

Indonesia's Role in Shaping ASEAN Amidst US - China Rivalry

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Abstract: *This paper explores Indonesia's strategic position within ASEAN amid escalating US - China tensions in the Asia - Pacific region. It evaluates Jakarta's leadership in promoting ASEAN unity and its navigation of complex minilateral agreements like AUKUS and QUAD. The analysis reveals how Indonesia balances foreign pressures while fostering a multipolar regional order, emphasizing its unique approach to economic growth, environmental challenges, and foreign policy resilience.*

Keywords: ASEAN, Indonesia, US - China relations, multipolarity, Asia - Pacific security.

The modern security architecture in the Asia - Pacific region is characterized by the dynamics of multi - level agreements, and minilateral cooperation plays a key role. This type of alliance leaves room for maneuver for those countries that, for whatever reason, would not like to bind themselves to binding agreements with existing unions. For example, the Quadrilateral Cooperation Agreement (QUAD) between the United States, Japan, India and Australia provides for dialogue between its members without specific security commitments. Such cooperation also includes agreements that have a high level of institutionalization, including in the military sphere, such as the new security pact between Australia, the United Kingdom and the United States (AUKUS) announced in 2021 and the trilateral security agreement between the United States, Japan and Australia¹. The new agreement between Japan and Australia in the field of defense, signed on October 22, 2022, can be attributed to the same type of minilateral agreements². Among these is the agreement signed on April 5, 2024 between Australia, Japan, the Philippines and the United States on joint maritime activities (within the exclusive economic zone of the Philippines)³. Behind the words “freedom of navigation and airspace” lies clear support for the Philippines in its ongoing dispute with China over the ownership of the maritime economic zone. The article aims to analyze Indonesia's diplomatic strategies in fostering ASEAN's growth amidst geopolitical pressures from the US - China confrontation. Indonesia's has a pivotal role in maintaining

regional balance and influencing ASEAN's strategic direction amidst global power rivalries

Taking these factors into account, Washington is betting on the development of a system of minilateral agreements. In scientific literature the model implemented by the United States in the Asia - Pacific region has been called the “hub - and - spokes alliance model.” It is still an open question whether the new model strengthens or challenges the San Francisco security system⁴. In any case the minilateral treaty system is now becoming one of the pillars of US influence in the territory of Southeast Asia (SEA).

It is evident that the administration under D. Trump will try to build a new format of cooperation with the countries of Southeast Asia, while using the “levers” of investment policy. According to foreign analysts, Indonesia will emerge as a key regional player. Currently, Jakarta is demonstrating its unique approach to economic development and political stability to the global community. As a result of sound management decisions, the country has achieved high results in international economic cooperation and has taken a leading position in Southeast Asia.

However, the newly created QUAD and AUKUS alliances are blurring traditional formats of cooperation within ASEAN. The new blocs, which prioritize security and military cooperation, do not take into account the interests of entrepreneurs and businessmen in the region. At the same time, the main emphasis is placed on the priorities of defense against the “Chinese threat.” In support of this, in March 2022, the United States put forward the “Chip 4 Alliance” strategy between the United States, Japan, South Korea and Taiwan aimed at limiting China's influence in high technology sectors, the supply of critical materials, and introducing uniform standards for monitoring global

¹ - United States-Japan-Australia Trilateral Defense Ministers' Meeting (TDMM) 2023 Joint Statement. June 3, 2023. URL:

<https://www.defense.gov/News/Releases/Release/Article/3415881/uni-ted-states-japan-australia-trilateral-defense-ministers-meeting-tdmm-2023-jo/>

² - Australia-Japan Joint Declaration on Security Cooperation. October, 22, 2022. URL:

<https://www.dfat.gov.au/countries/japan/australia-japan-joint-declaration-security-cooperation>.

³ - Australia – Japan – Philippines – United States Maritime Cooperative Activity. April, 5. 2024. URL:

<https://www.defense.gov/News/Releases/Release/Article/3733095/joint-statement-australia-japan-philippines-united-states-maritime-cooperative/>

⁴ - Indo-Pacific Strategy of the United States. February 2022. Washington: National Security Council, 2022. URL: <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

production chains and semiconductor supplies⁵. The issue of maintaining geostrategic balance in the region has come to the forefront in interstate relations in the Asia - Pacific region. On May 23, 2022, a new economic agreement, the Indo - Pacific Economic Framework for Prosperity (IPEF), was launched. The agreement was joined by Australia, Brunei, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and Vietnam. IPEF's 14 partners account for 40 percent of global GDP and 28 percent of global trade in goods and services⁶.

