagon, with East Timor astride the Ombak-Wetar Strait the deepest water passage between the Pacific and Indian Oceans

for submarines. Such acts by Indonesia as the burning of intruding fishing boats, the reassertion of “ownership” of the North Natuna Sea, and the beefing up of its naval presence on Natuna Island, have also raised the stakes for China. Timor-Leste has also impounded Chinese fishing boats intruding into its territorial waters (albeit permitted to withdraw without major sanction).

In Pandjaitan’s (2018) words, now as in the era of Bandung, “Indonesia remains central to outcomes on the tri-continental expanse that China seeks to bring within its strategic reach.” Because of its geography, population, and economy, Indonesia “will be instrumental in the success of Chinese efforts.” This was a strong statement and certainly demands attention given domestic politics in Jakarta (as with its pragmatic nationalists when it comes to dealing with China). As he continued, Indonesia’s foreign policy precluded it from being part of any global attempt to contain China (notwithstanding the concern of some Indonesians and members of ASEAN as to China’s goals in the South China Sea). Neither, he declaimed, did Jakarta perceive China as a threat. At the same time neither did Indonesia wish to become part of any Chinese push to exclude the US presence in the Indo-Pacific. As an emergent middle power, he contended, Indonesia did not want to take sides, whether joining an American sphere of influence or that of China. Thus, Indonesia saw itself as an “honest broker” in relations between the US and China.

China–Indonesia Economic Links Today

With the resumption of Jakarta–Beijing relations, trade, investment, and tourism have flourished in many domains. Today – or at least prior to the global impact of the global pandemic – Indonesia stands as the world’s sixteenth largest economy (several ranks below Australia) and with China emerging as Indonesia’s leading trade partner (its number one source of imports and number one destination for exports) especially owing to mineral and other exports. Nevertheless, having already experienced a contraction in 2019, we might anticipate that the trade figures for 2020 and 2021 will continue this trend. According to a PRC Ministry of Commerce (2019) report, in turn, citing BPS statistics, in January–August 2019 Indonesia’s foreign trade amounted to USD 221.96 billion, decreasing by 9.1 per cent year on year. Exports amounted to USD 110.7 billion, decreasing 8.3 per cent year on year; with imports amounting to USD 118.88 billion, decreasing 9.9 per cent year on year. The accumulative trade deficit was USD 1.81 billion.

Still, the commitment is there. In April 2018, Indonesia and China signed five contracts worth USD 23.3 billion for several infrastructure projects including a hydropower plant and a facility to convert coal into dimethyl ether. According to Indonesian Foreign Minister Retno Marsudi, among the commodities Indonesia seeks to promote in China are palm oil, fruits, coffee, and cocoa. She also said Indonesia wanted to ensure that investments came with transfers of technology to add value to labour and to improve the environment. In 2017, China was ranked as the country with the third-largest foreign investment in Indonesia at USD 3.36 billion, a significant increase from USD 2.66 billion in 2016. The visit by Chinese Premier Li Keqiang to Jakarta in May 2018 may be read as symbolic of ties up to that point. It also marked the fifth year of

Indonesia and China's strategic comprehensive partnership (*Straits Times*, 2018). Besides drawing attention to such issues as Indonesia's push for a better trade balance with China (and with China offering to increase its import quota of palm oil to 500,000 tonnes a year), it also raised the question of a countertrade deal (see Gunn, 2018: 161). As described by Akhile (2006) "counter" or compensatory trade deals typically create a symbiotic relationship between seller and buyer.

Case of the Jakarta–Bandung HSR

The case of the Jakarta–Bandung HSR reveals just some of the complexities confronted by China (and Japan) in winning infrastructure projects in Indonesia and with infrastructure development one of the key planks of President Widodo's office. For China, the HSR may indeed be an "icon" of its BRI such as expressed by the Chinese Embassy in Jakarta (*People's Daily Online*, 2018). Some, as with Gunn (2020b) and Lim et al. (2021), have sought to draw comparisons between official responses to the HSR project in Indonesia and infrastructure investment in Malaysia. Indeed, as Camba (2020) queries in his cross-country study of Chinese infrastructure development in Southeast Asia, to what degree are such projects riven by elite contestation and subject to jockeying on the part of local oligarchs and powerholders?

Dating back to 2010, and thus predating the BRI, studies were prepared for an HSR link between Jakarta and Bandung. Both Japan and China had expressed their interest in the 150 km project. The bid marked rivalry between the two countries in their competition for Asian infrastructure projects (see Camba, 2020: 3). On 26 March 2015 during a visit to Beijing, President Widodo gained Chinese President Xi Jinping's support for the HSR project and the two governments signed a memorandum specifying China's interest in the Jakarta–Bandung line. In late September 2015, Indonesia duly awarded the rail project to China, utterly deflating Japan's expectations and attracting severe press comment in Japan as to Jakarta's apparent turnaround.

