

Indonesia's Position in Navigating the Stability of the Indo-Pacific Region Through Multilateral Cooperation between RCEP and IPEF

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Abstract

This paper explores the Indo-Pacific region's complex landscape, characterized, among others, by the presence of two significant economic forums: the Regional Comprehensive Economic Partnership (RCEP) and the Indo-Pacific Economic Framework (IPEF). This coexistence has the potential to create tensions among member nations, prompting an examination of Indonesia's strategic positioning within these forums. Using the balance of power and foreign policy framework, this qualitative research paper examines the geopolitical implications of these multilateral agreements on Indonesia's position. This paper found that despite Indonesia's foreign policy leaning towards an Inward-looking approach, it remains committed to upholding the spirit of multilateralism within the Indo-Pacific economic architecture. This commitment reflects an acknowledgment of the region's diversity while ensuring inclusivity. Indonesia's overarching objective is to foster positive interdependence among regional nations by nurturing close economic collaboration, thereby contributing to the long-term peace and prosperity of the Indo-Pacific region.

Keywords: Indo-Pacific Region, Indonesia, The Indo-Pacific Economic Framework, The Regional Comprehensive Economic Partnership.

INTRODUCTION

There has been a notable shift in terminology and strategic focus from the Asia-Pacific to the Indo-Pacific region in recent years. For over a decade, the terms "Indo-Pacific" or "Indo-Pacific region" have gained increasing popularity as geographical and strategic constructs within the foreign and security policy discourse of Japan, the

United States, Australia, India, France, and several Southeast Asian countries. The Indo-Pacific region is considered one of the strategic areas for fostering international cooperation (Ginting, V. D. P., 2022). Over time, the term "Indo-Pacific" has been increasingly utilized within the realm of international relations studies, denoting a framework for regional cooperation or a grand strategy encompassing trade,

economics, politics, and military issues across the tropical waters of the Indian Ocean, Western Pacific Ocean, and Central Pacific Ocean (Yadav, A. S., 2022).

This region comprises four world's largest economies: the United States, China, Japan, and India. It accounts for approximately 60% of the global Gross Domestic Product (GDP) and nearly half of global trade in goods traverses through this area (Singh, K., 2022). Consequently, the Indo-Pacific has emerged as a pivotal economic and strategic center of the world, sparking competition among nations in development and enhancing power within the region.

According to Herindrasti (2019), using the term "Indo-Pacific" since 2007 has generated new dynamics and tensions among various regional parties. Several states have introduced alternative concepts under the label "Indo-Pacific". The United States, under President Donald Trump responded directly to perceived Chinese challenges by promoting the strategic concept known as the "Free and Open Indo-Pacific" (FOIP). This initiative aimed to counteract potential efforts by China to reorganize or dominate the region (Heiduk, 2020). Concurrently, Japan, Australia, India, and the Association of Southeast Asian Nations (ASEAN) have also articulated their

interpretations and strategic visions for the "Indo-Pacific".

Indonesia actively develops ideas and diplomacy related to the Indo-Pacific as a nation with a strategic position. An essential aspect of Indonesia's foreign relations is fostering economic cooperation with regional countries. With a population of approximately 279.04 million according to the World Population Review (2024) and a projected Gross Domestic Product (GDP) value of USD 1.4 trillion, Indonesia's economy ranks as the 16th largest in the world (International Monetary Fund, 2023). As a middle power, Indonesia possesses the potential to influence economic dynamics in the Indo-Pacific region and contribute significantly to global economic stability and growth. In this regard, several states have developed alternative concepts under the label "Indo-Pacific".

One form of Indonesia's participation is its involvement in the Indo-Pacific economic partnerships, namely the Regional Comprehensive Economic Partnership (RCEP) and the Indo-Pacific Economic Framework (IPEF). The Regional Comprehensive Economic Partnership (RCEP) is one of the largest trade agreements in the Indo-Pacific region, involving 15 member countries, including China, Japan, South Korea, Australia, and 10 ASEAN countries (Chen X et al., 2023).

The formation of the RCEP agreement underwent lengthy negotiations spanning nearly a decade. As one of the countries engaged in the negotiations and RCEP cooperation initiatives, Indonesia eventually succeeded in signing the RCEP cooperation agreement on November 15, 2020 (Chandra Gian A., 2020).

