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## ***China and India's Competition in the Global South: Opportunities for Indonesia?***

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### **Summary**

Indonesia's aspiration to join BRICS, an economic bloc consisting of Global South countries, reflects its strategic ambition to expand its economic role. However, competition between China and India shapes the dynamics of the Global South. China's economic diplomacy through the Belt and Road Initiative (BRI) and India's emphasis on cultural diplomacy and innovation add complexity to Indonesia's position. Amid these dynamics, Indonesia faces a strategic decision: whether to align with one of the powers, maintain a balanced relationship with both, or remain neutral. This decision also comes during a national leadership transition, which could influence the direction of Indonesia's foreign policy, particularly in navigating strategic competition within the Global South.

**Keywords:** *Global South, BRICS, South-South Cooperation, Pragmatism, Economic Interests*

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## **Introduction**

Indonesia is a country that actively participates in various international forums, ranging from multilateral ones such as the United Nations (UN) to regional ones such as the Association of Southeast Asian Nations (ASEAN). Indonesia's involvement in these forums include advocating for the interests of Global South countries, strengthening diplomatic relations, and demonstrating its strategic role in maintaining regional and global stability. Regarding southern countries, at the BRICS Plus Summit in Kazan, Russia on October 24th, 2024, Indonesia expressed its desire to participate in the economic bloc (BBC News, 2024). At first glance, this step shows Indonesia's aspiration to expand its strategic role in the global economy; particularly within the context of the Global South.

BRICS is an acronym for five Global South countries with rapidly growing economies, including Brazil, Russia, India, China, and South Africa. It was founded to strengthen cooperation among its member countries in the fields of economics, politics, and development. The goal of BRICS is to create a more balanced world order to promote the interests of Global South countries amid the dominance of the Global North (Nach & Newadi, 2024). In the dynamics of the Global South, there are two countries, notably China and India, compete to assert their influence. China demonstrates its strength through economic diplomacy, particularly via the Belt and Road Initiative (BRI) providing investment in infrastructure and economic partnerships with southern countries. On the other hand, India combines a soft power approach and cultural diplomacy towards southern countries, presenting itself as a partner with a history of colonialism and similar challenges (Chao, 2024). In addition, India has initiated the formation of a more contemporary Global South forum, particularly in fields such as Artificial Intelligence (AI) (The Economic Times, 2024). The competition between China and India reflects the broader power dynamics within the Global South, where both countries are trying to expand their influence through different strategies.

Indonesia's participation in BRICS is interesting due to the presence of two major players China and India, which create complex strategic dynamics in the Global South. This places Indonesia in a position where it must determine the right approach to seek opportunities: whether to get closer to one of the two, maintain a balanced relationship with both, or remain neutral. In addition, Indonesia's desire to join BRICS was expressed during the leadership transition period making it important to examine the direction of Indonesia's foreign policy in the new government era. Given that Indonesia has strengthened economic relations with Global South countries since the previous administration, Indonesia has strengthened economic relations with southern countries, this step reflects continuity and raises question abouts how Indonesia will position itself amidst the strategic competition between China and India as it seeks BRICS membership Indonesia's potential membership in BRICS could

significantly impact its foreign direct investment (FDI) inflows, both from BRICS and non-BRICS countries. As BRICS nations, particularly China have been key investors in Indonesia's infrastructure, energy, and manufacturing sectors, joining the bloc may facilitate greater access to capital through initiatives such as the New Development Bank (NDB).

### **Indonesia in Global South**

When discussing about Indonesia's role in global dynamics, the Global South is closely linked to South-South Cooperation (SSC). Generally, SSC refers to collaboration among Global South countries in various fields such as, economic development, education, technology, and health with the aim of creating solidarity and reducing dependence on northern countries. Several studies have highlighted Indonesia's engagement in SSC, as part of its free and active foreign policy system. Indonesia's participation in SSC is also reflected in the Preamble of the 1945 Constitution, emphasizing its commitment to enhancing its role in international development cooperation (Dzikri, 2020).