In early 2018, the Chinese HSR project was described as "stagnant" – mired by land acquisition issues – with Minister Pandjaitan announcing that a review would be conducted to consider whether a high-speed rail system was really needed. Many other questions are raised by this USD 5.1 billion joint-venture project, especially relating to need, cost overruns, environment/land, priority, etc. As one might expect, the stalled HSR project was also on the agenda of discussions with Chinese Premier Li. By late 2018, however, concerns over Chinese investment in Indonesia had become an issue in the presidential electoral campaign. Notably, Widodo had been courting Chinese SOEs and private investors to improve the country's poor connectivity and energy infrastructure. Spokespersons for Prabowo Subianto, then campaigning as a presidential candidate, asserted that he would review existing (but unnamed) BRI projects if he won the election (Gunn, 2019: 158). According to journalist, Priyandita (2018), delayed progress on construction, rumours of "swarming" Chinese labourers, and fears of a potential "debt trap" emerged as some of the primary concerns over Chinese-funded projects. Not to be intimidated, in the same time frame Ridwan Djamaluddin, Indonesian deputy minister of

maritime affairs, announced that Jakarta had been in “structural communication” with Beijing since the previous year on possible infrastructure projects worth a combined USD 50–60 billion. Projects on offer included four hydropower plants with a combined value of USD 35 billion in North Kalimantan as well as power plants, industrial complexes, ports, and other infrastructure in North Sumatra, North Sulawesi, and Bali.

As Camba (2020) points out, while key Indonesian oligarchs benefited from their connection to Widodo, many others hedged their bets, donating money to all the major political parties during elections. In the event, Widodo’s electoral victory signalled the continuation of the HSR construction (and this was contrary to the response adopted by the incoming government of Dr Mahathir Mohammed with respect to Beijing’s infrastructure investments in Malaysia in the same time period) (see Gunn, 2020b). On 29 May 2020, as the pandemic cast a shadow over macroeconomic planning, Indonesian Coordinating Minister for the Economy, Airlangga Hartarto, revealed that Widodo proposed extending the HSR to Surabaya by bringing in a consortium of Japanese investors to join the Indonesia–China project (*Kyodo News*, 2020).

Chinese Soft Power and its Limits in Indonesia

To be sure, as Gong (2020) has pointed out, not all of China’s investments in nations such as Indonesia are linked to the BRI. Outside of loans between states, they also comprise investments in such sectors as financial services and manufacturing (even if the details are frequently shrouded by opacity). In total, China’s investments and contracts to Indonesia (2005–2019) ranked the highest in ASEAN. We might further add that not all interactions between China and Indonesia are strictly economic although, as discussed below, the parameters for China to parlay its soft power in Indonesia are limited. The presence of a Chinese naval relief operation at the time of the 2004 Indian Ocean or Aceh tsunami was one earlier harbinger of such efforts. Another interaction on the part of China was the dispatch of naval vessels in April–May 2021 to the Lombok Strait area to assist with retrieving a sunken Indonesian submarine.

On another tack, whereas China looks to develop united front alliances in some other countries, Timor-Leste included, this is not an option in Indonesia. As Indonesia specialist Suryadinata (2020) reveals, while the six Chinese-language newspapers that have surfaced in post-*reformasi* Indonesia all support closer economic cooperation with Beijing, including the BRI, their readership is restricted and even shrinking. Space precludes further elaboration but, from around 2011, a select group of universities in Indonesia commenced to accept Confucius Institutes leading to relatively modest student exchange programmes between Indonesia and China. Even so, as Rakhmat and Habib Pashya (2020) contend, such openings have also run into anti-Chinese sentiment.

Chinese Economic Statecraft: The Example of Timor-Leste

Where so obviously the application of China’s economic statecraft to Indonesia is constrained by history and memory, we seek in the following pages to strike a contrast

with the half-island mini state of Timor-Leste. One who has sought to problematise the China–Timor-Leste relationship is former US ambassador to Timor-Leste, Hans Klemm (ending his term in May 2010). Writing years prior to China’s official announcement of the BRI, he argued: (1) Chinese aid to Timor-Leste came with almost no conditionalities, potentially undermining weak institutions; (2) China eschewed a sensitive cooperation approach; (3) China will curry favour with whoever happened to be in power in Timor-Leste; (4) China had to overcome its narrow self-serving attitude to be constructive partners in Timor-Leste’s development (Klemm report).

Obviously, there are problems of perception in this argument and certain will be tested in the following discussion. To take former Timor-Leste President José Ramos Horta’s words at face value and, as he has stated on numerous occasions, suggestions that his country was growing closer to China were not credible. In an interview conducted in August 2019, he rebutted charges of Chinese influence by pointing out that Indonesia, Singapore, and Australia were the largest direct foreign investors in East Timor, ahead of China (Roberts, 2019). A more nuanced version of this discussion is offered by Mendes (2009: 3) who argues that, by embracing China, Timor-Leste can reduce its dependency upon Australia and Indonesia.

With its lost independence restored in May 2002, today Timor-Leste offers a counterfoil to the Republic of Indonesia (and the ASEAN bloc). Illegally invaded by the Indonesian armed forces with US endorsement in December 1975, Indonesia ignored seven United Nations (UN) Security Council and General Assembly resolutions calling upon it to withdraw its occupation forces and to facilitate the decolonisation of the territory. The author was one such petitioner at the General Assembly Special Committee on Decolonization meeting of 16 June 1997 calling for the establishment of a transitional authority on East Timor and so engaging the then Indonesian ambassador to the UN and future Indonesian foreign minister (2009–2014), Marty Natalegawa (United Nations, 1997). Along with Vietnam and the newly independent Portuguese African states, China was one of the few countries which endorsed the Unilateral Declaration of Independence (UDI) announced by the Frente Revolucionária de Timor-Leste Independente (FRETILIN) on 28 November 1975 (Gunn, 2011b: 56).