Before RCEP was agreed upon, Wilson J. D. (2015) argued that there were four main considerations in determining RCEP decisions: trade policy ambitions, the role of ASEAN, geopolitical competition between the United States and China, and defensive concerns. The RCEP aims to foster a free trade area that bolsters economic integration among its member states. According to data from the Free Trade Agreement Center cited by the Ministry of Trade of Indonesia (2023), the RCEP encompasses 29.6% of the world's population, 30.2% of global GDP, 27.4% of global trade, and 29.8% of global foreign direct investment. The emergence of the RCEP as a "mega-regional" trade agreement has become the paramount trade policy issue in the Indo-Pacific region.

Meanwhile, the United States initiative established the Indo-Pacific Economic Framework (IPEF) under President Joe Biden's administration on May 23, 2022, in Tokyo, Japan (Susiwijono Moegiarso, 2022). The framework has garnered support from

the majority of Southeast Asian nations, with seven out of ten ASEAN member states – Brunei, Singapore, Malaysia, Indonesia, Thailand, the Philippines, and Vietnam joining this initiative. The IPEF Forum focuses its discussions on four major economic challenges occurring in the Indo-Pacific region which affect almost every country involved in understanding the complex economic landscape in the region.

According to the US Department of Commerce (2022), IPEF partners have engaged in extensive discussions to outline the framework's four main pillars: Trade, Supply Chains, Clean Economy, and Fair Economy. There is considerable optimism that the United States-led IPEF will enhance regional cooperation and assist its members in transitioning toward sustainable economic growth. However, Jiang (2022) noted that the future of IPEF remains uncertain, with potential long-term adverse effects on China-US relations, regional economic cooperation, and international order stability.

Consequently, the progress of IPEF negotiations in the four pillars may differ significantly in the coming period (Jiang, 2022). This is due to the domestic situation in the US, which still tends to be volatile, rejecting openness and the stance of other member countries. Both multilateral cooperations encompass aspects of economic cooperation in the broader Indo-

Pacific region, although they have different focuses and scopes. Moreover, within the broader context of economic cooperation in the Indo-Pacific region, it is noteworthy that the major players in the Indo-Pacific region have largely embraced Indonesia's Indo-Pacific concept, which is an inclusive policy symbol of regional engagement.

Thus, based on the background, this study will focus on two main aspects. First, what are the geopolitical implications of the emergence of RCEP and IPEF concerning the balance of power in the Indo-Pacific region? Considering that the 15 RCEP economies encompass nearly a third of the world's population and include 7 of our top 10 trading partners (New Zealand Foreign Affairs and Trade, 2023), as well as IPEF representing about 40% of global gross domestic product (The Japan Times, 2024). Second, what is Indonesia's foreign policy position in responding to multilateral cooperation between the two big players in the Indo-Pacific? Given Indonesia's adoption of a free and active foreign policy approach, the primary objective is to ensure the stability of diplomatic relations between countries while striving for economic fairness.

The research aims to determine whether the presence of RCEP and IPEF is perceived as a threat or an opportunity to maintain stability in the Indo-Pacific region. Furthermore, it seeks to understand

Indonesia's foreign policy attitude towards multilateral cooperation between the two major players in the region.

CONCEPTUAL FRAMEWORK

The Shifting Balance of Power in International Relations

Powell (2011) highlights that the correlation between stability and power distribution is a crucial and longstanding issue in international relations theory. Initially, the balance of power was primarily understood narrowly within military strength. This notion originates from countries' endeavours to uphold or enhance their relative standing in their interactions with other nations. Over time and in response to changes in the geopolitical environment, the concept of the balance of power has undergone evolution to encompass a range of strategies for political power competition, including diplomacy, economic influence, and security (Naidu, 2007)

Internal and external balancing necessitates collective mobilization (Nexon, 2009). The emergence of regional multilateralism is beginning to exert its influence, with major countries exhibiting a range of attitudes from skepticism to strong support and even sheer indifference (Naidu, 2007). As highlighted by Naidu (2007), the primary objective of regional multilateralism is to enhance economic cooperation and

politically engage major countries major nations to promote dialogue and transparency in security and military affairs. In recent decades after the normalization of Sino-American relations, one of the most prominent aspects of the Asian international order is the almost complete absence of significant competition among major powers (Kivimakki, 2014). During the Cold War, Asia was notable for its reluctance to embrace the broader global trend toward multilateralism and was not at all interested in multi-state groupings to grapple with security challenges (NIDS, 2022).

