

CHAPTER 1

INTRODUCTION

1.1 Background

The China-Taiwan War was a civil war involving two sides, the nationalist Kuomintang and the Chinese Communist Party (CCP). This war began in 1917 when Kuomintang leader Chang Kai-sek pursued CCP soldiers in Southern and Eastern China (Gettings, 2015). In this event emerged the figure of a new CCP leader named Mao Zedong. After two decades of bloody civil war, Mao Zedong's Chinese communists won the war and gained control of mainland China. In addition to controlling mainland China, the CCP also succeeded in getting the nationalist Kuomintang to leave mainland China to move to the island of Formosa.

The conflict between China and Taiwan is one of the hottest issues in world geopolitics today. China claims Taiwan as part of its territory and has ambitions for reunification, while Taiwan asserts its identity as an independent political entity. This complexity illustrates a larger importance, involving more than just these two actors. In recent years, international attention has focused on escalating tensions between China and Taiwan. One of the main actors influencing the dynamics of this conflict is the United States (US). US foreign policy towards Taiwan and China has direct and indirect implications on regional security, including for Indonesia. With its strategic position in Southeast Asia, Indonesia cannot ignore the impact of foreign policy interactions between the US, China, and Taiwan. In the midst of this uncertainty, the United States (US), as a world power, plays a key role in determining the dynamics and course of conflict (Shambaugh, 2020; Friedberg, 2005).

The China-Taiwan conflict, as one of the epicenters of geopolitical tensions in the Asia-Pacific, raises the complexity of international relations. Since separating in 1949, the two sides, the People's Republic of China and Taiwan, have continued to maintain territorial claims over each other. This

long history and tension provides the foundation for further understanding of the factors shaping these conflict dynamics (Ross, 2009).

One of the central elements in the evolution of this conflict was the role played by the United States. As a global power, the United States has played a significant role in influencing the direction of development of China-Taiwan relations. The foreign policy doctrine of the United States towards this conflict has evolved over time, reflecting the ever-changing dynamics of international relations (Goldstein, 2019).

The United States engages in complex bilateral relations with China and Taiwan, combining elements from security, economics, and diplomacy. In recent decades, the US has also shown changes in its foreign policy, depending on the ruling government and global geopolitical conditions. For example, under President Obama's administration, the focus was on the 'pivot to Asia', which indicates America's efforts to increase its presence in East Asia (Clinton, 2011). In the Trump era, the trade war with China became a focal point, indicating that the US is willing to take decisive action in the face of challenges from Beijing (Sutter, 2018).

In the conflict, the United States assisted Taiwan in overcoming various problems with China. The United States supplies large amounts of military equipment to Taiwan in anticipation of threats posed by China. The arms trade between the United States and Taiwan continued to be intertwined, until at the time the issue of Taiwan's statehood status began to be questioned, because Taiwan did not get international recognition as an independent and sovereign country. At the time of the reunification effort, the United States showed its role as a protector of Taiwan (Ramadhani, 2018).

The sale of US arms to Taiwan has actually brought protests from China so that it had to bring the US and China to conduct a Joint Communiqué in 1979. In the Joint Communiqué, China requested that the United States no longer establish diplomatic relations with Taiwan and stop supplying weapons to Taiwan. However, as if biased by the agreement

agreed in the Joint Communiqué of 1979, instead of the United States stopping its arms supply, what happened was that the United States Congress passed a domestic law known as the Taiwan Relations Act (TRA) in the same year.

The United States has long played the role of counter-balance against China, especially after the cold war. With changes in U.S. foreign policy taking place from one administration to another, the impact on regional dynamics has become complex. For example, under the Obama administration, the 'Pivot to Asia' policy was considered a form of increasing the US presence in Asia to counterbalance China's power (Clinton, 2011). Whereas under the Trump administration, relations between the US and China deteriorated, mainly due to trade wars and other security issues such as Taiwan and the South China Sea (Sutter, 2018).

The United States (US), China, and Taiwan are important actors in the current global geopolitical dynamics. U.S. foreign policy toward the China and Taiwan conflict has changed over time, especially since the beginning of the 21st century (Tucker, 2020). As a country with strategic and economic importance in the Asia Pacific region, Indonesia has special attention to this issue. Since 1949, China has regarded Taiwan as part of its territory and rejects international recognition of Taiwan as a sovereign state (Shirk, 2018). Meanwhile, the US implicitly supports the existence of Taiwan as a separate entity, especially in terms of defense and economic relations (Gries, 2014). This policy can have an impact on Indonesia, both directly and indirectly, given Indonesia's strategic position in the region.