The crisis of August–September 1999 – a reference to the United Nations-mandated ballot, post-ballot violence, and entry into East Timor of an international peacekeeping force to create a secure environment for the operation of the United Nations Transitional Administration East Timor (UNTAET) pending the restoration of independence in May 2002 – was obviously crucial as to future PRC interest in East Timor (Cotton, 2004; Gunn and Huang, 2004; Gunn, 2008). Unlike China’s hostility to the NATO use of force in the former Yugoslavia, the PRC did not veto crucial UN Security Council resolutions condemning Jakarta’s actions in the wake of the UN conducted ballot of September 1999 paving the way for the entry into East Timor of peacekeeping forces and the creation of UNTAET. Importantly, China contributed Civilian Police to UNTAET successor missions, virtually pioneering Beijing’s entry into global peacekeeping missions. As witnessed by the author in situ through various phases of the UN operation in East Timor (including a period serving as “consultant sociologist”),

the first arrivals were recent English-speaking graduates of China's Hebei province-based Peace Operations Training Institute. The remaining Chinese Civilian Police/UN Police members (men and women included) carried on through and after the breakdown of law and order in 2006. China also contributed technical staff to the UNTAET mission, certain arriving in mid-2000 (one was an expert on water buffaloes). From this experience, China went on to develop its UN peacekeeping capacity and, specifically, China has gone on to be an important contributor to Timor-Leste's development especially in the construction of the building and naval capacity (although Australia, Japan, and Portugal rank ahead in terms of expenditure).

Chinese communities were long-established in Timor and indispensable in the economic life of the former Portuguese colony. However, in the wake of the Indonesian invasion, the Chinese of East Timor would share the fate of all Timorese or, statistically even worse, as urban dwellers were deliberately targeted and with certain executed in Dili in December 1975. Surviving Chinese along with many Chinese *mestiço* fled, becoming part of a diaspora in Portugal, Australia, Macau, and elsewhere. Especially in the 1990s, Indonesian Chinese arriving from Surabaya stepped into the commercial niche formerly occupied by the "Portuguese" Chinese (Gunn, 2011b: 56–57; Kammen and Chen, 2019).

At a stroke, East Timor's mostly Taiwan-loyal Chinese community disappeared or dissipated, just as the vacated Republic of China consulate premises was taken over as Indonesian Angkatan Laut (Navy) headquarters, pending occupation by pro-independence East Timorese in late 1999. By the time of Timor-Leste independence in May 2002, the ethnic Chinese community had dwindled to its current level of an estimated 2,000 to 3,000 (Klemm report). Chinese schools shuttered under Indonesian control have not reopened in independent Timor-Leste.

Today, the swelling but still low-profile Chinese business community in East Timor comprise a heterogeneous group of returnee Chinese from the diaspora in Australia, new arrivals from Malaysia, Singapore, including small business people from China alongside PRC officials, aid workers, construction workers, technicians, UN police, and others. Notably, Chinese residents in East Timor have their rights secured under the Timor-Leste Constitution, with some ethnic Chinese prominent in government as with Vicky Fun Ha Tchong, former Timor-Leste Ministry of Foreign Affairs official, going on to serve as ambassador to China. Nevertheless, local Chinese communities or business lobbies in Timor-Leste do not play significant roles in international relations alongside indigenous elites and powerholders, nor are the local Chinese communities of diverse origins and backgrounds necessarily targets of China's influence. For China, one might hazard, the worst-case scenario would be a replay of the Pacific syndrome, taking the example of Tonga in 2006, whereupon mainland Chinese-owned small businesses and symbols were burnt or looted in the capital, otherwise obliging China to mount an air evacuation of its citizens (Coorey, 2012).

However, with the establishment of diplomatic relations between Beijing and Dili upon the restoration of independence, direct Chinese involvement in Timor-Leste sharply ratcheted upwards, with a slew of state-to-state negotiations concluded between the two states. These can be summarised as direct aid (construction), military interest, investment

(hydrocarbon industry), and that of Chinese SOEs as in the power sector, alongside private business (retail, etc.). From early 2000, the PRC had already acquired a future embassy site in Dili's Farol quarter. Officialised as embassy and opening in 2010, the premises were remodelled by Chinese workers. In a rare move, the PRC also paid for the construction of Timor-Leste's chancery and staff housing in Beijing, as part of a land swap in exchange for the property of the new PRC chancery in Dili.

China's Economic Statecraft in East Timor?

Chinese economic assistance to Timor-Leste has taken various forms including that delivered by Macau, commencing in 2000–2001. For example, from 2003, China provided doctors to work in Dili's National Hospital. China sent well-publicised food aid in response to Timorese requests during times of shortages, as with a gift in 2006 of 8,000 metric tonnes of rice and 500 tonnes of cooking oil to the Ministry of Social Solidarity, which implemented its distribution. Over several years, the PRC has hosted several hundred East Timorese for short courses in the areas of administration, tourism, agriculture, and other vocational and technical areas. Notably, some Timorese doctors and nurses have received training in China, along with a few Timorese students (Klemm report).

