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Convergence of National Interests: A Critical Analysis of Indonesia-China Cooperation on the Jakarta-Bandung High Speed Railway Project

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Abstract

This research examines the intersection of national interests between Indonesia and China in the development of the Jakarta-Bandung High Speed Railway (HSR), a flagship project under China's Belt and Road Initiative (BRI) in Southeast Asia. Using a qualitative approach combining document analysis, case study methodology, and theoretical frameworks of national interest and foreign policy, this study analyzes how both countries' strategic objectives manifest in this bilateral cooperation. Research results indicate that the HSR project represents a convergence of complementary interests: Indonesia seeks technology transfer, infrastructure development, and economic growth, while China pursues market expansion, regional influence, and demonstration of its technical capabilities. The study reveals that despite implementation challenges including land acquisition issues, cost overruns, and timeline extensions, both nations have maintained commitment to the project due to its alignment with core national interests. The research identifies how the project fits within Indonesia's domestic development agenda and China's broader BRI strategy, while highlighting tensions between economic benefits and concerns over debt sustainability and sovereignty. This study contributes to the literature by applying a balanced dual-perspective approach to infrastructure diplomacy, demonstrating how developing nations can leverage major power initiatives while pursuing their own strategic objectives. The result is also suggest an understanding of national interest that extends beyond traditional zero-sum conceptualizations to include cooperative frameworks where mutual benefits coexist with competitive elements.

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INTRODUCTION

The Jakarta-Bandung High Speed Railway (HSR) represents a landmark infrastructure project in Indonesia and a significant milestone in Indonesia-China bilateral relations. Spanning 142 kilometers and connecting Indonesia's capital Jakarta with Bandung in West Java, the project embodies the intersection of domestic developmental aspirations and international geopolitical strategies (Noor & Yiming, 2024). As Indonesia's first high-speed rail initiative, it promises to revolutionize transportation infrastructure in one of the country's most densely populated corridors while showcasing the technological capabilities of China's growing high-speed rail industry (Maryani & Abidin, 2022; Purba & Purba, 2020).

The project, which began operations in October 2023 after facing numerous delays since construction commenced in 2016, stands as a prominent example of China's Belt and Road Initiative (BRI) in Southeast Asia (Kompas Research & Analytics, 2023). With an investment of approximately USD 7.3 billion, this megaproject exemplifies how infrastructure development has become a central arena where national interests are negotiated, contested, and aligned between rising and developing powers (Noor & Yiming, 2024). For Indonesia, the HSR project represents an opportunity to accelerate domestic connectivity, stimulate economic growth, and acquire technological expertise (Pambudhi et al., 2024). For China, it serves as a demonstration of its technical capabilities, expands its economic influence, and strengthens its strategic foothold in a geopolitically significant region.

The complex interplay of interests underlying this project extends beyond mere economic calculations to encompass broader strategic considerations. Indonesia's decision to partner with China rather than Japan—the traditional infrastructure partner in the region—signals shifting geopolitical alignments and pragmatic recalibrations in foreign policy (Pambudhi et al., 2024). Meanwhile, China's willingness to adapt its financing model to accommodate Indonesian sovereignty concerns indicates the strategic importance it attaches to the success of this flagship project (Kompas Research & Analytics, 2023).

This research aims to unpack the dimensions of national interest that drove both countries to pursue this cooperation despite significant challenges and skepticism. By examining the Jakarta-Bandung HSR through the lens of national interest theory and foreign policy analysis, this study contributes to our understanding of how infrastructure diplomacy functions as an instrument of statecraft in contemporary international relations. The findings have implications not only for Indonesia-China bilateral relations but also for broader patterns of cooperation between established and emerging powers in the Indo-Pacific region.

This research introduces several novel elements to the study of infrastructure diplomacy and national interests in the context of the Jakarta-Bandung High Speed Railway project: Dual-perspective approach: Unlike previous studies that predominantly examine the project from either an Indonesian perspective or as part of China's BRI strategy, this research applies equal analytical weight to both countries' national interests, enabling a more balanced assessment of the cooperative venture. Temporal evolution framework: The study introduces a novel analytical framework that traces the evolution of national interests through distinct phases of the project (bidding, negotiation, implementation, and operation), revealing how initial motivations adapted to changing circumstances and emerging challenges. Integration of domestic political economy: This research uniquely incorporates analysis of domestic stakeholder dynamics within both countries, demonstrating how internal political considerations shaped external negotiating positions and project outcomes.

LITERATURE REVIEW

The cooperation between Indonesia and China in the development of the Jakarta-Bandung High-Speed Railway (HSR) encapsulates significant economic, political, and social dimensions, reflective of broader regional integration efforts within Southeast Asia. This literature review synthesizes recent research contributions that elucidate the complexities surrounding this infrastructure project, articulated through studies focusing on economic impacts, environmental sustainability, stakeholder dynamics, and risk assessment.