For decades, the United States has maintained a commitment to maintaining security and stability in the Asia-Pacific. Official statements and foreign policy measures of the United States show various attitudes towards the China-Taiwan conflict, including support for the "one China" principle and the One-China policy, but also expressing an obligation to defend Taiwan from external threats (Beehner, 2021).

U.S. involvement in the conflict is not merely symbolic. The decision to sell weapons to Taiwan and maintain military ties with the island has been a central issue in the international debate. Analysis of United States policy toward this conflict becomes important in understanding how global powers interact in a complex geopolitical environment (Medeiros, 2005).

By looking at the complexity of the China-Taiwan conflict and the role played by the United States, this study intends to investigate the impact of United States foreign policy on Indonesia's defense in this era of conflict. By detailing the influencing factors and implications that may arise, this research is expected to provide in-depth insights into geopolitical dynamics in the Asia-Pacific region and how they can influence Indonesia's defense policy in the face of increasingly complex regional challenges.

The Latin proverb says that *si vis pacem para bellum* which means if you want peace prepare for war. This meaning also implies that every country must prepare defense for peace. Indonesia adheres to a defense system called the Universal People's Security Defense System (Sishankamrata). The universal defense system means that all components, ranging from citizens, territories and other national resources, participate in organizing the defense of the country. Article 30 of the 1945 Constitution states that every citizen has the right and obligation to defend the country.

In the 2015 Indonesian Defense White Paper known three types of threats, namely military threats, non-military threats, and hybrid threats. In order to defend the country to face threats, both real and potential threats, Indonesia adheres to the universal people's defense and security system (Sishankamrata), which is a defense system that involves all citizens according to their roles and functions. The fundamental thing about the universal defense system is the importance of state defense awareness from all levels of Indonesian society. A key factor in realizing sustainable development in counteracting various forms of threats is human resources (Indonesian Defense White Paper, 2015).

Indonesia is an archipelagic country with a significant geopolitical role, mainly due to its position in the world's shipping lanes and also as a member of several multilateral organizations such as ASEAN. U.S. foreign policy in the China-Taiwan conflict has had a broader impact, including on countries in other regions. In this context, it is important to understand how Indonesia, with its unique geopolitical position and abundant natural resources, can be affected by this US policy (Sukma, 2017; Anwar, 2019).

In this complex geopolitical landscape, Indonesia must proceed with caution. Confronting two great powers with conflicting interests, as well as maritime security issues in its region, requires a smart, balanced and visionary foreign policy. Indonesia must navigate this relationship with its sovereignty, security, and national interests in mind, while remaining committed to regional peace and cooperation.

Indonesia, committed to the principle of an active free foreign policy, has long taken a balanced position on this issue. The Indonesian government officially recognizes the "One-China Policy", which confirms that Taiwan is part of China. However, on the other hand, economic, social, and cultural relations between Indonesia and Taiwan have grown rapidly. Many Taiwanese companies are investing in Indonesia and thousands of Indonesian students are also studying in Taiwan.

The importance of relations with China for Indonesia cannot be ignored. China, as one of Indonesia's largest trading partners and important investors, plays a central role in Indonesia's economy and development. On the other hand, issues such as claims in the South China Sea have become points of tension between Indonesia and China, although Indonesia is not a direct claimant in the dispute.

The Indo-Pacific region is currently in the spotlight because of the dynamic interests of major powers in the world that are threatened by China's unilateral claims to the South China Sea, which are based on the concept of the Nine Dash Line. The South China Sea is a type of sea surrounded by several mainland lands and subject to various state

jurisdictions. According to the Center for Strategic and International Studies (CSIS) in 2022, geographically the LCS itself is part of the Pacific Ocean, covering an area from the Karimata Strait and Malacca to the Taiwan Strait with a span of about 3,500,000 square kilometers (1,400,000 square miles).

The policies established by the US in the Indo-Pacific region are a redefinition and position the relationship between the US and China as a comprehensive strategic competition framework. The purpose of U.S. military policy in the South China Sea has been enhanced by intelligence actions and the dispatch of combat ships such as destroyers and aircraft carriers to conduct joint exercises in the region. The well-organized US military force system is formed by formations of aircraft carriers, submarines, unmanned drones, and bombers linked to China's defense systems in the SCS. With new threats in the Indo-Pacific region, the U.S. seeks to instill doctrine in U.S. allies in the Indo-Pacific region to jointly perceive China as a threat to the region and globally. The U.S. wishes to facilitate confidence building measures in accordance with the 2002 Declaration on a Code of Conduct and support the drafting of a complete code of conduct. Rules-based power is the "way of life" for the United States to maintain its dominant situation, and it is also the most critical point for controlling order in the South China Sea region. The United States considers that China's policy in the South China Sea region is a very aggressive policy and has a negative impact on the security of maritime areas in the Indo-Pacific because it violates the law of the sea that has been determined in UNCLOS, the existence of this policy can disrupt security stability in the Indo-Pacific region including US and Indonesian allies in the region.