Chinese Construction Projects

Given the destruction of infrastructure by the departing Indonesian armed forces and their militias, China's practical assistance to Timor-Leste, especially in construction activities, is looked upon in a very favourable light locally. This is all the more so as other donors – the UN included – offered scant attention to this area. China's contribution includes the construction in 2009 of a Ministry of Defense headquarters at a cost of approximately USD 2 million and housing for Timor-Leste Defense Forces (F-FDTL) soldiers and civilians. Other projects gifted by China include a newly constructed Foreign Affairs Ministry building, a Presidential Palace, a primary school, and a hospital at Suai on the south coast. On 6 December 2010, China signed an agreement to construct premises for a future Center for Diplomatic Studies, contracted out to a Chinese SOE (*Macauhub*, 2010a). Still, to offer perspective, this is small fry alongside China's construction activities in Angola, where entire townships are under construction, or Mozambique to which China has granted interest-free loans. Even so, as some East Timorese civil society groups have lamented, China also imported its own construction workers, relegating East Timorese labour to minor positions without significant skill transfers such as demanded in UN-initiated projects.

The Power Sector

More controversially, especially owing to lack of transparency in the tendering process, yet another SOE, the China Nuclear Industry Twenty-Second Construction Company

won approval to build two power stations and to expand the national electricity grid. Worth USD 360 million and signed in 2008, the contract included the construction of two heavy fuel oil power stations, one located on the north coast with an output of 120 MW, and a second in the south with an output of 60 MW, along with the expansion of the national grid with 750 km of new high tension lines, and the building of ten electrical substations. Up to 2009, this was the single biggest foreign investment in Timor-Leste (Macauhub, 2010b). However, in August 2018, the Chinese SOE, China Harbour Engineering Co. Ltd, part of China Communication Company, debarred for corruption by World Bank Group up until January 2017, became the winning concessionaire to kick off construction of Tibar Bay port west of Dili. A USD 278.3 million project, it brings together the Timor-Leste government, Bolloré Ports of France, and the International Finance Corporation, an arm of the World Bank (Timor-Leste Ministry of Finance, 2017).

Defence Cooperation

Attracting much comment in defence circles, especially in Australia, in 2010 the F-FDTL Naval Component commissioned two Chinese-built Shanghai II patrol craft for the amount of USD 30 million. Undoubtedly a small triumph for Chinese shipbuilders, the vessels nevertheless proved unsuitable for local conditions, fueling much criticism as to why the contract was extended in the first place. Even so, Portugal had earlier offered two even smaller vessels which quickly went out of service. In yet another surprise move, in September 2011, Timor-Leste acquired three Chamsiri class patrol boats from South Korea. In 2018, Australia likewise supplied patrol boats suggesting elements of competition. Australia also bridled at the suggestion that China sought to establish a communication antenna on the half-island. Reportedly, in June 2020, Timor-Leste agreed to accept a gift of military aid from China (*MacauHub*, 2020b).

The South Coast Development Project

Having created a Petroleum Fund in 2005 to manage the country's new-found windfall wealth, the country amassed USD 1.7 billion in 2007 rising to USD 11.05 billion by the last quarter of 2012 (but with the balance falling to USD 5.8 billion [about 570 per cent of GDP] in 2016, the second year of a net reduction, and with investments now exceeding revenue from drying oil sources). Meantime, Timor-Leste has pushed ahead with ambitious infrastructure projects (albeit oblivious to declining oil revenues, their finiteness, and even their relevance and management). Such projects include an ambitious South Coast Development project linked with a pipeline to tap Timor Sea oil reserves. Estimated to cost USD 15 billion (some say USD 20 billion) this was a scheme for a liquefied natural gas plant on the island's remote south coast, fed by gas piped from Greater Sunrise petroleum field under the Timor Sea pending the settlement of a maritime boundary dispute between Australia and Timor-Leste at The Hague in March 2018.

“Relics” of the south coast project include a Chinese-constructed east-west highway to nowhere and an underutilised airport terminal (Gunn, 2020a, 2021).

In 2019, the political focus in Timor-Leste shifted from infighting to crucial decision-making on petroleum exploitation, especially in the face of collapsing oil prices already evident in the first quarter of 2020. In July that year, the newly sworn-in government of Prime Minister Taur Matan Ruak sought a reappraisal of the South Coast Development Project, notably replacing key personnel in charge and with former Timor-Leste president, José (Xanana) Gusmão stepping down from his controlling role. Still, this was not a cancellation. At this point, Timor-Leste may have looked to China (just as the Australians feared). Notably, in September by way of a telephone conversation, Chinese State Councilor and Foreign Minister Wang Yi and his Timor-Leste counterpart, Adaljiza Magno, agreed that the two countries would strengthen cooperation within the framework of the BRI (albeit with no committal from the Chinese side as to bailing out Timor-Leste losses on misfired megaprojects) (*Xinhua*, 2020 cited in Gunn, 2021).

