China’s Asymmetric Warfare in Indonesia: The Case of Turnkey Project Management

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ABSTRACT
This article aims to shed light on China’s asymmetric warfare in Indonesia through the Turnkey Project Management (TPM) scheme. TPM is an employment contract to carry out Chinese investment with a one-package system starting from funding with the preferential buyer’s credit system, materials and machines, experts, and workers, are emanated from China. This study employed qualitative research and used a research library to collect data. It found that TPM is an integral part of China’s foreign policy to pursue its national interests. China also relies more on its state-owned enterprises and private companies (non-state actors), thereby minimizing the state’s role. Indonesia suffered from losses more than it gains from the win, implying this scenario is more of a zero-sum game. The foreign workers from China have also caused social problems in Indonesia, such as cybercrime and the smuggling of methamphetamine. The results of this study include recommendations for enabling Indonesian workers to adapt to foreign technology regarding a transfer of knowledge; strengthening regulations that meet environmental standards, human rights, and good corporate governance in terms of foreign investment; and not to make the regulation easier for allowing Chinese workers.

KEYWORDS
Asymmetric Warfare; China; Indonesia; Turnkey

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INTRODUCTION

Asymmetric warfare is often characterized by non-violent action. This warfare relies more on tactics and strategy (smart power) in two models: 1) through mass action on the streets to suppress targets, especially the formation of public opinion through newspapers, electronics, and social media; 2) through the desks of the political elites and policy-makers to make sure every policy issued is aligned with the foreign interests (Pranoto & Hendrajit, 2016). Moreover, the effects of this asymmetric warfare are more devastating than military war because it might cover all aspects of life to create complete paralysis for a country and the recovery process even requires a large amount of time.

Asymmetric warfare can be described as “unconventional strategies and tactics adopted by a force when the military capabilities of belligerent powers are not simply unequal but are so significantly different that they cannot make the same sorts of attacks on each other” (Sexton, 2016). David Buffaloe (2006) observed that the concept of asymmetric warfare can be traced back thousands of years. Indeed, Sun Tzu says that all warfare is asymmetrical because exploiting the enemy’s strength is the main target when attacking the enemy’s weakness. The Greeks used the Phalanx (a rectangular mass military formation) to defeat a mounted enemy, whilst Hannibal (a Carthaginian general and statesman) used a feint in the middle of his forces with a double-envelopment to achieve victory over the Romans. In this sense, an imbalance or asymmetry occurs when a new tactic changes the fortunes and power of one army over another, thus creating the conditions for victory to one side.

In today’s globalized world, the powers of government seem to have been transformed into non-governmental organizations. Hence, actors in asymmetric warfare are also expanding, not only the states but also non-state actors such as MNCs, international organizations, or individuals. China, in the context of the asymmetric conflicts, starts spreading its investment in the form of infrastructure development offered to the requesting state with the emphasis on the non-governmental concept where the role of the state was limited, thereby enabling private sectors to go to the asymmetric war; with the military support though.

China is subsequently free to maneuver while offering a model called ‘Turnkey Project Management’ investment to many countries, including Indonesia. Turnkey Project Management is an employment contract agreed upon in carrying out investment offered by China with a one-package system starting from funding with the preferential buyer’s credit system, materials and machines, experts, and even millions of workers, are emanated from China (Rozaq, 2018). Before Indonesia, China has implemented a Turnkey Project Management scheme in several countries such as Angola,
Zimbabwe, Venezuela, Sri Lanka, and Pakistan by providing large investments for infrastructure development.

This paper aims to shed light on China’s asymmetric warfare in Indonesia through the Turnkey Project Management scheme and the impacts it creates on Indonesia. This paper is structured as follows. First, the author describes the theory used in analyzing the topic. Second, the author explains the method used in conducting this research. Third, the author discusses this topic that is divided into several sub-sections. Finally, the author provides conclusions and recommendations.

