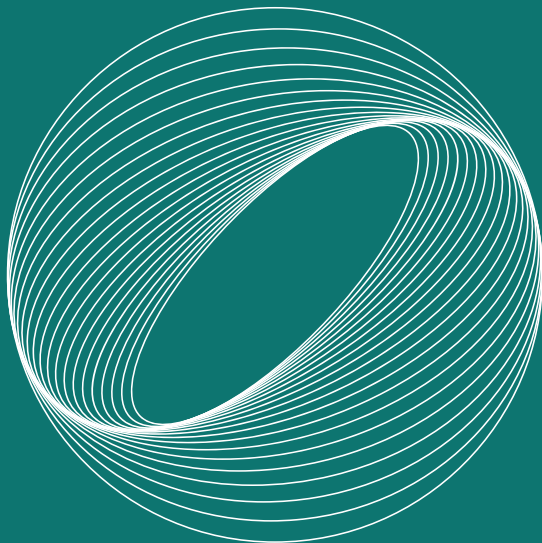




Institute of  
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DEPT. OF INTERNATIONAL RELATIONS  
UNIVERSITY OF CALIFORNIA, BERKELEY



# ***FORTNIGHTLY REVIEW #80***

**1 OCTOBER – 15 OCTOBER 2024**

## NAVIGATING CHINESE INVESTMENT IN INDONESIA'S NEW CAPITAL

Indonesia's ambitious plan to build its new capital, Nusantara, faces a critical challenge: raising private investment. As the project progresses, the Nusantara Capital Authority may feel pressured to partner with any willing participants, potentially resulting in less-than-optimal deals. Chinese entities are actively positioning themselves as major contributors, raising concerns about over-dependence on their infrastructure, technology, and capital.

Huawei is set to provide smart city technologies in Nusantara, while CRCC trains for the Autonomous Rail Transit system (Nusantara Capital Authority, 2023; Amin, 2024). Chinese firms also bid for contracts to build toll highways and residential towers (Faridz, 2024). Beyond Nusantara, China's influence extends to projects across Borneo, including the Mentarang Induk hydropower plant and the proposed Trans-Borneo Railway (Faridz, 2024; Fabian, 2024). These efforts align with China's Belt and Road Initiative, under which Indonesia received \$7.3 billion in investments last year, making it the largest recipient (Nedopil, 2024).

Indonesia's growing reliance on Chinese engagement could challenge its traditionally non-aligned foreign policy, making it harder to criticize or resist Beijing without jeopardizing key projects. This could give China undue influence over Indonesia's stance on sensitive matters, such as territorial disputes in the South China Sea. Moreover, aligning too closely with China could strain relationships with other global powers, such as the U.S. and Japan, and weaken Indonesia's neutral role within ASEAN (Chivvis et al., 2023).

To mitigate these risks, Indonesia must diversify its sources of investment by attracting funds from Gulf countries, Southeast Asia, and traditional partners like the U.S. Additionally, it should impose stricter conditions on foreign investments and technology partnerships, including technology transfer agreements and local employment quotas. As Nusantara becomes Indonesia's future seat of government, the decisions made today regarding foreign investment will have long-lasting consequences for the country's economic independence and geopolitical positioning. (Asher Ellis, Yale University)

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## RIGHTS IN MOTION: UNDERSTANDING ONLINE OJEK DRIVERS' DEMONSTRATION IN INDONESIA

On August 29, 2024, thousands of drivers from Ojek (motorcycle taxi service) online platforms (Ojol) Grab, Gojek, and Shopee demonstrated in various regions, such as Jakarta, Cirebon, and Yogyakarta, calling on the government to address their welfare (Afifah, 2024). Various advocacies included legal certainty regarding work status and fair application tariffs for sustainability, as drivers to risk their lives on the streets without any social protection (CNN Indonesia, 2024; Sandi, 2024). However, as this demonstration is not the first time, it is worth paying more attention to how the transformative and significant impacts on drivers have been minimal.

Since around 2010, Ojol has been a new option for Indonesian citizens' work. Its prominence has quickly brought about various opportunities and debates regarding how this platform should have a solid and fair legal basis in Indonesia. With the implementation of the Regulation of the Minister of Transportation Number PM 118 Year 2018 on the determination of four-wheeled Special Rental Transport (online taxi) tariffs under the authority of each region, various tariff regulations vary between regions, sometimes regulated out of the mandate given by the PM (IIS FISIPOL UGM, 2024). Instead of supporting and clarifying the legal basis to protect the drivers, it expands the confusion in structuring regulations for drivers. While on the other hand, the platform company's revenue continues to climb yearly. For this reason, it is essential for those of us who may participate in this service to continue to observe the journey of this demonstration and support what Ojol drivers are trying to achieve justice for all parties. (Irene Jihan Chatarina, Publication staff)

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## MEKONG FORUM 2024: DRIVING DIGITAL INCLUSION IN THE GREATER MEKONG SUBREGION

Under the theme "Digital Horizons: Scaling up Digitalization, Innovation, and Technology in the GMS," the Mekong Forum 2024 focused on addressing the digital divide—the gap between socio-economic groups in their ability to access and effectively use information and communication technologies and the Internet—in the Greater Mekong Subregion (GMS), which comprises Cambodia, Laos, Myanmar, Thailand, Vietnam, and China's Yunnan Province. Organized by the Mekong Institute, the forum underscored the impact of digitalization, innovation, and technology in promoting inclusive growth and sustainable development (Mekong Institute, 2024). As digital platforms become integral to every sector of society, failing to bridge the digital divide in the GMS threatens to marginalize further its over 300 million inhabitants, about 5% of the Global South's total population.

The digital divide in the GMS risks ongoing exclusion from economic opportunities, essential services, and effective governance. For example, Vietnam's agricultural sector, affected by a fragmented production model and climate impacts, faces challenges due to rural farmers' lack of access to modern digital tools (Mai & Van, 2019; Duong, 2020; FFTC-AP, 2020). Similarly, Myanmar's Shan State and Laos' Bokeo province face gaps in ICT development, e-government, and cybersecurity (Oxford Business Group, 2020). They are thus plagued by criminal activities such as illegal online casinos, scams, and money laundering (International Crisis Group, 2023).

To prevent further marginalization and ensure alignment with frameworks such as the ASEAN Digital Integration Framework and the Global Development Initiative, it is crucial to establish a task force to oversee initiative implementation, set milestones, monitor progress, and ensure equitable resource allocation. By addressing emerging challenges and maintaining momentum, the task force can help bridge the digital divide across the GMS, foster sustainable development in the ASEAN region, and contribute to the prosperity of the Global South. (Christopher Paller Gerale, Universitas Negeri Malang)

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