It is worth noting that in 2025, the United States asked Indonesia to join a multinational partnership to raise environmental standards in Southeast Asia as part of discussions on a major mining deal. During his visit to Jakarta, US Under Secretary of State for Economic Growth, Energy and the Environment Jose Fernandez proposed the Mineral Security Partnership strategy, including cooperation between 14 countries and the European Union. The aim of this strategy is to accelerate the development of sustainable critical minerals supply chains and to promote financial and diplomatic support that will be an opportunity to improve environmental standards and governance in Indonesia's minerals sector. The country has significantly expanded its nickel processing industry after banning exports of unprocessed ore in 2020, but environmentalists blame the industry for deforestation, water pollution and air pollution caused by smelters.

On the other hand, China, being a leading power both in the Asia - Pacific region and on the global stage, is interested in strengthening ties with the most significant participants in regional processes taking place in Asia. In this regard, Beijing constantly emphasizes the special role of ASEAN among its foreign policy priorities. The Chinese Foreign Ministry notes that "China and the countries of Southeast Asia are friendly neighbors connected by mountains and rivers and sharing a common destiny, as well as important partners whose interests are symbiotic and strive for common development"⁷.

Thus, within the framework of the implementation of the One Belt, One Road project, in terms of the volume of China's total investments in ASEAN countries in the period 2013–2019, the following countries were leaders: Indonesia – \$36 billion; Singapore – \$33 billion; and Malaysia – \$31 billion. At the same time, an additional factor strengthening China's focus on the comprehensive development of cooperation with ASEAN countries is the deterioration of

trade and economic relations between China and the United States, caused by the so - called "trade war" that began under the Trump administration in 2018.

In the confrontation between Washington and Beijing, the southeastern region occupies a strategically important position. Washington is seeking to contain Beijing's growing economic presence in Indonesia. And in the short term, the White House's position on developing "democratic" relations with Jakarta will only strengthen. Historically, however, under the guise of economic and military cooperation, the United States is seeking to support certain political forces and subsequently demand reforms that run counter to the national interests. This circumstance will change the established domestic political order, which will lead to a change in Indonesia's management decisions and will set back the "gaining momentum" of economic development for decades.

It is predicted that in addition to the above, in the event of "new dialogues" between Jakarta and the White House in the format of military and political presence, China will take retaliatory steps against Indonesia, weakening real routes of foreign trade and the policy of openness to investment. The same applies to the influence of American corporations; the imposed standard economic models of the West will create barriers to development within the new formats of the globalizing world.

It is necessary to recall the foreign policy strategy of the former President of Indonesia, Joko Widodo, who put forward the concept of "Indonesia – Global Maritime Axis", the implementation of which significantly influenced its relations with China and the United States, as well as partners within ASEAN. It's difficult to overestimate the role of Jakarta, the initiator of the creation of the Association, in strengthening the unity of the organization, political, economic, humanitarian cooperation in the field of security, its efforts in resolving conflicts within ASEAN, in the work of its institutions and the development of principles of relations (the so - called "ASEAN Way") and, of course, in developing the principles of its foreign policy.

Indonesia must assert a balanced foreign policy, leveraging its role in ASEAN to promote stability and resist external pressures from global powers, thereby ensuring a sustainable and independent path for regional cooperation.

⁵ - Jung E. The "Chip 4 Alliance" and Taiwan–South Korea Relations. URL: <https://global-taiwan.org/2023/09/the-chip-4-alliance-and-taiwansouth-korea-relations/>

⁶ - Indo-Pacific Economic Framework for Prosperity (IPEF) URL: <https://ustr.gov/trade-agreements/agreements-under-negotiation/indo-pacific-economic-framework-prosperity-ipef>.

⁷ - Chinese Foreign Ministry to start a trip to Southeast Asia Ministry of Foreign Affairs: China and Southeast Asian countries are important partners with shared interests). URL: <https://baijiahao.baidu.com/s?id=1737145515831857730&wfr=spider&for=pc>