LITERATURE REVIEW
Theory of Asymmetric Conflict
Taking a historical perspective, the asymmetric conflict originates from the end of World War II that has changed significantly over the past thirty years (Arreguin-Toft, 2012). This change is perhaps the result of technological advances and the emergence of non-state actors that are the most prominent players in contemporary warfare. Some scholars predict that most contemporary wars in the future will be described as asymmetrical in some form by which if one party to the conflict adopts this method, strategy, and structure, then that party can maximize profits; take the initiative to exploit the weakness of the opponent.

Arreguin-Toft (2012) argues that the best prediction for examining the outcome of the asymmetric conflict is through strategic interaction, where this interaction will predict the outcome of the conflict better than simply explaining actor competition. In this context, it remains possible that strong actors can suffer defeat if they adopt the wrong strategy when dealing with weak enemies. On the contrary, the strong actor can achieve victory with the right strategy.

Andrew Mack, cited in Arreguin-Toft (2001), shed lights on how weak nations win an asymmetric war that consists of three key elements: (1) relative power explains relative interests; (2) relative interests explain relative political vulnerability; and (3) relative vulnerability explains why strong actors lose. According to the logic of this argument, strong actors have less interest in winning because their survival is not in a position to be threatened. In contrast, weak actors have a high interest in winning because it is the only victory that ensures their survival. This theory helps to find out the interaction of China and Indonesia in the framework of Turkey Project Management and predict the winner of this phenomenon.

Theories of foreign policy
Turnkey Project Management (TPM) is one of the driving instruments for China to implement the Belt and Road Initiatives (BRI) program in various parts of the world. BRI itself cannot be separated from China’s foreign policy in the 21st century. Therefore, the writer tries to examine this topic by using theories of foreign policy which is a set of formulas, values,
attitudes, directions and targets to maintain, secure and advance the national interest.

According to K.J. Holsti, foreign policy is designed to help protect the national interests, national security, ideological goals, and economic prosperity of a country. This can occur as a result of peaceful cooperation with other nations or through exploitation. Marijke Breuning, on the other hand, maintains that foreign policy is an interaction of a country with its surrounding environment that exceeds its national borders. Meanwhile, I. G. Wahyu Wicaksana states that international relations are closely related to foreign policy which is constructed as a reciprocal relationship between foreign policies to fight for the national goals of each country (Perwita & Yani, 2005). Foreign policy theory is relevant to this topic because China enacts its foreign policy peacefully to create a conducive international environment through the implementation of Turnkey Project Management.

The Concept of National Interest

Weldes (1996) argues that national interests play a pivotal role in formulating a foreign policy, and it is vitally important to international politics for two reasons. First, the concept of national interest helps policy-makers better understand the goals that they want to achieve through a state foreign policy. Second, the concept of national interest can work as a rhetorical device that generates the legitimacy and political support of a nation. The concept of national interest can also be defined as ‘power’ which is commonly used in explaining state behavior or foreign policy formulation.

The concept of national interest refers to neo-realism that has two variants: defensive and offensive. The defensive neorealist, Kenneth Waltz, considers the International system as self-help that will force each country to try balancing each other. Meanwhile, John Mearsheimer, as an offensive neo-realist argues that the structure of the system determines how the state behaves and how they perceive one another (Asrudin, 2017).

There is a general determinant of the source of hegemonic power consisting of finance, production capacity, and military power in the context of national interest. Joseph Nye listed the sources of hegemonic power including: a) technological leadership; b) supremacy in the military and economy; c) soft power; d) control of global communication. Susan Strange, on the other hand, emphasizes that hegemony is obtained through four structures; they are security, production, finance, and knowledge (Anam & Ristiani, 2018). Thus hegemony does not only come from hard power but also soft power.

METHODS

This article used qualitative research. According to Bodgan & Biklen (1998):

Qualitative research is descriptive... The data collected take the form of words or pictures rather than numbers... The qualitative research approach demands that the world be
examined with the assumption that nothing is trivial, that everything has the potential of being a clue that might unlock a more comprehensive understanding of what is being studied. (pp 5-6).

Furthermore, the data collection technique the writer used in this study is a research library comprising books, journals, webpage, and other sources related.