Finally, it would be useful to offer a comparison between the way that China has tailored its economic statecraft with respect to both Indonesia and Timor-Leste in the grips of the global pandemic. Relative to Timor-Leste where international support in the case of natural disasters is indispensable, with some notable exceptions self-reliance is the usual watchword in Indonesia. That being so, the application by China of humanitarian relief to Indonesia is a far more calibrated or nuanced affair. That appeared to be the case in late 2020 when the Jakarta government purchased fifty million doses of China’s Sinovac and sixty million doses of Sinopharm vaccine becoming the then primary importer of Chinese vaccines. While the diplomacy behind the deal appears opaque, the transaction could also be parlayed as a quick and handy panacea offered by China in a highly restricted marketplace at that juncture (albeit with more choices of vaccines looking ahead). Still, the jury may be out as to whether Indonesia’s mass procurement of Chinese vaccines and further local production was simply a pragmatic commercial response to a public health crisis or, as Hung (2021) has queried whether China’s success in this area suggests a strengthening of ties?

In Timor-Leste, by contrast, China’s approach has been far more focused upon humanitarian and/or showcase projects, just as its impact in such a small nation is bound to be more high profile. Initially, two Chinese charitable foundations, namely the Jack Ma Foundation and the Alibaba Foundation, delivered several tonnes of medical equipment and supplies to Timor-Leste (*Macauhub*, 2020a). However, in responding to a major flood emergency in Dili in April 2021 also coincident with a first significant local spike in local Covid-19 infections, China dispatched a charter flight offering “drugs,” equipment, and financial support for the national health system (and with the same flight transporting 133 Chinese workers and engineers engaged in the construction of Tibar Port and the Hera Power Station) (Ximenes, 2021). Further upping the ante, later the same month China offered Timor-Leste a donation of 100,000 doses of its Sinovac vaccine (Gusmão, 2021). It is notable as well that the Chinese Embassy in Dili was also able to secure early local support for the emergency in the form of donations from its community-based Overseas Chinese united front

networks, namely the Chinese Merchants Union Association in Timor-Leste, the Federation of Chinese Youth Professional Association in Timor-Leste, and the China Trade Association of Timorese (De sá, 2021).

Conclusion

In pairing Indonesia and East Timor as Southern Tier nations with respect to China's BRI, this article has demonstrated that a history of the recent and even the distant past matters when it comes to the exercise of China's economic statecraft, not excepting its historical Nanyang iteration (although space precluded a deeper elaboration). Undoubtedly, China and its diplomats are well attuned to cultural and historical givens in the target countries. Translated as statecraft, as this article has demonstrated, China has worked clever strategies in both Indonesia and East Timor but, at the same time applying different tools and plays according to vastly different circumstances. Importantly, the inclusion of East Timor in some detail not only adds to the thin literature on asymmetric cases in their engagement with China but also offers a sharp contrast with Indonesia especially when it comes to the humanitarian dimension of economic statecraft.

As this article underscores, while the Bandung Conference and the advent of NAM represented a high tide in Beijing–Jakarta relations, the Western-backed coup against the Sukarno Presidency in 1965–1966 leading to the military-backed New Order regime of General Suharto along with the scapegoating of Chinese residents and rupture in diplomatic relations, set the tone for a troubled relationship with Indonesia, and one that still resonates. Contrariwise, Beijing's early endorsement of FRETILIN's UDI of November 1975 in the face of the Indonesian invasion of the half-island, carried through with crucial UN Security Council debates on East Timor, reaped China a major dividend with respect to its relations, namely preempting a Republic of China priority and establishing a diplomatic beachhead at a strategic southern maritime crossroads. In a word, historical memory and political culture matter even in the application of statecraft.

While the collapse of the Indonesian New Order in 1998 amid a paroxysm of Sino-phobic violence in Jakarta did not immediately augur well for Jakarta–Beijing relations, the turn to infrastructure development and economic reform such as carried on today by President Widodo, offered new opportunities for China in trade and investment especially linked to a China-fuelled commodity boom. With two-way trade insignificant back in 1985, the intervening decades saw the rise of China as Indonesia's number one trade partner, albeit in China's favour, just as Indonesia's domestic economic growth pushed the nation to the leading rank within the ASEAN bloc.

As noted, the global pandemic has offered opportunities as well as challenges for China's economic statecraft with respect to Indonesia. With Indonesia's economy already under pressure, it remains to be seen how distress at home will play into the hands of nationalists, such as those who electorally challenged Widodo in the presidential contest of 2018 and who are not known to be China friendly. On the other hand, as China's macroeconomy comes out of the pandemic faster and in better shape than

most of the Southern Tier countries, their temptation – as with Indonesia – might be just to deepen their dependence upon China in the countertrade for palm oil, mineral resources and other commodities in demand. Still, unlike some other Southern Tier countries, Indonesia does not have large debt overhangs with China stemming from infrastructure loans, but the caution is there as well given the many other vulnerabilities of the economy including broken economic supply chains and issues surrounding foreign holdings of domestic debt. Neither in the face of the pandemic can we discount the application of a hedging strategy on the part of the Jakarta government looking again at Japanese or Korean partnership in big infrastructure projects.