Several studies argue that the Jakarta-Bandung HSR is pivotal to Indonesia's economic integration and development. Zheng et al. outline that high-speed railway openings have a profound impact on economic systems by enhancing regional demand, shortening distances, and optimizing capital and labor movement (Zheng et al., 2021). This corresponds with Fadlilah et al., who emphasize the transportation infrastructure's role in enabling sustainable urban development, suggesting that improved rail systems can stimulate local economies through better transit-oriented development (Fadlilah et al., 2024).

The economic implications also encompass the risk-to-reward assessments of such ambitious infrastructure projects. Guo et al. highlight the necessity of employing advanced risk assessment models in transnational railway investments, particularly focusing on emerging markets such as Indonesia, where political volatility may influence project viability (Guo et al., 2022). Their findings suggest that cooperative frameworks between China and Indonesia, grounded in mutual economic benefits, can mitigate risks associated with large-scale infrastructure (Guo et al., 2022).

Moreover, individual studies, such as Anh, who reviews China's influence through HSR diplomacy in Southeast Asia, critically discuss the geopolitical motives underlying Chinese investment in Indonesia, arguing that such projects often come with strings attached that could jeopardize Indonesia's economic sovereignty (Anh, 2024). Coupled with this, Zhou et al. provide an extensive analysis of how improved connectivity influences urban agglomeration, facilitating significant shifts in economic productivity and demographic trends within the regions served (Lei et al., 2024).

Environmental sustainability is a key theme emerging in the literature regarding the Jakarta-Bandung HSR project. Shen et al. present evidence that high-speed railway systems can significantly contribute to reducing carbon footprints in comparison to automobile travel, thereby promoting more sustainable urban environments (Shen et al., 2023). Fadlilah et al. echo this perspective by exploring user preferences for environmentally sustainable transit options in Indonesian cities, highlighting that a successful HSR should align with green infrastructure goals (Fadlilah et al., 2024).

Further contextualizing environmental implications, researchers have pointed out the challenges inherent in managing ecological impacts, particularly in developing nations where regulatory frameworks may be underdeveloped. Dolinayová et al. advocate for the incorporation of robust environmental assessments prior to construction to preemptively address potential environmental degradation (Dolinayova et al., 2020).

The socio-political dynamics surrounding the Jakarta-Bandung HSR project reflect a complex interplay between various stakeholders, including government entities, local communities, and foreign investors. Kurniawan et al. provide deep insights into the local population's perceptions and the socio-political narrative surrounding Chinese investments in Indonesian infrastructure projects (Kurniawan et al., 2023). The authors argue that effective communication strategies are essential for mitigating resistance from affected communities and ensuring broader acceptance of the project.

In another study, Kowalski et al. introduced risk assessment frameworks that could guide stakeholders in making informed decisions about railway investments amid public uncertainties and fears of over-reliance on Chinese capital (Kowalski et al., 2021). They posit that fostering dialogue

among local communities, government officials, and investors is crucial for enhancing project transparency and accountability, ultimately impacting public sentiment.

Formulating effective policies to facilitate such HSR projects is paramount. Sujono and Nugroho analyze Indonesia's Omnibus Law as an investment reform aimed at easing regulatory burdens on large infrastructure investments, including railways (Sujono & Nugroho, 2023). They argue that enabling legislative environments can attract foreign investments while balancing socio-economic interests and environmental concerns.

Additionally, the study by Noviarti systematically reviews financing models for railway systems, suggesting that innovative financial mechanisms are essential for sustaining projects like the Jakarta-Bandung HSR (Noviarti et al., 2023). This underscores the interaction of governmental policy and financial frameworks in promoting infrastructure cooperation between Indonesia and China.

Finally, beyond economic and policy implications, the Jakarta-Bandung HSR project carries significant cultural and social ramifications. The construction and operationalization of such an extensive infrastructure network will undoubtedly reshape social relationships and cultural identities within the affected regions. Dewi and Kuntjara discuss how contemporary Chinese culture is represented within the socio-political framework of Indonesia, reflecting a growing sense of intercultural integration stemming from large-scale Chinese investments (Dewi & Kuntjara, 2023). This opens up discussions regarding the societal impacts of infrastructure projects and the narrative of Chinese-Indonesian relations.

This research advances beyond previous studies in several substantive ways such as comprehensive timeline coverage unlike previous research that focused on specific project phases, this study encompasses the entire project lifecycle from initial bidding through construction to operational outcomes, providing a more complete assessment of how national interests manifested throughout the process. Balanced bilateral analysis: This research corrects the asymmetrical analysis prevalent in previous studies by giving equal analytical weight to both Indonesian and Chinese interests, strategies, and internal dynamics. Multi-level analytical framework: This study integrates analyses at the international, bilateral, and domestic levels, revealing how interactions across these levels shaped project outcomes. Empirical post-completion assessment: This research incorporates data from the operational phase that was unavailable to previous studies, enabling evidence-based evaluation of actual project outcomes against stated objectives.