RESULTS AND DISCUSSION
Defining Asymmetric War

The Global Future Institute (GFI) considers a new type of war as asymmetric warfare. GFI also explains that the end of World War II, marked by the rise of independent countries whose capitalist-imperialist expansion, reflected new attitudes and thoughts to minimize the use of military force by developing new strategies, concepts as well as new doctrines. In addition to this, asymmetric warfare scenarios can be carried out without spending a lot of money (Hendrajit, 2017).

According to the Minister of Defense of Indonesia, Ryamizard Ryaacdu, asymmetric warfare is a form of control from a global coalition driven by one of the strongest countries against developing countries that are relatively weak, and the scope of this type of war no longer perceives the military as the main power. In the modern era of globalization today, it could be argued that the role of government is restricted in the dynamics of international politics. In other words, the powers of government have shifted to non-state powers such as multinational corporations (MNCs) (Suryokusumo, 2016).

The National Research Council (Indonesia: Dewan Riset Nasional/DRN) explains that asymmetric warfare is a model of warfare developed from an uncommon way of thinking and outside the rules of war with a very broad spectrum which includes the astagatra aspect – a division of elements that play an important role in building national resilience (Kompas, 2008; Kaprisma, 2020). In this context, asymmetric warfare always involves two or more actors with prominent characteristics of unequal forces and all contemporary wars are based on the quest for superiority over asymmetry.

Major Heinz P. Dinter JR wrote a thesis titled ‘U.S. Army Special Forces Roles in Asymmetric Warfare’ and defined “Asymmetric warfare is a set of operational practices aimed at negating advantages and exploiting vulnerabilities rather than engaging in traditional force-on-force engagements” (Dinter, 2001, p.18-19). The concept and techniques applied in asymmetric warfare tend to use the physical environment and military capabilities which are designed as an unusual method, thus causing imbalance and unpreparedness for the actors. The following is a comparison table between

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1 Astagatra is divided into two big groups, namely trigatra and pancagatra. Trigatra is aspects related to physical/natural aspects consisting of geography, natural wealth, and demographics. Meanwhile, Pancagatra is an aspect related to social aspects which include ideology, politics, economics, social culture, as well as defense and security.
conflict/ symmetrical warfare and asymmetric warfare.

Table 1. Comparison between conflict/ symmetrical warfare with asymmetric warfare

<table>
<thead>
<tr>
<th></th>
<th>Conflict/symmetrical warfare</th>
<th>Asymmetric warfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors</td>
<td>States</td>
<td>States, sub-states, non-state actors</td>
</tr>
<tr>
<td>Power</td>
<td>Equal, balance</td>
<td>Unequal</td>
</tr>
<tr>
<td>Instrument</td>
<td>Conventional, military</td>
<td>Non-conventional, non-military</td>
</tr>
<tr>
<td>Technology</td>
<td>High-tech military</td>
<td>Combination, military and non-military technology</td>
</tr>
<tr>
<td>Method and recruitment</td>
<td>Formal, education and training</td>
<td>Non-formal, clandestine</td>
</tr>
<tr>
<td>Ideology</td>
<td>Collective</td>
<td>Individual</td>
</tr>
</tbody>
</table>

Source: Jayadi (2017)

China’s Asymmetric Warfare through the Turnkey Project Management scheme in Indonesia

Turnkey Project Management (TPM) is also known as the silent investment in supporting the Belt and Road Initiative program where the main characteristic of this investment is a one-package system starting from top management, funding, materials and machinery, experts, and (blue-collar) workers are also from China. The term “Turnkey” describes a project in which the service provider or the contractor takes the single point responsibility to complete the project in all aspects and hands it over to the owner/client in a ready to use state. Any project execution has to take care of schedule (timeline), cost, and quality (Kumar & Chandan, 2018).

Some investments through the TPM scheme in Indonesia are not new because they have been running for a long time, including the Sinar Mas project (Indah Kiat) – a pulp and paper factory, a power plant in Purwakarta, the construction of Lippo Karawachi in 1990 – all of which were done by Chinese workers. Similar to Medan, where China would bring about 50,000 workers based on investment projects that have been agreed upon by President Jokowi’s government, including ports, airports, and about 8,000 kilometers of railway lines in Indonesia (Hendrajit, 2015).