In engaging the newly independent Timor-Leste, Chinese statecraft signalled a coming out as with participation in international peace-building operations. Through its high-profile activities in the nation's capital, as with gifting prestige buildings, alongside humanitarian activities, China has achieved through good acts a special priority in the half-island nation. While the ramifications of Timor-Leste's current crisis – that of collapsing global oil prices, stalled project development, and major losses on its Petroleum Fund are still working their way out – it would not be unreasonable to suggest that the Dili government would reach out further rather than less to Beijing as an economic crutch. A significant difference in Timor-Leste as opposed to Indonesia prone to nationalist pushback is that elite consensus remains tight as to the China connection with respect to infrastructure financing including even the South Coast Development project should it gain traction. On its part, China obviously looks to Timor-Leste with great favour as to the prospect of continuing naval port visits and even an Indian Ocean window. Contrariwise, Timor-Leste cannot ignore other significant donor countries or development partners as with Australia and Japan and with US interests very clear as revealed in the Klemm report.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

References

- Akhile JI (2006) *Compensatory Trade Strategy: How to Fund Import–Export Trade and Industrial Projects When Hard Currency is in Short Supply*. New York: iUniverse Inc.
- Akhlas AW (2020) Indonesia's GDP contracts deeper than expected at 5.32% in Q2. *The Jakarta Post*, 5 August. Available at: <https://www.thejakartapost.com/news/2020/08/05/indonesias-gdp-contracts-deeper-than-expected-at-5-32-in-q2.html> (accessed 15 September 2020).
- Armijo LE and Katada SN (2015) Theorizing the financial statecraft of emerging powers. *New Political Economy* 20(1): 42–62.
- Baldwin DA (1985) *Economic Statecraft*. Princeton, NJ: Princeton University Press.

- Beeson M (2020b) Ideas, institutions, and interests: what's at stake in the 'decline of the west'? In: Feng H and He K (eds.) *China's Challenges and International Order Transition, in China's Challenges and International Order Transition: Beyond "Thucydides's Trap."* Ann Arbor: University of Michigan Press, pp. 161–180.
- Beeson M (2020a) "The decline of the west": what is it, and why might it matter? Asia Global Papers, Asia Global Institute, University of Hong Kong, No. 1, April. Available at: https://www.researchgate.net/publication/341370012_The_Decline_of_the_West_What_is_it_and_Why_Might_it_Matter (accessed 19 January 2021).
- Blanchard J-MF (2018) (ed.) *China's Maritime Silk Road Initiative and South Asia: A Political Economic Analysis of its Purposes, Perils, and Promise.* Basingstoke: Palgrave MacMillan.
- Blanchard J-MF and Ripsman NM (2015) *Economic Statecraft and Foreign Policy: Sanctions, Incentives, and Target State Calculations.* New York: Routledge.
- Butcher JG and Elson RE (2017) How did Indonesia become an archipelagic state? *The Strategist*, 11 May. Available at: <https://www.aspistrategist.org.au/indonesia-became-archipelagic-state/> (accessed 23 July 2020).
- Camba A (2020) *Derailing Development: China's Railway Projects and Financing Coalitions in Indonesia, Malaysia, and the Philippines.* Boston: Global Development Policy Center. Available at: <https://www.bu.edu/gdp/files/2020/02/WP8-Camba-Derailing-Development.pdf> (accessed 4 January 2021).
- Choo CL (2015) China's citizenship diplomacy at Bandung: an evaluation from the British perspective. *New Zealand Journal of Asian Studies* 17(1): 41–64.
- Coorey M (2012) China raises profile as Tonga rebuilds after riots (AFP), April 28. Available at: <https://sg.news.yahoo.com/amphtml/news/china-raises-profile-tonga-rebuilds-riots-163239304.html> (accessed 13 August 2020).
- Cotton J (2004) *East Timor, Australia and Regional Order.* London: Routledge Curzon.
- De sá JB (2021) *China Conveys Deepest Condolences for the Victim of Devastating Flood in Timor-Leste.* *Tatoli: Agência Noticiosa de Timor-Leste*, 8 April. Available at: <http://www.tatoli.tl/en/2021/04/08/china-conveys-deepest-condolences-for-the-victim-of-devastating-flood-in-timor-leste/>.
- Friend JM and Thayer BA (2018) *How China Sees the World: Han-Centrism and the Balance of Power in International Politics.* Lincoln, NE: Potomac Books.
- Gong X (2020) China's Belt and Road initiative financing in Southeast Asia. In: Cook M and Singh D (eds.) *Southeast Asian Affairs 2020*, Singapore: Institute of Southeast Asian Studies, pp. 77–95.
- Gunn GC (2008) Is East Timor an exception to the Southeast Asian landscape? In: Jean-Coicaud J-M and Wheeler NJ (eds.) *National Interest and International Solidarity: Particular and Universal Ethics in International Life.* Tokyo, New York: UN University Press, pp. 261–287.
- Gunn GC (2009) Five principles of peaceful coexistence (和平共处五项原则) In: Cheng L et al. (eds.) *Berkshire Encyclopedia of China: Modern and Historic Views of the World's Newest and Oldest Global Power.* Great Barrington, Mass: Berkshire Pub. Group, pp. 834–836.
- Gunn GC (2018) Indonesia In 2017: Shoring Up the Pancasila state. *Asian Survey* 58(1): 166–173.
- Gunn GC (2019) Indonesia In 2018: Bread and circuses on the campaign trail. *Asian Survey* 59(1): 156–163.
- Gunn GC (2021) Timor-Leste in 2020: counting the costs of coronavirus. *Asian Survey* 61(1): 155–159.