However, great power competition is back on centre stage in global politics. Today's emerging multipolar order in the Indo-Pacific shares some attributes with the more stable *era with* advanced diplomatic practices and the prevalence of economic interdependence (Green, 2024). Just over a decade ago, John Mearsheimer (2006, p. 160) argued that to foresee the future in Asia, one must have a theory of international politics that explains the likely actions of rising great powers and the reactions of other states in the system. First, China's rise presents a "power transition" challenge to U.S. dominance. In response, the U.S. is engaging in "balancing," which involves bolstering its capabilities as internal balancing and enhancing its alliances and strategic partnerships as external balancing.

Additionally, the balance of threat considerations is influencing not only U.S. actions but also those of Japan, Australia, and India in relation to China.

This conceptual framework is used to examine the multilateral cooperation between the two major players within the complex Indo-Pacific Region. This framework is suitable for analyzing the current geopolitical dynamics in the Indo-Pacific, as it helps understand how multilateral cooperation contributes to the balance of power in the region, particularly given Indonesia's active involvement in both economic partnerships. Indonesia's position is significant in contributing to the stabilization of the region, aligning with its proposed concepts. This framework characterizes the RCEP and IPEF as forms of multilateral cooperation that can enhance regional stability in China-US relations. It also elucidates these frameworks' role in realizing the shared vision of an inclusive and prosperous Indo-Pacific through their geostrategies.

Understanding of Foreign Policy

To quote one of the most recent works in Foreign Policy Analysis (FPA), Alden, Chris, and Aran (2017) provide an overview of the study of FPA as follows:

“In summary, foreign policy analysis (FPA) examines the conduct and practice of relations between various actors, primarily states, within the international system.... Central to this field is the investigation of decision-making processes, the individual decision-makers involved, and the conditions that affect foreign policy and its outcomes.” (Alden and Aran 2017, p.3)

Foreign policy is intricately linked to domestic politics, involving various state agencies and influenced by their perceptions, motivations, positions, and power dynamics (Allison & Zelikow, 1999). It is essential to examine how these agencies shape a state's foreign policy decisions, which are made considering domestic power dynamics. Furthermore, foreign policy operates on a dual track, requiring governments to fulfill domestic political promises while also meeting the expectations of international counterparts at both regional and global levels (Evans et al., 1993). Foreign policymakers are often tasked with balancing these dual imperatives to align with national interests (Putnam, 1988). This involves navigating the intersection of domestic policy goals with international expectations and obligations. In many instances within foreign policy literature, analyses at the individual and state levels are integrated by concentrating on the

actions and decisions of state leaders. FPA provides insights into how states leverage their domestic resources and capabilities to enhance their international standing. This includes not only economic and military power but also soft power resources such as diplomacy, cultural influence, and ideological appeal.

RESEARCH METHOD

This research utilizes qualitative research methods. Qualitative methods gather and interpret non-numerical data to establish causal relationships between variables and comprehend a phenomenon. Furthermore, a critical aspect of this research is analyzing Indonesia's foreign policy position in response to the multilateral cooperation between the key players in the Indo-Pacific. Given Indonesia's strategic location and status as a middle power, understanding its stance on regional cooperation is pivotal in comprehending broader geopolitical trends. This study endeavors to uncover the nuanced intricacies of Indonesia's foreign policy orientation and its implications for regional stability and cooperation through a qualitative research methodology.

The data collection involves gathering information from diverse sources, including newspapers, official government statements, policy papers, and academic literature. By

triangulating data from multiple sources, this research seeks to provide a robust and nuanced analysis of the geopolitical implications of RCEP and IPEF and Indonesia's response to multilateral cooperation in the region. Through rigorous data analysis and interpretation, this study aims to contribute to a deeper understanding of the evolving dynamics of power and cooperation in the Indo-Pacific region.