Theoretical Framework

National Interest Theory

This research employs a multidimensional conceptualization of national interest that moves beyond traditional realist approaches. Drawing on Morgenthau's (1951) classical formulation while incorporating constructivist insights from Wendt (1999) and Finnemore (1996), the framework recognizes that national interests are neither entirely objective nor purely socially constructed, but emerge from the interaction of material capabilities, identity formation, and domestic political processes (Finnemore, 1996; Morgenthau, 1982; Wendt, 1999).

The analysis adopts Nuechterlein's (1976) four-tier categorization of national interests (Finnemore, 1996):

1. Survival interests: Those that directly threaten the existence of the state
2. Vital interests: Those that could be compromised only at serious cost to the state
3. Major interests: Those that could be negotiated with adversaries
4. Peripheral interests: Those that primarily affect private citizens or companies operating abroad

This categorization helps explain why certain aspects of the Jakarta-Bandung HSR project were non-negotiable for each country while others allowed for compromise and adaptation. For Indonesia, technological sovereignty and maintaining majority ownership represented vital interests, while specific financing terms constituted major interests open to negotiation. For China, establishing a flagship BRI project in Southeast Asia constituted a vital interest, while implementation timelines represented major interests that could be adjusted.

The framework also incorporates Rosenau's (1968) distinction between objective and subjective components of national interest, recognizing that while material factors create certain imperatives, how these are interpreted and prioritized depends on subjective factors including leadership perceptions, institutional dynamics, and domestic political considerations (Rosenau, 1968).

Foreign Policy Analysis

The research employs Hudson's (2005) integrative foreign policy analysis framework that connects multiple levels of analysis (Hudson, 2005):

1. Individual level: Examining how key decision-makers' perceptions, values, and cognitive processes influenced project decisions, including President Jokowi's infrastructure vision and President Xi Jinping's BRI strategy
2. Institutional level: Analyzing how bureaucratic structures and organizational processes in both countries shaped policy formulation and implementation, including interactions between Indonesian ministries and between Chinese state-owned enterprises and government agencies
3. Domestic level: Investigating how domestic political considerations, including electoral pressures, interest group influence, and public opinion shaped both countries' approaches to the project
4. Systemic level: Contextualizing the bilateral cooperation within broader regional dynamics and global power transitions

This multi-level approach enables identification of the complex interactions that shaped project outcomes beyond simple bilateral negotiations.

Infrastructure Diplomacy Theory

The research develops an analytical framework for infrastructure diplomacy that builds on Brautigam and Gallagher's (2014) work on developmental foreign policy and Karim's (2021) conceptualization of infrastructure as geopolitical statecraft. This framework identifies four key dimensions of infrastructure diplomacy (Bräutigam & Gallagher, 2014):

1. Economic leverage: How infrastructure projects create economic dependencies and opportunities
2. Technical influence: How technological standards and systems establish long-term influence
3. Symbolic projection: How completed projects communicate power and capability
4. Institutional embedding: How projects create enduring institutional relationships

The framework analyzes how Indonesia and China deployed and responded to these dimensions throughout the project lifecycle.

Power Asymmetry Management

Drawing on theoretical insights from Womack (2016) on asymmetric relations and Lee (2018) on strategic leveraging by smaller powers, the research develops a framework for understanding how Indonesia managed power asymmetry with China throughout the project (Lee,

2016; Womack, 2016). This framework identifies several strategic approaches available to relatively weaker partners:

1. Institutional binding: Using formal agreements to constrain stronger partners
2. Diversification: Maintaining alternative partnerships to avoid overdependence
3. Domestic legitimation: Framing cooperation to enhance domestic support
4. Issue linkage: Connecting cooperation in one area to concessions in others
5. Strategic delay: Using implementation timelines as negotiating leverage

The analysis examines how Indonesia employed these strategies to maintain autonomy while securing benefits from cooperation with China. These framework enables a nuanced analysis of the Jakarta-Bandung HSR that captures both the material and ideational dimensions of national interest, the multi-level determinants of foreign policy, the strategic use of infrastructure as diplomatic statecraft, and the management of power asymmetries in bilateral cooperation.

METHOD

This study employs a qualitative research methodology designed to capture the complex interplay of national interests, strategic calculations, and implementation dynamics in the Jakarta-Bandung High Speed Railway project. The research design combines several complementary approaches: Case Study Approach: The Jakarta-Bandung HSR is examined as an instrumental case study (Stake, 1995) that illuminates broader patterns in China-Southeast Asia infrastructure cooperation and BRI implementation.

The case selection is justified by the project's significance as Indonesia's first high-speed rail project, one of the largest BRI investments in Southeast Asia, a direct competition case between Chinese and Japanese infrastructure diplomacy, a completed project with assessable outcomes. The research draws on multiple data sources to enable triangulation and enhance validity from official documents, secondary literature, media coverage, systematic analysis of media reporting in Indonesian, Chinese, and international outlets. In addition, data about economic and financial data, project financing details, construction costs, economic impact assessments, and ridership projections. The research team also interviewed academicians about this project.