- Gunn GC (2020b) China's globalization and the Belt and Road project: The case of Indonesia and Malaysia. In: Berlie J (ed.) *China's Globalization and the Belt and Road Initiative*. Cham, Switzerland: Palgrave Macmillan/Springer Nature Switzerland AG, pp. 123–138.
- Gunn GC (1986–1987) The garuda and the dragon: Indonesian–Chinese relations. *Asia-Pacific Review (Australian Institute of International Affairs)*, 5: 17–34.
- Gunn GC (2011b) *Historical Dictionary of East Timor*. Lanham, MD: Scarecrow Press.
- Gunn GC (2011a) *History Without Borders: The Making of an Asian World Region, 1000–1800*. Hong Kong: Hong Kong University Press.
- Gunn GC (2020a) Timor-Leste in 2019: going for broke. *Asian Survey* 60(1): 159–164.
- Gunn GC and Huang R (2004) *New Nation: United Nations Peace-building in East Timor. Vol. 36, Southeast Asian Studies Series*. Nagasaki: Nagasaki University.
- Gusmão A (2021) China offers 100,000 doses of the Sinovac vaccine to Timor-Leste. *Tatoli: Agência Noticiosa de Timor-Leste*, 22 April. Available at: <http://www.tatoli.tl/en/2021/04/22/china-offers-100000-doses-of-the-sinovac-vaccine-to-timor-leste/>.
- Hirschman AO (1980) *National Power and the Structure of Foreign Trade*. Berkeley, CA: University of California Press.
- Hung J (2021) Indonesia's Sinovac rollout sets high stakes for China's vaccine diplomacy. East Asia Forum, 6 February. Available at: <https://www.eastasiaforum.org/2021/02/06/indonesias-sinovac-rollout-sets-high-stakes-for-chinas-vaccine-diplomacy/>.
- Kahin AR and Kahin GMCT (1995) *Subversion as Foreign Policy: The Secret Eisenhower and Dulles Debauch in Indonesia*. New York: The New Press.
- Kammen D and Chen J (2019) *Cina Timor: Baba, Hakka, and Cantonese in the Making of Timor-Leste. Yale Southeast Asia Studies Monograph #67*. New Haven, Conn: Yale University Southeast Asian Monograph Series.
- Kammen D and McGregor K (2012) *The Contours of Mass Violence in Indonesia, 1965–68*. Singapore: NUS Press.
- Klemm Report. Chinese inroads into Timor-Leste: high visibility, low cost, few strings attached, U.S. Embassy Dili, Department of State. Available at: https://wikileaks.org/plusd/cables/08DILI56_a.html (accessed 12 January 2021).
- Kyodo News* (2020) Japan puzzled by Indonesia's policy shift over high-speed rail plan. 27 June. Available at: <https://english.kyodonews.net/news/2020/06/c51c37eedd49-japan-puzzled-by-indonesias-policy-shift-over-high-speed-rail-plan.html> (accessed 15 August 2020).
- Lim G, Chen Li C and Ji X (2021) Chinese Financial statecraft in Southeast Asia: an analysis of China's infrastructure provision in Malaysia. *The Pacific Review*. Epub ahead of print 4 January 2021. DOI: 10.1080/09512748.2020.1868556.
- Lusa (2020) East Timor: petroleum fund loses US\$1.8bln due to Covid-19. 27 March. Available at: <https://www.macaubusiness.com/east-timor-petroleum-fund-loses-us1-8bln-due-to-covid-19/> (accessed 23 July 2020).
- Macauhub* (2010a) China to gift another building to East Timor, for Diplomatic Studies Centre. 13 December. Available at: <https://macauhub.com.mo/feature/china-to-gift-another-building-to-east-timor-for-diplomatic-studies-centre/> (accessed 13 January 2021).
- Macauhub* (2010b) China Nuclear Industry 22nd Construction Company builds power plant in East Timor. 19 January. Available at: <https://macauhub.com.mo/2010/01/19/8441/> (accessed 13 January 2021).
- Macauhub* (2020a) Chinese foundations give Timor-Leste medical paraphernalia. 28 May. Available at: <https://macauhub.com.mo/2020/05/28/20200528004/> (accessed 13 January 2021).