The position of the US as an ally and guarantor of security for many countries in the Asia Pacific means that changes in US policy can affect the regional balance of power. If the U.S. increases its military support for Taiwan, China may increase its military activity in regional areas, including in the South China Sea adjacent to Indonesian waters. U.S. policy may

affect military cooperation between Indonesia and other countries. For example, if the U.S. increases its military presence in the region, Indonesia may reconsider defense cooperation with the U.S. or other countries.

However, with rising tensions in the South China Sea and increasingly active U.S. involvement, Indonesia is placed in a complicated position. Indonesia must balance good relations with China and the United States, while defending its sovereignty and national interests. In addition, as a maritime country with a large sea area, Indonesia must also be vigilant against potential military escalation in its waters that could affect maritime security and regional stability. (Defense White Paper, 2015) Disputes in the South China Sea have the potential to become (open) armed conflict caused by three reasons. First, parties to South China Sea disputes often use military instruments to substantiate their claims. Second, there is the involvement of countries outside the region in the conflict. Third, there is no credible international institution or organization in resolving disputes. But on the contrary, armed conflict will not occur because among ASEAN countries have a commitment in conflict resolution carried out not by armed violence, but by means of dialogue and brotherhood based on mutual understanding, respect, and trust.

U.S. policy may affect military cooperation between Indonesia and other countries. For example, if the U.S. increases its military presence in the region, Indonesia may reconsider defense cooperation with the U.S. or other countries. The problems that occur in this study are the lack of understanding of US foreign policy towards the conflict between China and Taiwan, the impact of US policy on the condition of defense and security of Indonesian territory which results in armed conflicts between countries and there must be several Indonesian efforts to overcome these impacts.

One of the important agendas that is always discussed in each country is the potential purchase of the main equipment of the defense system (defense equipment). At first glance, the agenda looks ordinary. However, if we relate it to the increasing tensions in the South China Sea,

then the Defense Minister's visit has its own meaning. Since serving as Minister of Defense in the Advanced Indonesia Cabinet in 2019, Prabowo seems to have very strong ambitions to advance the defense equipment of our armed forces. Various new and used defense equipment can be seen being tried to be brought in by him. This policy seems to have received strong support from the government of President Joko Widodo. This can be seen from the amount of budget obtained by the Ministry of Defense in 2020 amounting to around Rp 127 trillion.

This figure is up around 17% from the 2019 State Budget. Of the total budget, there is a portion of around Rp 10.86 trillion which will be used to modernize the third defense equipment matra. Land will get Rp 4.59 trillion, sea Rp 4.16 trillion, and air will get Rp 2.11 trillion. All of the budget will still be added to the Ministry of Defense's plan to apply for a foreign loan of Rp 20 billion US dollars. This foreign loan proposal has been submitted to Bappenas since mid-July. It is planned that this loan will be used to finance the purchase of defense equipment from abroad during the 2020-2024 period.

The latest case that occurred at the end of 2019 and in early 2020 was the heating up of bilateral relations between Indonesia and China due to violations of territorial boundaries by China in Natuna territorial waters. The violation of the territorial boundary was carried out by the Chinese coast guard while escorting several Chinese fishing vessels to carry out fish theft in Natuna waters.

Chief of the Presidential Staff Office (KSP) Moeldoko said that the government had prepared two strategies in dealing with this case. The first strategy is implemented using a diplomatic or political approach while the second strategy is a military or security or hard power approach. The hard power approach planned by the government is certainly related to the development of defense forces or also the procurement of operations in the Natuna region to secure national interests, namely the upholding of the sovereignty of the Republic of Indonesia. The increase in military activity in

the Natuna area will increase Indonesia's defense expenditure to finance operations and all efforts related to securing the Natuna region.

High economic growth by a country gives rise to a new tendency to expand the economy and expand influence. China's SCS claim efforts show China's ambition to expand its influence and dominate the world through the control of strategic trade routes and the potential of natural resources contained in the SCS region. This unilateral claim provoked reactions from other countries that also have claims to the SCS region itself, thus provoking conflicts in the region. Increased military activity in the region and increased troop actions at military bases by the United States escalated the conflict, triggering increased military spending on financing the operation.

China's aggressive actions make Indonesia must be vigilant in responding to threats, especially in the North Natuna Sea. Thus, Indonesia must have a defense strategy, not only the sea but also the air because Indonesia's air sovereignty can be targeted by China.

With this background, this study tries to understand the impact of the United States' foreign policy in the China and Taiwan conflict, particularly on Indonesia's defense and security, including Indonesia's defense efforts in the face of the South China Sea conflict.