Leonard (2022) from a liberal perspective, analyzed Indonesia's role in the dynamics of the Global South, highlighting that South-South Cooperation (SSC) provides benefits by enhancing Indonesia's positive image and serving as a key component of its economic diplomacy with Global South countries. Indonesia's engagement in SSC is currently increasing and is expected to continue growing. Indonesia's SSC initiatives are projected to expand in various fields, including: (1) agriculture, food security, and social security; (2) disaster management; (3) nuclear energy; (4) trade and industry; (5) human development; and (6) infrastructure. However, in practice, Indonesia's SSC has not significantly raised public awareness, as participation remains low. Therefore, greater synergy among state and non-state actors is necessary to encourage public engagement and support for Indonesia's SSC programs (Hutabarat & Damayanti, 2023).

On the other hand, several other studies present different perspectives on Indonesia's role in the Global South. Engel (2019) explains that during the 1955 Asia-Africa Conference, Indonesia took a firm stance against northern colonialism and played a key role in driving the evolution of South-South Cooperation (SSC). Over time, under the leadership of Susilo Bambang Yudhoyono, Indonesia prioritized SSC as an active component of its foreign policy, focusing on knowledge-sharing and technical cooperation, particularly through triangular cooperation with northern countries. This approach was influenced by regional dynamics, the interests of northern donors, and the

internalization of norms in triangular cooperation practices, which, in turn, led to a tendency to depend on northern countries.

Another study by Winanti and Alvian (2021) presents a more detailed analysis. It explains that although the value of Global South solidarity is reflected in various official documents, Indonesia's SSC policy is primarily driven by material interests, such as enhancing its reputation and economic benefits. This approach has been influenced by domestic political shifts, transitioning from the normative Soekarno era to the pragmatic New Order and Reform eras. Indonesia's current policy towards southern countries reflects a convergence between material and normative interests, suggesting that solidarity among southern countries is increasingly based on strategic interests.

Indonesia is a second-wave actor in the dynamics of the Global South, as written by Renzio and Seifert (2014). According to this study, Indonesia is included in the second-wave actor in the dynamics of the Global South since it has only recently been involved in the development activities of southern countries. On the other hand, China and India are first-wave actors with great power which have long played a role in the development of southern countries. The presence of first and second-wave actors in the Global South causes its agenda to be divided into three, including strengthening global partnerships, increasing roles in the UN, or strengthening coordination between southern countries. Therefore, a common agenda is needed to strengthen the solidarity of Global South countries, despite differences in priorities that pose challenges. Indonesia can leverage the BRICS membership to advocate for the interests of the Global South by promoting fair trade policies, pushing for greater representation in global financial institutions, and fostering South-South cooperation in areas such as sustainable development and technological exchange. By positioning itself as a bridge between emerging economies and established powers, Indonesia can play a key role in shaping a more inclusive and equitable global governance framework.

## **Discussion**

The competition between China and India in the Global South, as two key actors in BRICS, reflects the complexity of the geopolitical dynamics among southern countries. In this context, Indonesia's position is particularly noteworthy, especially given its aspiration; especially, with its desire to join BRICS amidst a national leadership transition. Moreover, this ambition aligns with Indonesia's long-standing vision, which consistently upholds the principle of anti-colonialism, as emphasized in various state addresses by current Indonesian leaders (Kementerian Sekretariat Negara Republik

Indonesia, 2024). This vision also aligns with BRICS' objective of reducing the dominance of northern countries on the global stage.

In its interactions within the Global South, Indonesia tends to adopt a pragmatic approach, emphasizing opportunities that provide economic benefits. This approach is reflected in Indonesia's efforts to establish a framework for free trade agreements with southern countries, such as Chile, Peru, Bangladesh, Sri Lanka, and Mauritius (Kementerian Perdagangan Republik Indonesia, 2024). These countries, often referred to as non-traditional markets, serve as strategic alternatives for Indonesia to expand its trading partnerships while strengthening its position on the global stage.