As the largest developing country and the world’s second-largest economy, China has revealed its global influence stronger than ever before; one of which is through the use of the Turnkey Project Management scheme. This scheme could be argued as a weapon of asymmetric warfare in other developing countries, including Indonesia which has the potential for natural resources, economy, and geographic position in investing major projects.
Moreover, Indonesia’s position as the supplier of raw material for many countries as well as being the market potential due to demographic factors – Indonesian waters are the route of the Sea Lanes Of Communication (SLOC) – make Indonesia special in the eyes of China. These are perhaps the reasons why China carries out asymmetric warfare through the TPM scheme in Indonesia to pursue its national interests, exploit and control human/natural resources in Indonesia, and other things. Also, another reason China selected Indonesia through the Turnkey Project Management scheme is that China’s desire to enter into a special economic zone (Kawasan Ekonomi Khusus/KEK) in Indonesia (Hendrajit, 2017).

China-Indonesia Relations in the Implementation of Turnkey Project Management

On 16 July 2010, The World Bank Working for a World Free of Poverty reported that China had succeeded in mobilizing foreign direct investment (FDI) receipts (The World Bank, 2010). The data showed that the Chinese domestic market was growing fast and even becoming a concern of the international community when China became a member of the World Trade Organization (WTO) in 2001. Since then, many countries all over the world have expressed their willingness to establish economic cooperation with the land of the red dragon. Indonesia has also welcomed China’s economic rise as a strategic partnership.

The statement ‘China buys the world’ remains possible and Turnkey Project Management could be one of the instruments. China-Indonesia relations in the context of the Turnkey Project Management scheme began on 10 November 2014 when President Joko Widodo offered several infrastructure development projects in Indonesia that require private investment. He put out the statement at the 22nd Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ Meeting held in Beijing (Jati, 2014).

China and its investors subsequently welcomed the statement from President Widodo, which was marked by the amount of China’s investment project in Indonesia amounting to IDR 277.59 trillion in 2015. The Head of the Indonesian Investment Coordinating Board (BKPM) Franky Sibarani explained that the value of applying for China’s principle license in 2015 increased to 67 percent compared to the previous year, and this implied that Indonesia was one of the major investment destination countries for China (Badaruddin & Octavia, 2018). The increase in Chinese investment in Indonesia is also purposed to encourage China’s state-owned enterprises as well as private Chinese companies to increase their overseas investment.

It is undeniable that Indonesia needs a foreign direct investment or foreign loans. These foreign investments and loans are required to build and repair roads in Sumatra, Kalimantan and
Sulawesi, 2,600 km of toll roads, ports in Java, Sumatra, Kalimantan, Sulawesi, Maluku, and Papua, 39 new reservoirs, 15 airports, 6 Mass Rapid Transits in 6 major cities in Indonesia including Jakarta, Bandung, and Surabaya, and power plants in some regions to assist in the development of the industrial sector of Indonesia (Badaruddin & Octavia, 2018).

Moreover, the White Paper on China’s Foreign Aid implicitly outlines the Turnkey Project Management scheme based on three types of financial sources: grants, interest-free loans, and concessional loans (Badaruddin & Octavia, 2018). First, China provides foreign grants in the form of goods and services used to support or as part of project assistance, which is financed by loans in the form of funds and gone hand-in-hand with a loan to finance project procurement goods services. The payments are then made by the foreign grantors following project progress through a direct payment mechanism.

Second, China offers interest-free loans which are mainly used to help recipient countries build public facilities as well as launching projects to improve people’s livelihoods with a loan term of around 20 years, including five years of use, five years of a grace period, and ten years of repayment. Currently, interest-free loans are mainly provided to developing countries with relatively good economic performance.