Thus, the background that has been described illustrates a deep framework of understanding of this research topic. Through careful analysis of the relevant literature, researchers have identified knowledge gaps that need to be filled through this research. In this chapter, the researcher has presented the history of development, key concepts, and a framework of thought that will guide the next steps in the researcher's investigation. Therefore, in this study, the researcher took the title "**The Impact of United States Foreign Policy on Indonesia's Defense in the Era of China-Taiwan Conflict**".

1.2 Research Focus and Subfocus

1.2.1 Research Focus

In facing the complexity of the China-Taiwan Conflict, this study aims to investigate and analyze the impact of United States Foreign Policy on Indonesia's Defense in the Conflict Era. With this context, the formulation of research problems is crucial to detail the main challenges faced by Indonesia in managing geopolitical tensions. Thus, the formulation of the main problem in this study is: How does the implementation of the United States Foreign Policy in the China-Taiwan Conflict affect and shape the dynamics and strength of Indonesia's defense, and how can its impact be analyzed to understand the changes that occur in Indonesia's national security framework in this era of conflict?

1.2.2 Research Subfocus

The subfocus of this research are:

- a. United States foreign policy towards the China-Taiwan conflict.
- b. Indonesia's Defense Readiness in facing policies in the China and Taiwan conflict.
- c. Indonesia's efforts to address the impact of U.S. foreign policy in the China and Taiwan conflict on Indonesia's defense

1.3 Problem Statement

Based on the background and limitations of the problem that has been described, the formulation of the problem in this study is:

- a. What is the foreign policy of the United States towards the China-Taiwan conflict?
- b. How is Indonesia's Defense Readiness in facing policies in the China and Taiwan conflict?
- c. How is Indonesia's effort to overcome the impact of US foreign policy in the China and Taiwan conflict on Indonesia's defense?

1.4 Research Objectives

Based on the formulation of the research problem, this research aims and intends as follows:

- a. Assess and analyze the impact of United States foreign policy on the dynamics of the China-Taiwan conflict with the aim of understanding the implications that may arise for regional stability.
- b. Identify and evaluate Indonesia's defense readiness in facing policies related to the China-Taiwan conflict, with the aim of providing an in-depth understanding of military and national security aspects that need to be strengthened.
- c. Analyze efforts made by Indonesia to address the impact of U.S. foreign policy in the China-Taiwan conflict on defense, focusing on identifying countermeasures strategies and adaptation measures to strengthen national resilience.

1.5 Research Benefits

Based on the research objectives of the impact of the United States foreign policy in the China and Taiwan conflict on defense, Indonesia will have useful aspects where it is hoped that this research can make a very large contribution to the development of science and help to solve problems that have been divided into two categories as follows:

1.5.1 Theoretical Benefits

Based on the description above, there are several theoretical benefits that can be formulated related to the impact of US foreign policy in the China and Taiwan conflict on Indonesia's defense, such as:

- a. Conceptual Understanding: This research will provide a deeper understanding of foreign policy interactions between countries, especially between great powers and regional countries in Southeast Asia.

- b. Contribution to the Literature: The results of the study can fill gaps in the literature regarding the foreign policy impact of great powers on countries in the Southeast Asian region, especially Indonesia.
- c. Strengthening Regional Security Theory: Through analysis of the China-Taiwan conflict and United States interference, this research can confirm or challenge existing regional security theories.
- d. Provide understanding and can elaborate related defense management theories with a management study approach.
- e. Adding treasures related to defense management science related to the field of human resource management what and can contribute greatly to further research research related to defense science

1.5.2 Practical Benefits

The results of the study are expected to provide benefits to relevant stakeholders, especially the government and defense institutions, in the context of the impact of United States foreign policy in the China and Taiwan conflict on Indonesia's defense. The benefits of this study include:

- a. Policy Guidance: The results of the study can be used as a reference by policymakers in Indonesia to understand the implications of U.S. policy and how it affects national defense and security.
- b. Diplomacy Strategy: Assist Indonesian diplomats and representatives in navigating bilateral and multilateral relations with China, Taiwan, and the United States.
- c. Education and Training: Research materials can be integrated into university curricula or training programs for soldiers, diplomats, and other professionals working in defense and international relations.
- d. Raising Public Awareness: By understanding the impact of U.S. foreign policy on Indonesia's defense, the public can better understand Indonesia's position in regional and global geopolitical contexts.

With a focus on the impact of US foreign policy in the China and Taiwan Conflict on Indonesia's Defense, this research is expected to provide benefits that show relevance and need in understanding how a country's foreign policy, especially the United States, can affect other countries, in this case Indonesia, both from theoretical and practical perspectives. This will help create a better understanding of the efforts that can be taken to deal with the different forms of threats that may arise.