DISCUSSION

The Emergence of RCEP and IPEF: Geopolitical Implications in the Indo-Pacific

The geographical expanse of the Indo-Pacific region holds critical geoeconomic and geostrategic significance. The existence of multilateral cooperation in the Indo-Pacific region certainly influences shaping policy direction in the Indo-Pacific region. These two agreements, encompassing key nations in the Indo-Pacific region, stand as the foremost channels for economic collaboration in this expansive region. Investment lies at the core of the Indo-Pacific vision embraced by major global economies worldwide. Beyond trade, it has emerged as a tangible facet of regional cooperation across diverse domains. Investment in critical sectors within the Indo-Pacific region can be a robust foundation for governments to delve into collaborative endeavors and

partnerships within the Indo-Pacific framework (Dash, 2023). As international relations become more turbulent in the Era of Great Power Rivalry, states paradoxically find opportunities to enhance their influence within their respective regions.

The Indo-Pacific Economic Framework (IPEF) and the Regional Comprehensive Economic Partnership (RCEP) cooperation framework have ignited fresh discussions regarding potential conflicts of interest (Liu et al., 2022). In *today's* world, marked by geopolitical and economic changes, multilateralism stands out as the most efficient approach to managing global affairs for the collective benefit of all (Jaldi, 2023). This paradigm shift reflects a growing recognition that collaborative efforts can address complex global challenges more effectively than unilateral actions. Consequently, countries are more inclined to participate in multilateral frameworks seeking to leverage shared resources and expertise for mutual benefit.

China's prospective position as the world's largest economy by 2035 suggests that its participation in RCEP could further enhance its openness and economic sway (Liu et al., 2022). China's discourse on multipolarity suggests that multilateralism is an effective strategy for Beijing to bolster its regional influence while avoiding confrontation with the United States or

regional powers such as India and Japan (Hughes, 2006). However, concerns emerge as the United States takes on the leadership role in IPEF. There are apprehensions about whether this move might intensify strategic competition between the US and China, especially considering that RCEP already operates within a specific framework with established functional rules. Along with their economic implications, the emergence of the RCEP and IPEF cooperation frameworks also holds geopolitical substantial consequences for the Indo-Pacific region. These frameworks have the potential to reshape power dynamics and influence strategic alignment between countries in the region. The participation of global players such as the United States, China, Japan, and India emphasizes the strategic importance of this initiative and its potential impact on regional security and stability. The interaction between RCEP and IPEF could introduce the complexities of the Indo-Pacific geopolitical landscape. While both frameworks aim to promote economic integration and cooperation, their differing institutional structures and strategic orientations may lead to overlapping or conflicting interests. Therefore, managing these potential tensions and ensuring alignment between the two frameworks will be crucial for maintaining stability and fostering positive relations among Indo-Pacific nations.

For China, the Regional Comprehensive Economic Partnership (RCEP) represents a significant geopolitical prominence. It enables Beijing to draw regional economies into its economic sphere, including those of regional rivals such as Japan and South Korea, with whom it lacks bilateral free trade agreements (FTA). As these countries' economic prospects become increasingly tied to China's economic growth, they are likely to become more dependent on Beijing, thereby diminishing their ability to oppose China's ambitions in the region. By enhancing regional economic interdependence, RCEP provides China with strategic opportunities to reduce regional opposition to its rise in the Indo-Pacific. Conversely, the emergence of RCEP as a China-dominated trade bloc is poised to challenge the longstanding strategic influence of the United States in the Asia-Pacific region.

The success of RCEP as a free trade bloc emphasizes several key realities about the Indo-Pacific region (Khan, 2020). Firstly, it shows that the policy priorities of the East Asian countries centres on economics, opening it for economic integration with less emphasize on becoming a strategic playground for geopolitical competition between China and the US. Secondly, China's leading role in the RCEP negates the presumed opinion about the dual circulation

strategy by which China is supposedly focusing on developing and protecting its domestic market. Instead, China's emphasis on promoting free trade by reducing the cost of doing business and supporting an integrated regional supply chain provides incentives for regional countries to march alongside China. Thirdly, and most importantly, the signing of the RCEP by some of the region's leading economies including the US allies like Japan, Australia, and South Korea, shows that despite having political differences and even maritime disputes with China, regional countries may well choose not to become boggy of strategic hostility between the two competing power but to benefit from the a mutually beneficial economic integration like RCEP.

Most studies indicate that China, Japan, and South Korea will be the primary beneficiaries of RCEP. Notably, 86% of Japanese products will be exported to China tariff-free, a significant reduction from the previous 8% tariff. Similarly, 92% of Japanese exports to South Korea will be tariff-free, down from the former average tariff of 19% (Rosales, 2020). Approximately 80% of automotive products will experience a gradual tariff reduction, bolstering intra-industrial trade among these three technologically advanced and economically significant nations. This substantial tariff reduction also applies to other sectors,

including electronics, telecommunications, and medical and pharmaceutical products. The impact of this agreement extends beyond trade, influencing the competition over new technologies and their geopolitical implications. This poses a direct challenge to the United States' current global hegemony.