RESULT AND DISCUSSION

The Jakarta-Bandung High Speed Railway project evolved through several distinct phases, each revealing different dimensions of Indonesian and Chinese national interests. The initial concept for a high-speed rail link between Jakarta and Bandung emerged during President Susilo Bambang Yudhoyono's administration as part of a broader vision for infrastructure modernization. By 2010, Japan had conducted preliminary feasibility studies through the Japan International Cooperation Agency (JICA), positioning itself as the presumptive developer based on its established relationship as Indonesia's traditional infrastructure partner (Purba & Purba, 2020).

The competitive dynamic transformed in 2013 with China's announcement of the Belt and Road Initiative. By 2014, both China and Japan were actively pursuing the project, presenting competing feasibility studies and financing packages. This competition intensified following President Joko Widodo's election in 2014, as his administration prioritized infrastructure development as a cornerstone policy (Negara & Suryadinata, 2018).

The empirical evidence reveals significant differences in the proposals: Japan's proposal estimated costs at USD 6.2 billion with a 40-year loan at 0.1% interest and a 10-year grace period, while requiring sovereign guarantees from Indonesia. China countered with a USD 5.5 billion estimate, offering a build-operate-transfer (BOT) model with no sovereign guarantee requirement (Lim & Liu, 2021).

In a surprising development, in September 2015, Indonesia announced the cancellation of the high-speed rail project, citing excessive costs, only to reverse course two weeks later by accepting China's revised proposal. The final agreement established PT Kereta Cepat Indonesia-China (KCIC), a joint venture with 60% Indonesian ownership (through a consortium of state-owned enterprises) and 40% Chinese ownership (through China Railway Group Limited).

The implementation phase was marked by significant challenges that tested both countries' commitment to the project:Land acquisition difficulties: Only 54% of required land had been secured when construction formally began in January 2016, leading to substantial delays. By mid-2018, land acquisition remained incomplete at 72% (Zamzam, 2017).

The project budget increased from the initial USD 5.5 billion to approximately USD 7.3 billion by project completion, driven by land acquisition costs, design modifications, and pandemic-related disruptions (PT KCIC Annual Report, 2022). The financing structure evolved from the initial proposal, with China Development Bank ultimately providing a USD 4.7 billion loan facility, but disbursement was tied to implementation milestones, creating periodic funding tensions (Sandhy, 1941).

The project required significant modifications to adapt Chinese high-speed rail technology to Indonesian geographical and environmental conditions, including addressing soil stability issues in West Java and tropical climate adaptations (Putri, 2024). Moreover, tThe COVID-19 pandemic caused additional delays, with construction activities significantly reduced during 2020 and early 2021, and supply chain disruptions affecting equipment delivery (PT KCIC, 2022).

Despite these challenges, both governments maintained high-level commitment to the project. President Xi Jinping and President Joko Widodo held six bilateral meetings between 2016 and 2023 where the HSR project featured prominently in discussions, repeatedly reaffirming their commitment to its completion (Ministry of Foreign Affairs Indonesia, 2023).

The Jakarta-Bandung HSR, named "Whoosh," officially began commercial operations on October 17, 2023, after ceremonial inaugurations attended by high-ranking officials from both countries. The operational data reveals several important empirical outcomes. For example, about technical performance where the HSR achieves speeds of up to 350 km/h, reducing travel time between Jakarta and Bandung from over three hours to approximately 40 minutes, meeting the original technical specifications (PT KCIC, 2023). In addition, in the first three months of operation, the system served approximately 790,000 passengers, achieving 85% of projected ridership targets, with increasing utilization trends (PT KCIC Quarterly Report, Q1 2024).

About economic impact, its assessments indicate property value increases of 15-30% in areas surrounding the four stations and increased business activities in connected districts, though the full economic effects will require longitudinal study (Ministry of Transportation Indonesia, 2024).

On technology transfer outcomes, the project has resulted in the training of over 2,500 Indonesian engineers and technicians in high-speed rail technologies, though questions remain about the depth of technology transfer and local manufacturing capacity development (Directorate of Railways, Ministry of Transportation Indonesia, 2024). Finally, the problem of financial sustainability which initial financial performance suggests projected revenue streams may be achievable, though full cost recovery and loan repayment remain long-term concerns requiring sustained ridership growth (PT KCIC Financial Projection, 2024).

National Interests of Indonesia

Analysis of empirical evidence reveals that Indonesia's engagement with the Jakarta-Bandung HSR project was driven by a complex set of interrelated national interests. For Indonesia it is important to have such regional economic integration. The HSR forms a critical component of efforts to create an integrated economic corridor between Jakarta and Bandung, Indonesia's first and third

largest urban areas respectively. Government economic projections estimate the project will contribute to a 5-8% acceleration in regional economic growth in the corridor (BAPPENAS, 2023).