Third, concessional loans are also provided to assist recipient countries to undertake large and medium-sized infrastructure projects with economic and social benefits or for the complete provision of factories, machinery, and electronic products. Concessional loans are applied for by the Export-Import Bank of China with a lower loan interest rate of between 2% and 3% in the repayment terms typically 15 to 20 years including a 5 to 7 years grace period.

Indonesia prefers to use Chinese concessional loans where the recipient country (Indonesia) receives several complete infrastructure projects such as transportation, electricity, and the development of energy resources such as oil. With so many projects to be worked on, of course, it requires a lot of people, thus allowing thousands of workers from China. The number of foreign workers from China in Indonesia along with other countries can be seen below.

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<tbody>
<tr>
<td>3</td>
<td>South Korea</td>
<td>9.075</td>
<td>8.172</td>
<td>7.590</td>
<td>8.424</td>
<td>9.521</td>
</tr>
<tr>
<td>4</td>
<td>India</td>
<td>6.047</td>
<td>4.981</td>
<td>5.900</td>
<td>5.059</td>
<td>6.237</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>4.962</td>
<td>4.022</td>
<td>4.305</td>
<td>4.138</td>
<td>4.603</td>
</tr>
<tr>
<td>6</td>
<td>The United States</td>
<td>2.167</td>
<td>2.658</td>
<td>3.731</td>
<td>2.812</td>
<td>2.526</td>
</tr>
</tbody>
</table>
Turnkey Project Management as an instrument for implementing China’s foreign policy

Turnkey Project Management (TPM) is an investment scheme that is a mainstay of China for implementing the Belt and Road Initiative (BRI) program. The TPM investment model in the 21st century is also President Xi Jinping’s style to expand living space using the one country and two-system model – the elaboration of socialist-communist and capitalist ideologies where China carries out the Turnkey Project scheme. It is a free market economy but remains under state control when maneuvering in countries across the world.

To shed light on China’s TPM scheme in Indonesia, the writer used the theories of foreign policy comprised of sets formulas, values, attitudes, directions, and targets to defend, secure, and advance the national interest of a state. The writer argues that the implementation of the Turnkey Project Management scheme is part of China’s foreign policy and ambition to take over its role and expand its influence in the Asian region, one of which is in Indonesia.

On the big picture, China is currently trying to reconstruct...
international relations based on China’s perspective (Korwa, 2019). Turnkey Project Management could be one of the tools to increase economic integration with financing infrastructure development, especially high-speed rail projects. Thus, China’s commitment to invest through the TPM policy is an opportunity for Indonesia and vice versa. The author believes that not only does China implement the TPM scheme as part of its foreign policy, China also attempts to create new economic corridors based on a win-win solution system.

The impact of China’s Turnkey Project Management in Indonesia

No one can deny that implementing a project has positive and negative impacts, but in the Turnkey Project Management case, the writer finds that the negative ones outweigh the positive. The negative impact includes: First, the increase in foreign workers from China. This increase occurs because these foreign workers do not have an IMTA (Work Permit for Foreign Employees) and enter Indonesia using tourist visas to work. It is not in line with the labor regulations where foreign workers coming to Indonesia must have an IMTA before the sponsor submit them. However, this policy has been amended in Permenaker (Regulation of the Minister of Labour) No. 35 of 2015, thus the increase in the number of foreign workers from China is unavoidable. Even though this amendment is in line with the WTO (World Trade Organization) principles regarding Most-Favored-Nation (MFN) Treatment-Non discrimination principles (Badaruddin & Octavia, 2018), the author considers this a disadvantage for Indonesia because it weakens regulations in the country.

Second, there have been cases of crimes committed by foreign workers from China. The increase in Chinese workers has disrupted and threatened Indonesia’s domestic security, relating to cybercrime and drugs. The considerable increase will make the foreign workers become foreigners (WNA) who then may commit crimes. For instance, there had been an online crime under the guise of fraud in Bali, committed by 31 foreign workers from China through communicating via telephone to their home country (China) to commit fraud (Kadafi, 2018). Also, foreign workers from China were proven to have smuggled 110 kg of methamphetamine to Indonesia and then sentenced to death in the Tangerang prison (Fundrika, 2020).