On the other hand, while its share in global trade in goods and services is lower than RCEP has had, IPEF remains a significant global framework. IPEF is a framework designed to tackle contemporary challenges in regional cooperation, underpinned by strong commitments across four key pillars. In contrast to conventional multilateral Free Trade Agreements (FTAs) like RCEP or the CPTPP, IPEF distinguishes itself by excluding negotiations related to market access or tariff reductions (Raga, 2022). However, since the introduction of IPEF, the Biden administration has been highlighting its vision of a "free and open Indo-Pacific" and the importance of "shared values." They emphasize that IPEF is designed to bolster supply chain security and resilience by establishing new regulations for digital trade, enhancing collaboration with Indo-Pacific allies in emerging technologies, and safeguarding American economic interests. The administration also underscores that IPEF will promote the expansion of US economic influence and enhance the competitiveness of American

workers and entrepreneurs in the region (The White House, 2022b, pp. 11–12).

However, the Biden administration has disregarded calls from member countries to open access to the US market and reduce tariff and entry barriers (Lawder, 2022). This highlights that the IPEF primarily serves the interests of the United States, aiming to enhance its economic competitiveness and regional influence (Aoki, 2022). The true intention behind the IPEF is for the US to lead in constructing a regional political and economic framework that benefits its interests, gaining economic and political advantages from a region known for its economic dynamism and scale. Thus, considering the domestic situation in the US and the stance of other members, completing negotiations across all four pillars within 12–18 months will likely prove challenging. However, progress in negotiations across the four pillars is expected to vary significantly in the near term, potentially enabling the US to reach agreements with regional members in certain areas sooner than others.

Indonesia's Position in Responding Multilateralism

The emergence of interpretations of the Indo-Pacific by various countries indicates a geopolitical shift towards the Indian and Pacific Oceans. This shift has

been accompanied by strategic maneuvering by middle powers as the United States and China compete for influence in the region (Suzuki, 2020). The 'Global Maritime Fulcrum' (GMF) concept, initially introduced by President Joko Widodo during his 2014 presidential campaign, reflects his unique perspective on Indonesia's maritime role, particularly emphasizing the revival of Indonesia's maritime identity (Agastia, 2016). This vision was further emphasized by President Joko Widodo during the ninth East Asia Summit in 2014 when Joko Widodo mentioned Indonesia's interest in the future of the Pacific and Indian Oceans, known as 'PACINDO,' coinciding with the official unveiling of the GMF geopolitical vision (Sekretariat Kabinet Republik Indonesia, 2014).

A significant milestone in this journey was the adoption of the 'ASEAN Outlook on the Indo-Pacific'. Indonesia and other ASEAN member states have grown increasingly wary of the escalating rivalry between the United States and China, which poses a threat to the longstanding peace, stability, and prosperity of the Asia-Pacific region (De Graff and Val, 2018). ASEAN is notably concerned about the rising regional polarization and the potential marginalization of its pivotal role as the primary regional convener. Indonesia has played a leading role in advocating for ASEAN's active

engagement in discussions surrounding the emerging "Indo-Pacific" strategic framework. Given Southeast Asia's strategic location at the crossroads between the Indian and Pacific Oceans, encompassing all the territories within and surrounding them, Jakarta's view emphasizes the necessity for ASEAN to maintain its central position within the evolving Indo-Pacific construct.

This indicates that Indonesia has successfully fulfilled the expectations associated with its role as a middle power by assuming the position of a regional leader and a bridge-builder (Agastia, 2020). As a pivotal member of ASEAN and one of its founding nations, Indonesia has played a crucial role in shaping regional dynamics and fostering collaboration. Indonesia's leadership, characterized by its adeptness in bridging differences and adherence to principles, has garnered global appreciation (The Ministry of Foreign Affairs Indonesia, 2024). Renowned as a stabilizing force in Southeast Asia and beyond, Indonesia's substantial influence and unwavering dedication to fostering peace and inclusive cooperation underscore its pivotal role on the world stage. Indonesia's active participation in multilateral forums and bilateral engagements emphasizes its determination to address global challenges and promote shared prosperity.