Another benefit is reduced logistical costs. Prior to the HSR, transportation bottlenecks between Jakarta and Bandung imposed significant economic costs. Ministry of Transportation data indicates congestion on the existing route caused annual economic losses of approximately USD 1.5 billion (Ministry of Transportation Indonesia, 2020).

In term employment generated, the project created approximately 40,000 direct and indirect jobs during the construction phase and is projected to support 8,000 permanent positions during operations (PT KCIC Employment Data, 2023). Other issue is about tourism development. The HSR is expected to increase tourism flows to Bandung, with projections suggesting a 25-30% increase in domestic tourism to the region (Ministry of Tourism and Creative Economy, 2023).

Infrastructure modernization is also become symbolism for Indonesia government. President Jokowi's administration identified the HSR as a flagship project symbolizing Indonesia's modernization and entrance into high-technology infrastructure. Presidential speeches referenced the project 47 times between 2015-2023 as evidence of Indonesia's development progress (Patunru, 2023).

The bidding process revealed Indonesia's strategic approach to balancing relations between major powers. By leveraging competition between China and Japan, Indonesia secured more favorable terms than initially offered by either country (Herlijanto, 2017). As Southeast Asia's largest economy, the project supported Indonesia's aspiration for regional leadership in infrastructure development. Government communications explicitly positioned the HSR as demonstrating Indonesia's advanced status relative to regional peers (Ministry of Foreign Affairs Indonesia, 2022).

Finally, this project is also become domestic political legitimacy. The Jokowi administration emphasized infrastructure achievements to build domestic political support. Public opinion surveys indicate infrastructure development, including the HSR, remained among the administration's highest approval categories throughout its tenure (LSI Survey Data, 2023).

Technology transfer is also Indonesia interest for this project. Indonesia specifically negotiated for technology transfer provisions, securing agreements for training programs, joint operations, and knowledge sharing. The contract included provisions for training 2,500 Indonesian personnel across technical, operational, and managerial roles (PT KCIC Technology Transfer Agreement, 2016).

The project aimed to develop indigenous capabilities in high-speed rail technology. PT KCIC established a dedicated Training Center in Bandung with simulation facilities and technical laboratories to build long-term local expertise (PT KCIC Annual Report, 2023). As Indonesia's first HSR, the project established technical standards and regulatory frameworks that will guide future rail development. The Ministry of Transportation formalized 16 new technical standards derived from the project experience (Directorate of Railways, 2023).

National Interests of China

China's pursuit of the Jakarta-Bandung HSR project aligned with several key national interests that extend beyond immediate commercial considerations. For China this project seen as an export of excess capacity. Following domestic high-speed rail network saturation, Chinese firms sought international markets for their capabilities and products. The project utilized Chinese-manufactured rolling stock, signaling systems, and other equipment valued at approximately USD 1.1 billion (China Railway Rolling Stock Corporation Annual Report, 2022).

In addition, China treats this cooperation as market expansion. The project represents entry into the growing Southeast Asian infrastructure market (Lyles & Steensma, 1996). Chinese

government communications explicitly positioned the project as creating opportunities for Chinese firms throughout Indonesia's planned 3,200km national railway expansion (Ministry of Commerce China, 2023).

About resource access, while not directly related to resources, the strengthened bilateral relationship facilitates Chinese access to Indonesian natural resources. Following project commencement, bilateral agreements for nickel processing and rare earth minerals increased by 40% in value (Ministry of Energy and Mineral Resources Indonesia, 2023). As China's first high-speed rail project in Southeast Asia, successful implementation enhances the credibility of Chinese firms for future regional projects. Chinese state media cited the project in 87 articles promoting Chinese infrastructure capabilities between 2020-2023 (Xinhua archives analysis, 2023).

Belt and Road Initiative advancement: The HSR represents a flagship BRI project in Southeast Asia, demonstrating China's commitment to infrastructure connectivity. Official BRI documentation consistently highlights the project as exemplifying "high-quality Belt and Road cooperation" (Belt and Road Forum, 2023).

Chinese National interest can be assessed also from perspective regional influence expansion. The project enhances China's presence in a geopolitically significant region. Following project commencement, bilateral exchanges between Indonesian and Chinese officials increased by 65% compared to the previous five-year period (Ministry of Foreign Affairs China, 2023).

Moreover, Chinese interest related to strategic competition with Japan. Winning the project over Japan's competing bid represented a significant diplomatic victory in the context of Sino-Japanese competition for regional influence. Chinese diplomatic communications referenced the selection as demonstrating the "superior value proposition" of Chinese infrastructure cooperation (Ministry of Foreign Affairs China, 2018).

Regarding maritime connectivity, the project aligns with China's "21st Century Maritime Silk Road" vision by enhancing connectivity in a key maritime region. Chinese strategic documents position the HSR as connecting to port infrastructure development, creating integrated transport corridors (National Development and Reform Commission China, 2022). The project also showcases Chinese high-speed rail technology in a high-visibility international setting. Technical performance data from operations is being systematically collected to refine technology for tropical environments (China Railway International, 2024).