Third, there is a competition at work between Chinese and Indonesian workers. Violations of foreign workers from China in Indonesia are caused by falsification of documents by including certain positions in the company where they work, but in fact, they work as manual workers. According to the chairman of commission IX DPR RI (The House Representative of the Republic of Indonesia), Dede Yusuf, there must be a distinction between sand masons and sand machine operators. The level of foreign workers from China is sand machine operators. Because the machines come from China and use the
Chinese language, the company of course needs to use labor who are able and understand that. So, the level of these foreign workers is slightly above the manual labor of Indonesians. But their type of work is still manual labor. The difference is that Chinese workers use machines that Indonesian workers do not understand. Also, the company prohibits local workers from learning the machine so there is no transfer of technology (Badaruddin & Octavia, 2018).

Fourth, Indonesia’s foreign debt rises. Turnkey Project Management has caused Indonesia’s foreign debt to increase significantly because the investment in this project uses many conventional loans which have a soft interest system of 2-3% per year with payment terms of up to 15 years so that Indonesia’s foreign debt to China is the US $16.99 billion or equivalent to Rp. 238.71 trillion (Laucereno, 2019). And, if the recipient country (Indonesia) is unable or fails to pay its foreign debt, there will be guarantees in the form of state assets to be sold to state-owned enterprises of China.

Fifth, Chinese investment is considered not meeting environmental standards, human rights, and good corporate governance. Chinese investment so far is considered to be only profit-oriented, so it does not pay attention to other important aspects. This was conveyed by KPK (Corruption Eradication Commission) Deputy Chairman Laode M Syarif that China does not have good standards in the context of the environment, human rights, and good corporate governance so that Indonesia (BUMN) must be careful. He compared China’s investment to other countries such as Britain, the United States, or the European Union where the discipline, control, and safeguard of these countries is more secure than China. Syarif said, “If China invests here, you have to be very, very careful. Environment, what, human right, what, nothing” (Fadhil, 2019).

The five points above clearly show that China’s interaction with Indonesia through Turnkey Project Management in the context of asymmetric warfare proves beneficial for the Chinese side. In the theory of asymmetric conflict, China’s strategy is superior so that it has implicitly won the war. Nevertheless, it is worth noting that the implementation of China’s Turnkey Project Management in Indonesia has several positive impacts such as: 1) economic cost; 2) the quality of work is maintained; 3) very fast turnaround time; 4) profitable payment on a term basis, not all at once after work is completed (Rozaq, 2018).

CONCLUSION
This article has examined China’s asymmetric warfare in Indonesia through the Turnkey Project Management (TPM) scheme. TPM can be described as China’s strategy in the context of asymmetric warfare in Indonesia. It not only enables China to control the funding system but also dominates the number of workers used. China’s TPM is also an integral part of China’s foreign policy to pursue its national interests. It is undeniable that
China is trying to become a regional hegemony and it is willing to show its existence as a superpower through economic domination, especially in Asia. This asymmetric warfare is quite interesting because China relies more on its state-owned enterprises (BUMN) and private companies (non-state actors) as the vanguard in exploiting Indonesia, thereby minimizing the state’s role.

The TPM scheme is, of course, expected to offer benefits for both parties. Yet the author finds that Indonesia suffered from losses more than it gains from the win, implying this scenario is more of a zero-sum game. Due to this warfare, Indonesia has changed its domestic regulations to allow more workers from China. In other words, the opportunity for local workers remains small, but more than that, there is no transfer of knowledge. The arrival of foreign workers from China has also caused several social problems in Indonesia, such as cybercrime and the smuggling of methamphetamine. Additionally, Chinese investment is considered not to meet environmental standards, human rights, and good corporate governance.

The author offers several recommendations: 1) the Indonesian government must enable Indonesian workers to adapt to foreign technology so the transfer of knowledge becomes possible. 2) the Indonesian government must strengthen regulations in the context of foreign investment that meet environmental standards, human rights, and good corporate governance. 3) the Indonesian government should not make the regulation easier for allowing Chinese workers.

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