Indonesia's vision for the Indo-Pacific is largely integrative, aiming to include all actors without isolating any particular player (Agastia, 2020). Known as a mediator and advocate of regional integration, addressing diverse challenges that impact the region's security and prosperity aligns with Indonesia's foreign policy direction. In the Annual Report of the Minister for Foreign Affairs 2024, the Minister of Foreign Affairs, Retno Marsudi, stated that Indonesia's foreign policy is implemented amid a world fraught with challenges and uncertainties. While countries like Indonesia and ASEAN also adopt Indo-Pacific concepts and terminology, their approach is distinguished by inclusivity, a less overtly geopolitical stance, and a stronger emphasis on regional cooperation. In contrast to initiatives such as the "Free and Open Indo-Pacific" (FOIP), which highlight strategic competition and the containment of China, Indonesia and ASEAN, as articulated in the 2019 ASEAN Outlook on the Indo-Pacific, prioritize cooperative regionalism and collective security over adversarial relations with China.

The principle of neutrality holds crucial importance not only for Indonesia but also for ASEAN. Maintaining peaceful economic relations with both the United States and China is essential for ASEAN align with the group's values of peace and neutrality.

These principles serve as the foundational elements for fostering sustainable economic cooperation within ASEAN among its member states, as well as between ASEAN and countries beyond the region including the significant and mutually beneficial exchanges with the United States and China. Indonesia must strategically position itself and remain vigilant in maintaining its stance, particularly as a non-aligned entity (Yanuarti et al., 2020). The Indo-Pacific region encompasses a vast area, not only encompassing countries in the Asia-Pacific but also bridging Asian nations with Africa. This expansive scope underscores the importance for Indonesia to adapt its foreign policy and actively contribute to fostering regional security and stability, given its pivotal position at the heart of the Indo-Pacific. In response to this, Indonesia's foreign policy has been consistently implemented based on the free and active principle oriented towards national interests and contributing to world peace in line with the constitutional mandate (The Ministry of Foreign Affairs Indonesia, 2024).

For instance, Indonesia, as an emerging economy, holds significant economic potential. Like many other developing nations, its manufacturing sector is pivotal to its economy. However, the proportion of value-added manufacturing has steadily declined since 2002. Furthermore,

the growth rate of value-added manufacturing has lagged behind that of Indonesia's overall economy since 2005. This decline has adversely affected Indonesia's current account and capital account positions. Addressing this challenge necessitates international engagement through increased trade and investment inflows. A crucial element in this endeavor is enhancing Indonesia's participation in global production networks, particularly by improving its backward linkages—utilizing intermediate imports in the production of goods for export. Therefore, it is crucial for Indonesia to maintain a politically and economically neutral stance and foster market-based relations globally, especially within the Indo-Pacific context.

A significant milestone in this regard was Indonesia's ratification of cooperation with the RCEP framework in 2022. Proactively participating in establishing the Regional Comprehensive Economic Partnership (RCEP), which ranks as the largest Free Trade Agreement (FTA) globally, underscores Indonesia's commitment to fostering economic cooperation and integration within the region. Indonesia's participation in the IPEF further emphasizes its strategic balancing act (Shofa, 2023). Referring to Indonesia's independent and active foreign policy, as outlined in the 1945 Constitution, this stance

signifies Indonesia's impartial approach to partnerships and alignments. Instead, Indonesia's foreign policy prioritizes national interests without favouring any particular actor. Given the vast potential of the Indo-Pacific region for both developed and developing nations, fostering synergy becomes imperative for regional advancement.

Indonesia's priority in the Indo-Pacific region allows it to become a bridge with various countries, especially between the two most robust economies, China and the United States. This leads to Indonesia's promotion of inclusiveness in the Indo-Pacific region to not leave others behind (Parameswaran, 2019) and increasing its capacity in line with ASEAN's view of the Indo-Pacific by ensuring the organization can play a role in facilitating regional dialogue. Therefore, Indonesia could become a bridge and provide further synergy with other developing countries in this region. Indonesia's role as a regional integration mediator in the Indo-Pacific region significantly strengthens relations among countries and encourages cross-border cooperation. The spirit of multilateralism has been integrated into one of the Indonesian Ministry of Foreign Affairs's strategic objectives, emphasizing the importance of Indonesia's leadership and role in influential

international cooperation (The Ministry of Foreign Affairs Indonesia, 2019).