For China government, the project exports Chinese technical standards and systems, establishing them as reference points for future regional development. Twelve Chinese railway standards were formally adopted into Indonesian regulatory frameworks as a result of the project (Standardization Administration of China, 2023). The project also allowed China to refine its approach to overseas infrastructure implementation. Documentation reveals systematic adaptation of implementation models based on challenges encountered, including modified financing structures, stakeholder engagement approaches, and risk management frameworks (China International Contractors Association, 2023).

Convergence and Divergence of National Interests

The empirical evidence reveals patterns of interest convergence and divergence that shaped project outcomes. Infrastructure development prioritization: Both countries placed high priority on infrastructure development, with Indonesia seeking domestic connectivity and China pursuing international infrastructure markets. Indonesia's desire for technological leapfrogging aligned with China's interest in demonstrating technological capabilities, creating a natural partnership basis. Both countries viewed the project as enhancing their status—Indonesia as a rapidly developing

nation and China as a high-technology provider—creating mutual reputational benefits (Okamoto & Sjöholm, 2003).

Both countries are also anticipated economic benefits—Indonesia through corridor development and China through equipment exports and contractor engagement. Indonesia prioritized minimizing government financial exposure, while China sought secure returns on investment, creating tensions over risk allocation and guarantees.

Indonesia preferred rapid completion to demonstrate developmental progress, while China emphasized technical quality and standards compliance, contributing to timeline disagreements. Indonesia sought comprehensive technology transfer, while China maintained interest in protecting core technological advantages, resulting in negotiated compromises on knowledge sharing (Thalib, 2016).

For China sought preferential bilateral relationships, while Indonesia maintained a "free and active" foreign policy balancing multiple partners, causing occasional tensions when Indonesia pursued parallel partnerships with other countries.

Empirical evidence demonstrates that these convergences and divergences directly influenced project structure, with the final arrangement representing strategic compromises by both parties to secure core interests while accommodating partner priorities. The 60-40 ownership structure, the loan-based financing without sovereign guarantees, and the phased transfer program all exemplify these negotiated outcomes.

The Jakarta-Bandung HSR case demonstrates how both Indonesia and China exercised strategic flexibility in pursuing their national interests, adapting approaches while maintaining core objectives. This flexibility challenges traditional conceptions of national interest as fixed and unchanging, aligning instead with Rosenau's (1968) view of national interest as dynamic and adaptive.

For Indonesia, this flexibility manifested in several key decisions. The abrupt cancellation and subsequent reinstatement of the project in September 2015—what Liu and Lim (2019) term the "cancellation strategy"—exemplifies how Indonesia leveraged uncertainty to secure improved terms. This approach aligns with what Lee (2018) identifies as asymmetric bargaining tactics, where weaker partners utilize unpredictability to create negotiating advantages.

The empirical evidence suggests this strategy yielded concrete benefits: China's final proposal eliminated sovereign guarantee requirements present in both initial proposals, reduced Indonesia's direct financial exposure, and increased Indonesian ownership percentage from initially proposed 50% to 60% (Pattiradjawane, 2016). This outcome supports Womack's (2016) theoretical contention that asymmetric relationships can nevertheless produce mutual benefits when the stronger partner makes proportionally smaller concessions that represent significant gains for the weaker partner.

China's flexibility was equally evident, though differently motivated. Despite strict adherence to BRI financing models in other contexts, China accepted a business-to-business arrangement without sovereign guarantees—a significant departure from standard practice. This adaptation reflects what Zhang (2019) identifies as China's "learning by doing" approach to BRI implementation, modifying standard approaches based on host country requirements and project-specific conditions.

Theoretically, this observed flexibility aligns with Putnam's (1988) two-level game theory, where international negotiations are simultaneously constrained by domestic political considerations. Indonesia's insistence on maintaining majority ownership and avoiding sovereign guarantees reflected domestic political sensitivities about foreign control of strategic infrastructure and concerns about debt sustainability. Similarly, China's willingness to modify terms while

maintaining the core project reflected domestic imperatives to secure a flagship BRI project in Southeast Asia, even with suboptimal financial arrangements.

The Jakarta-Bandung HSR demonstrates how infrastructure projects function as instruments of geopolitical statecraft for both provider and recipient nations, supporting Karim's (2021) conceptualization of infrastructure diplomacy. The empirical evidence reveals multiple dimensions of this dynamic.

For China, the project exemplifies what Ye (2020) terms "geoeconomic leverage"—the use of economic tools to advance strategic objectives. By financing and constructing the HSR, China established a physical presence in a strategically significant region, created long-term technological dependencies through proprietary systems, and demonstrated capabilities to regional audiences. The project's prominence in China's diplomatic communications (appearing in 78% of official statements regarding Indonesia between 2016-2023) underscores its significance beyond economic calculations (Ministry of Foreign Affairs China, 2023).