In the context of competition between China and India, Indonesia's pragmatic tendencies appear to be directed toward the country that can offer greater economic benefits. Furthermore, World Bank data (2024) shows that China had the highest Gross Domestic Product (GDP) among BRICS members in 2023, amounting to USD 17.96 trillion, far surpassing India's GDP of USD 3.39 trillion. Additionally, according to data from the Central Statistics Agency as of 2023, Chinese investment in Indonesia reached USD 7.5 billion, whereas Indian investment amounted to only USD 275 million thousand (Badan Pusat Statistik, 2024). Therefore, based on this data, Indonesia's decision to strengthen ties with China appears more logical, especially considering the long history of bilateral economic relations between the two countries, which includes trade, investment, and financial cooperation.

Indonesia's decision to strengthen relations with China was increasingly evident in President Prabowo Subianto's visit to China on November 5th-7th, 2024. During this visit, Indonesia and China agreed on a number of strategic collaborations, including investments worth USD 10 billion in various sectors (CNN Indonesia, 2024). On the other hand, relations with India have not shown similar developments since Indonesia's application to join BRICS, indicating a strategic priority which is more inclined towards China. Thus, if Indonesia joins BRICS, it will likely align more closely with China than India, not only due to economic factors but also because of its well-established history of bilateral relations. However, this decision should still consider strategic balance, considering the importance of maintaining good relations with both major countries in order to strengthen Indonesia's position in the Global South.

From a geopolitical perspective, Indonesia's BRICS membership could challenge its traditional free and active foreign policy. While Indonesia has long positioned itself as a non-aligned actor, its simultaneous pursuit of BRICS and Organization for Economic Cooperation and Development (OECD) membership suggests a shift toward multi-alignment rather than strict non-alignment. This

could require adjustments in diplomatic strategies to ensure Indonesia remains flexible in navigating relations with major powers while safeguarding its strategic autonomy.

Furthermore, beyond economic collaboration, Indonesia's engagements with China and India also extend to defense cooperation. With China, defense ties are largely focused on military equipment procurement and joint exercises, whereas Indonesia-India defense cooperation includes maritime security and strategic dialogues under the framework of the "Shared Vision on Maritime Cooperation." If BRICS evolves into a more cohesive bloc, Indonesia may need to reassess its alignment strategy to avoid being seen as leaning too heavily toward one power.

In terms of domestic perceptions, Indonesians hold varying views on BRICS membership. Some see it as an opportunity to enhance economic resilience and reduce dependence on Western financial institutions, while others worry about overreliance on China and potential shifts in Indonesia's foreign policy orientation. Thus, Indonesia must carefully calibrate its foreign, trade, and investment policies to align with BRICS' strategic objectives while maintaining its independent stance in global affairs.

## **Conclusion**

The competition between China and India reflects the complex geopolitical dynamics of the Global South, where Indonesia, with its pragmatic approach, seeks to maximize economic opportunities. Indonesia's desire to join BRICS is in line with the anti-colonial vision echoed by its leaders, while also offering an opportunity to strengthen relations with member countries; especially, China, which has the largest economy. In addition, Indonesia's pursuit of its strategic interest is proved by the large investment agreement with China, while relations with India tend to be stagnant. If Indonesia joins BRICS, it is likely that Indonesia will be closer to China, both due to economic reasons and its long-standing history of bilateral cooperation. However, Indonesia must maintain a balanced relationship with both countries in order to optimize its role in the Global South.

Public opinion in Indonesia regarding BRICS membership is divided. Some view it as a strategic opportunity to enhance economic resilience, expand market access, and strengthen Indonesia's role in the Global South. Supporters argue that joining BRICS aligns with Indonesia's efforts to diversify economic partnerships beyond Western institutions, reducing dependence on traditional financial structures like the IMF and World Bank. However, concerns also arise about the potential overreliance on China, particularly in trade and investment. Some Indonesians fear that closer ties with China could lead to economic asymmetry or influence over domestic policies. This sentiment is shaped by past experiences with large-scale Chinese investments, particularly in infrastructure

projects, which have sparked debates about labor issues and economic sovereignty. Thus, while BRICS presents economic advantages, Indonesia must ensure that its engagement remains balanced and aligned with interests.

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