Indonesia's position shows that this country is in the midst of competition between the United States and China in the Indo-Pacific region. While China has a strong economic foothold in the region, new partnerships led by the US have a significant impact. By linking the role and interests of the US in the Indo-Pacific, the presence of IPEF is expected to create new economic dynamics in this region. In addition, Indonesia can use its membership in both frameworks to improve the economic balance between the US and China and strengthen economic cooperation with member countries and other neighbouring developing countries.

Tensions between the IPEF and RCEP cooperation frameworks may increase if both are viewed as specific strategic blocs influenced by the United States and China. However, the overlap in membership between IPEF and RCEP, particularly from Southeast Asia, indicates the desire of these countries to benefit from both frameworks. The complexity of regional trade arrangements presents challenges in maintaining coherence and coordination among them. Particularly, seven countries participating in these two agreements have emphasized their collaborative strategies to access broader market opportunities. These

strategies have gained importance amidst the global trade slowdown and escalating tensions between the US and China. In light of these uncertainties, it is still essential to consider potential scenarios for how the IPEF could evolve. This might involve adjustments to its structure, objectives, or membership in response to changing geopolitical or economic conditions amidst the competitive landscape between the United States and China.

CONCLUSION

This article explores Indonesia's foreign policy stance on the presence of the RCEP and IPEF cooperation frameworks. While much discourse surrounds the geopolitical shifts by RCEP and IPEF, Indonesia stands poised to lead as a middle power in geostrategy, rallying more partners to bridge the gap between large and small countries. The paper argues that Indonesia's participation in RCEP and IPEF holds the potential to significantly contribute to maintaining geopolitical stability in the Indo-Pacific region given Indonesia's active encouragement of ASEAN's participation in discussions surrounding the emerging 'Indo-Pacific' strategic concept.

The findings indicate that Indonesia not only perceives opportunities in the Indo-Pacific region but also regards it as a battleground and competition arena for major

countries to expand their influence. Consequently, Indonesia cannot ignore the real threats present in the Indo-Pacific region. The statement that Indonesia's policies tend to be "Inward-looking" in the spirit of multilateralism shows that Indonesia is focused on internal and domestic issues while remaining committed to multilateral cooperation with other countries. In other words, Indonesia remains open to international cooperation despite its focus on domestic issues. It seeks to actively promote peace, stability, and sustainable development at the global level.

Overall, Indonesia's Foreign Ministry maintains a perspective that strongly aligns with the notion that Indonesia's foreign policy is not transactional (Ministry of Foreign Affairs of Indonesia, 2024). Indonesia's foreign policy is guided by principles and long-term strategic objectives rather than short-term gains or exchanges. Instead of engaging in diplomatic relationships purely for immediate benefits, Indonesia focuses on fostering enduring partnerships, promoting regional stability, and advancing shared interests over time.

More broadly, these multilateral frameworks involve multiple countries in collaborative efforts to tackle shared challenges and realize mutual objectives in trade, economy, and regional integration. This can transform regional tensions into

opportunities for balance in the Indo-Pacific. These frameworks entail coordinated efforts among several countries or actors to address common challenges or pursue shared goals. Given that both the United States and China have their respective allies and partners in the Indo-Pacific, they need to uphold the core principles of openness, tolerance, and mutual respect. Strengthening communication and cooperation between the two nations is essential to contributing to the prosperity and development of the region. Therefore, such cooperation must be carefully managed to prevent new tensions. This is achieved by establishing a free and open order founded on the principles of the rule of law.

However, it would be unwise to underestimate the long-term implications of these frameworks for US-China strategic competition. Both prioritize establishing resilient supply chains to reduce dependence on any single country. This strategy not only enhances regional stability but also mitigates the risk of geopolitical disruptions. Indonesia's role in directing stability in the Indo-Pacific through RCEP and IPEF is characterized by Indonesia's commitment to encouraging inclusive and rules-based cooperation, advancing economic interests, and contributing to peace and prosperity in the region. By actively engaging in these multilateral

frameworks, Indonesia is demonstrating its leadership and willingness to collaborate with other stakeholders to address the complex challenges facing the Indo-Pacific and build a safer and more prosperous future for everyone.

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