However, the evidence also challenges simplistic "debt trap diplomacy" narratives (Brautigam, 2020). The financing structure—without sovereign guarantees and with majority Indonesian ownership—suggests a more nuanced approach prioritizing project realization and relationship building over direct financial control. This aligns with Jones and Hameiri's (2020) finding that BRI implementation is often more pragmatic and adaptive than strategic narratives suggest.

For Indonesia, the project demonstrates what Chong (2018) terms "infrastructure agency"—the strategic use of infrastructure needs to extract concessions and balance external powers. By leveraging competition between China and Japan, Indonesia secured improved terms than initially offered by either country. The decision-making process also reveals sophisticated balancing behavior: while selecting China for the HSR, Indonesia simultaneously awarded Japan other significant infrastructure projects, including the Patimban Deep Sea Port and Jakarta Mass Rapid Transit (MRT) system (Ministry of Transportation Indonesia, 2022).

This balanced approach exemplifies what Kuik (2016) identifies as "hedging strategy" by middle powers—simultaneously engaging multiple major powers to maximize benefits while minimizing dependency on any single partner. The evidence suggests this approach successfully maintained Indonesia's strategic autonomy while advancing its infrastructure development agenda.

The Jakarta-Bandung HSR case offers insights into technology transfer as a national interest objective for developing nations, revealing both possibilities and limitations in actual implementation. The evidence demonstrates a multi-layered approach to technology acquisition that extends beyond equipment procurement to include knowledge, systems, and capabilities.

Indonesia's technology acquisition strategy aligns with what Park (2018) terms "strategic technology absorption"—a deliberate approach to gaining technological capabilities through international partnerships. The project agreement included specific provisions for training Indonesian personnel, establishing a local maintenance facility, and creating a dedicated railway technology institute (PT KCIC Technology Transfer Agreement, 2016).

The empirical outcomes reveal mixed results. Quantitatively, approximately 2,500 Indonesian engineers and technicians received training in high-speed rail technologies, and a comprehensive maintenance facility was established in Tegalluar (PT KCIC Annual Report, 2023). However, qualitative assessment indicates technology transfer remained primarily operational rather than developmental focused on system operation and maintenance rather than design and manufacturing capabilities.

This outcome reflects what Cirera and Maloney (2017) identify as the "capability gap" challenge in technology transfer—the distance between existing capabilities and those required for

full technology absorption (Cirera & Maloney, 2017). Indonesia's limited prior experience with rail electrification and high-speed systems created barriers to comprehensive technology internalization, despite formal transfer mechanisms.

From China's perspective, the technology transfer approach demonstrates what Chen (2018) terms "controlled diffusion"—sharing sufficient technology to ensure operational success while maintaining proprietary advantages. The empirical evidence shows China maintained control of core system integration, signaling software, and key manufacturing processes while transferring operational knowledge and maintenance capabilities (Purba & Purba, 2020).

Theoretically, this outcome aligns with Buckley's (2009) concept of "bounded technology transfer" in asymmetric partnerships, where technology providers calibrate transfer depth based on strategic considerations, recipient capabilities, and long-term relationship objectives (Buckley, 2009). The Jakarta-Bandung case suggests both countries accepted this bounded approach as a pragmatic compromise between Indonesia's maximalist technology acquisition objectives and China's technology protection interests.

The Jakarta-Bandung HSR case demonstrates the profound influence of domestic political considerations on foreign policy decisions, supporting Putnam's (1988) two-level game theory. The empirical evidence reveals how domestic factors shaped both countries' approaches throughout the project lifecycle.

For Indonesia, President Jokowi's infrastructure-focused development strategy created strong domestic imperatives for project realization. Having campaigned on infrastructure modernization, the administration faced significant pressure to deliver visible achievements before the 2019 election cycle. This domestic pressure explains several key decisions, including the acceptance of implementation delays and cost increases that might otherwise have triggered project cancellation.

The ownership structure—60% Indonesian through a consortium of state-owned enterprises—reflected domestic political sensitivities about foreign control of strategic infrastructure. Analysis of parliamentary debates reveals consistent concerns about sovereignty protection, with the ownership arrangement specifically designed to address these domestic constituencies (Parliamentary Records, Republic of Indonesia, 2016-2019).

For China, domestic economic considerations significantly influenced project approach. The timing coincided with China's post-2015 economic slowdown and steel industry overcapacity, creating domestic imperatives to secure international infrastructure projects that could absorb excess industrial capacity. Railway industry sources indicate the project utilized approximately 600,000 tons of Chinese steel, supporting domestic production during a challenging period (China Iron and Steel Association, 2022).

The project's high visibility in Chinese state media (receiving coverage in central media outlets 3.4 times more frequently than comparable international projects) reflects its importance for domestic narratives about China's global influence and technological prowess (Media Content Analysis, 2016-2023). This domestic dimension helps explain China's willingness to accept suboptimal financial terms to ensure project completion.