- Macauhub* (2020b) China dá apoio militar a Timor-Leste. 30 June. Available at: <https://macauhub.com.mo/pt/2020/06/30/20200630001/> (accessed 13 January 2021).
- Mendes NC (2009) The dragon and the crocodile: Chinese interests in East Timor. *Portuguese Journal of International Affairs* 1(3): 3–11.
- Mozinga D (1976) *Chinese Policy Toward Indonesia, 1949–1967*. Ithaca, NY: Cornell University Press.
- Norris WJ (2016) *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. Ithaca and London: Cornell University Press.
- Panda A (2020) Indonesia Cites 2016 South China Sea arbitral tribunal award at UN. Is that a Big deal? Is Jakarta's move an extension of existing policy or a change? *The Diplomat*, 3 June. Available at: <https://thediplomat.com/2020/06/indonesia-cites-2016-south-china-sea-arbitral-tribunal-award-at-un-is-that-a-big-deal/> (accessed: 20 August 2020).
- Pandjaitan LB (2018) Why Jakarta can be an honest broker between powers. *South China Morning Post*, 10 April.
- People's Daily Online* (2018) Indonesia calls for self-inspection amid stagnant high-speed railway project. 11 January. Available at: <http://en.people.cn/n3/2018/0111/c90000-9314327.html> (accessed 12 January 2021).
- People's Republic of China, Ministry of Commerce (2019) Briefings on China–Indonesia Trade in January–August 2019. Available at: <http://english.mofcom.gov.cn/article/statistic/lanmubb/ASEAN/202002/20200202936578.shtml>.
- Perdue PC (2015) The tenacious tributary system. *Journal of Contemporary China* 24(96): 1002–1014.
- Priyandita G (2018) Belt and Road investment under fire in Indonesia's presidential elections. *Taiwan Times*, 25 November. Available at: <https://www.taiwannews.com.tw/en/news/3583196#> (accessed 12 January 2021).
- Rakhmat MZ and Habib Pashya M (2020) In Indonesia, Confucius institutes struggle to dislodge anti-Chinese sentiment. *The Diplomat*, December 17. Available at: <https://thediplomat.com/2020/12/in-indonesia-confucius-institutes-struggle-to-dislodge-anti-chinese-sentiment/>.
- Roberts G (2019) Ramos-Horta rejects China influence claims. *Wellington Times*, 31 August. Available at: <https://www.wellingtontimes.com.au/story/6359508/ramos-horta-rejects-china-influence-claims/> (accessed 12 January 2021).
- Robison R (1986) *The Rise of Capital*. Sydney: Allen & Unwin.
- Roosa J (2006) *Pretext for Mass Murder: The September 30th Movement and Suharto's Coup D'État in Indonesia*. Madison WI: University of Wisconsin Press.
- Roosa J (2020) *Buried Histories: The Anticommunist Massacres of 1965–1966 in Indonesia*. Madison WI: University of Wisconsin Press.
- Rozman G and Liow JC (eds.) (2018) *International Relations and Asia's Southern Tier: ASEAN, Australia, and India*. Singapore: Palgrave/Macmillan.
- Straits Times* (2018) Indonesia to push for better trade balance with China during Premier Li Keqiang's visit. 5 May. Available at: <https://www.straitstimes.com/asia/se-asia/indonesia-to-push-for-better-trade-balance-with-china-during-premier-li-keqiangs-visit> (accessed 4 January 2021).
- Stuart-Fox M (2003). *A Short History of China and Southeast Asia: Tribute, Trade and Influence*. Sydney: Allen & Unwin.
- Sukma R (1999). *Indonesia and China: The Politics of A Troubled Relationship*. London: Routledge.

- Suryadinata L (2020) Rising China: Indonesia's Chinese-language newspapers avoid taking sides. *ThinkChina*, 1 September. Available at: <https://www.thinkchina.sg/rising-china-indonesias-chinese-language-newspapers-avoid-taking-sides>.
- Timor-Leste (2017) Ministry of Finance Press Release – Tibar Bay Port PPP Project, Dili, 15 December. Available at: <https://www.mof.gov.tl/press-release-tibar-bay-port-ppp-project/?lang=en> (accessed 12 January 2021).
- Tritto A (2020) Contentious embeddedness: Chinese state capital and the Belt and Road initiative in Indonesia. *Made in China Journal*, 6 May. Available at: <https://madeinchinajournal.com/2020/05/06/contentious-embeddedness-chinese-state-capital-indonesia/> (accessed 12 January 2021).
- United Nations (1997) Decolonization Committee: Press Release GA/COL/2966 1475th Meeting (PM). 16 June. Available at: <https://www.un.org/press/en/1997/19970616.gacol29.66.html> (accessed 12 January 2021).
- Wang GW (1958) The Nanhai trade: a study of the early history of Chinese trade in the South China Sea. *Journal of the Malaysian Branch, Royal Asiatic Society* 31(2): 1–135.
- Ximenes F (2021) *China Provides Medical Types of Equipment to Timor-Leste to Deal with Covid-19*. *Tatoli: Agência Noticiosa de Timor-Leste*, 14 April. Available at: <http://www.tatoli.tl/en/2021/04/14/china-provides-medical-types-of-equipment-to-timor-leste-to-deal-with-covid-19/>.
- Xinhua* (2020) China, Timor-Leste to strengthen B&R cooperation, jointly uphold multilateralism. September 21. Available at: http://www.xinhuanet.com/english/2020-09/21/c_139385858.htm (accessed 10 November 2020).
- Zhang SG (2014) *Beijing's Economic Statecraft During the Cold War, 1949–1991*. Washington, DC: Woodrow Wilson Center Press.

Author Biography

Geoffrey C. Gunn is Emeritus Professor of Nagasaki University, Japan. He is a graduate of Melbourne University and with a Ph.D. in Asian politics from Monash University. He has also taught in universities in Australia, Singapore, Brunei, Libya, and Macau. He is the author of various texts on especially Southeast Asia, including Laos, Cambodia and Vietnam, besides numerous articles relating to Indonesia and East Timor. He has also authored several world history texts as with “First Globalization: The Eurasian Exchange 1500–1800.”