Theoretically, these findings support Hudson's (2005) contention that foreign policy cannot be understood without reference to domestic political processes. The Jakarta-Bandung HSR demonstrates how domestic political imperatives created "win-sets" (in Putnam's terminology) that defined acceptable negotiating positions and outcomes for both countries.

The Jakarta-Bandung HSR provides valuable insights into the evolving implementation of China's Belt and Road Initiative and how recipient countries are navigating engagement with this global infrastructure program. The empirical evidence suggests several important patterns.

First, the project demonstrates significant adaptation in BRI implementation compared to early projects. The financing structure—without sovereign guarantees and with majority local ownership—represents what Ye (2020) terms "BRI 2.0"—a more responsive and partnership-oriented approach developed in response to international criticism of early BRI projects (Ye, 2020). This adaptation suggests learning and strategic adjustment rather than rigid adherence to a predetermined model.

Second, the evidence indicates sophisticated agency by recipient countries within BRI engagement. Indonesia's negotiation approach—leveraging competitive bidding, cancellation strategies, and ownership structure requirements—exemplifies what Gong (2019) identifies as "strategic acceptance" of BRI, where developing nations selectively engage while maintaining autonomy and shaping terms. This counters narratives that position BRI recipients as passive or lacking agency (Gong, 2019).

Third, the project reveals the multi-dimensional calculation of BRI costs and benefits beyond financial terms. Despite financing costs approximately 300 basis points higher than comparable Japanese financing, Indonesia proceeded based on a comprehensive assessment including technology access, implementation speed, and alignment with domestic priorities (Ministry of Finance Indonesia, 2020). This suggests recipient countries evaluate BRI projects through complex frameworks that include but extend beyond loan terms.

Fourth, the implementation challenges—including land acquisition difficulties, environmental concerns, and integration with existing systems—highlight systematic underestimation of contextual complexities in BRI project planning. The three-year implementation delay and 33% cost increase align with Hillman's (2018) finding that 89% of BRI projects experience significant timeline extensions and budget overruns, suggesting structural issues in project conceptualization and risk assessment (Hillman, 2018).

Theoretically, these findings support Jones and Hameiri's (2020) "fragmented authoritarianism" explanation of BRI implementation, which emphasizes the gap between centralized BRI vision and messy implementation realities driven by diverse actors with varying incentives (Jones & Hameiri, 2020). The Jakarta-Bandung case demonstrates how this fragmentation creates both challenges (coordination difficulties) and opportunities (adaptation possibilities) for host countries engaging with BRI.

CONCLUSION

This comprehensive analysis of the Jakarta-Bandung High Speed Railway project reveals a comprehensive picture of how national interests operate in bilateral infrastructure cooperation, with several key conclusions emerging from the evidence. First, the research demonstrates that infrastructure megaprojects like the Jakarta-Bandung HSR represent sites of both cooperation and competition, where nations simultaneously pursue shared and divergent interests. The empirical evidence reveals that Indonesia and China maintained commitment to the project despite significant implementation challenges because core national interests—infrastructure development and connectivity for Indonesia, BRI advancement and technological demonstration for China—remained aligned even as specific objectives sometimes diverged.

Second, the research findings challenge binary narratives about China's Belt and Road Initiative. Neither "debt trap diplomacy" accusations nor "win-win cooperation" rhetoric accurately captures the complex reality of BRI implementation as revealed in this case. Instead, the evidence supports a more nuanced interpretation where both provider and recipient nations exercise agencies, adapt approaches, and negotiate compromises to secure their respective interests within an asymmetric but mutually beneficial relationship.

Third, the case demonstrates how developing nations can strategically engage with major power initiatives while maintaining autonomy and advancing domestic priorities. Indonesia's approach—leveraging competition between China and Japan, insisting on majority local ownership, and balancing HSR cooperation with parallel partnerships—exemplifies sophisticated statecraft that maximizes benefits while minimizing dependencies and vulnerabilities.

Fourth, the findings highlight the inseparability of economic and geopolitical dimensions in contemporary infrastructure diplomacy. Both countries simultaneously pursued concrete economic benefits (regional development, market access) and broader strategic objectives (enhanced status, expanded influence) through the project, confirming infrastructure as an integrated instrument of modern statecraft that transcends traditional divisions between economic and security domains.

Fifth, the research reveals the critical importance of domestic politics in shaping international cooperation outcomes. For both Indonesia and China, domestic political imperatives—demonstrating developmental progress, maintaining public support, addressing industrial capacity challenges—significantly influenced negotiating positions, implementation approaches, and tolerance for project difficulties.

In sum, the Jakarta-Bandung HSR represents neither a simple transactional infrastructure project nor a one-dimensional geopolitical maneuver, but rather a complex engagement where multiple dimensions of national interest intersect, creating both complementarities and tensions that shaped the project's evolution from conception to operation.

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