

## **Different Factors that Influence the Rise of India and Indonesia**

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### **Abstract**

India and Indonesia are among the largest economies in the world, and this was not something serious for China to pay attention to in the past. However, in this decade, these two countries have shown aggressive economic growth, compared to other developed and developing countries such as Russia and Mexico. India under the Modi administration launched the Digital India 2025 ambition in 2018 and a GDP target of 5 trillion USD, Indonesia under the Jokowi administration featured the Global Marine Fulcrum (GMF) and the target of becoming the 4th largest economy in the world by 2045. Both focus on many sectors, especially economic support infrastructures such as railroads, ports, and fast trains. In terms of military, India is already strong in the 4th position in the world, and Indonesia is still far below India, the 16th in the world. The current world situation is unstable, leading India to steps to strengthen ties with Western countries to stem China's growth. On the Indonesian side, it tends not to field close relations with the West and is still cooperating, both with the West and China to develop the country's potential and infrastructure. However, both of them still have the duty to become the foremost countries; India with the problem of unification, and adjusting its foreign policies to neighboring countries, and Indonesia need to finalize on innovation and domestic development.

**Keyword:** economy, geopolitical environment, India, Indonesia, military

### **Abstrak**

*India dan Indonesia adalah salah satu negara dengan ekonomi terbesar di dunia. Hal ini bukanlah sesuatu yang menjadi diperhatikan oleh China di masa lalu. Namun dalam dekade ini, kedua negara tersebut telah menunjukkan pertumbuhan ekonomi yang agresif dibandingkan dengan negara maju dan berkembang lainnya, seperti Rusia dan Meksiko. India di bawah pemerintahan Modi meluncurkan ambisi Digital India 2025 pada tahun 2018 dan target PDB 5 triliun USD. Indonesia di bawah pemerintahan Jokowi menampilkan Global Marine Fulcrum (GMF) dan target menjadi ekonomi terbesar ke-4 di dunia pada tahun 2045. Keduanya fokus pada banyak sektor, terutama infrastruktur penunjang ekonomi seperti rel kereta api, pelabuhan, dan kereta cepat. Dari segi militer, India sudah menduduki peringkat ke-4 dunia, dan Indonesia masih jauh di bawah India, peringkat ke-16 dunia. Situasi dunia yang tidak stabil mengarahkan India pada langkah-langkah untuk memperkuat hubungan dengan negara-negara Barat untuk membendung pertumbuhan China. Sementara itu, Indonesia cenderung tidak menjalin hubungan dekat dengan Barat dan masih menjalin kerja sama, baik dengan Barat maupun China, untuk mengembangkan potensi dan infrastruktur negara. Namun keduanya tetap memiliki tantangan untuk menjadi negara terdepan; India dengan masalah unifikasi dan penyesuaian kebijakan luar negerinya dengan negara tetangga, serta Indonesia yang masih perlu melakukan finalisasi pada inovasi dan pembangunan dalam negeri.*

**Kata kunci:** ekonomi, India, Indonesia, lingkungan geopolitik, militer

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### **INTRODUCTION**

India has achieved higher growth than China for three consecutive years since 2015. Meanwhile, another emerging economy: Indonesia, whose GDP has increased by over

5% for 4 consecutive years, a growth rate that is much faster than other emerging economies: Brazil, Russia, Turkey, and Mexico (The World Bank, 2019). When we talked about the rise of China 15 years ago, we

always ignored India. It seemed like a marginalized member completely concealed by its neighbor's dazzling glow. However, not until India launched its first Mars probe and second lunar probe did people start to take it seriously. 15 years later, when India silently surpassed UK and France in GDP, people are envisioning whether India will be the next China. But will we also ignore Indonesia just like 15 years ago?

As the locomotive of the ASEAN economy, Indonesia is excavating its opportunities brought by an excellent geographic location (a crossroad linking the Pacific and the Indian Ocean) and giant population. In order not to overlook another possible power shift, the author would like to discover the potential of Indonesia. Then a question is raised: which nation has more potential to reshape the international configuration in the future? The future is still filled with uncertainty. But we can foresee the trend to some extent by inducing relevant data and cases. In this passage, we will analyze the factors affecting the rise of both major developing powers in 3 perspectives: overall capabilities, domestic politics, and geopolitical environment.

## Methodology

This research used qualitative method. Qualitative research defines as a form of systematic empirical inquiry into meaning. Systematic term means by "planned, ordered, and public" (Shank, 1993). First, the author needs to explore a problem, starting the purpose and research questions, collect the data, and analyzing (Hu & Chang, 2017). The author uses sources, compiled from various sources, including sources from internet articles and journals related to the topics discussed, about Indonesia and India.

## RESULT AND DISCUSSION

### Overall Capabilities

Under anarchy and self-help international system, the survival and development of a nation rest with various basic abilities. They constitute the resource that can be mobilized to realize the national interest and objects while in need. Academia usually describes these abilities as overall national strength/national power. In 1980s, Ray S. Cline, the former deputy director of CIA, concluded a formula to calculate national power:  $P = (\text{Population} + \text{Territory} + \text{Economy} + \text{Military}) \times (\text{Strategic Intention} + \text{National Will})$  (Cline, 1981). Based on the Cline formula, Huang Shuofeng, the researcher of Academy of Military Sciences of PLA, put forward a "dynamic equation" that encompasses the constant change of more variables such as growth rate, leadership, diplomatic influence, military expenditure, science, technology, and education (Shuofeng, 1991). Karl Hermann Höhn, professor of Hamburg University, presented and compared 69 formulas for calculating national power mostly established by scholars from the USA, Germany, and China (Höhn, 2011). At present, there is no unified standard to measure national power. But most measuring methods refer to 5 basic aspects: economy, politics, military, Science & Technology, and culture.

In 2019, India's GDP has approached 2.9 trillion dollars and ranked No. 5 around the world, exceeding two former suzerains: United Kingdom (\$2.827 trillion) and France (\$2.716 trillion). When it comes to GDP-PPP, India even further enlarges its leading superiority, ranking world No.3 just behind China and the US with over \$11 trillion. In spite of growing rapidly in recent years, Indonesia, however, just exceeded \$1.1 trillion and is lower than 15 countries in all (The World Bank, 2019). Industrialization in

India is also accelerating, raising its industrial added value to \$715 billion. In contrast, the industrial scale of Indonesia only accounts for 61% of India.

The development of indigenous giant corporations is a more convincing angle to compare economic strength. In the Global 500 list released by Fortune in 2020, India owns 7 enterprises including Reliance Industry with the second-largest market value in energy companies, Tata Motor, a World Top 20 automobile and components manufacturer, and Rajesh Export, one of the biggest jewelry factories. Unfortunately, the biggest Indonesian company Pertamina lost its position in the Global 500 this year (Fortune, 2020). And Pertamina is just an oil company. India even has three enterprises in the list of the world's Top 100 arms-producing and military services companies released by SIPRI and US Defense News, which created \$5850 million of revenue in all. Indonesia, however, also has no counterpart on the list. In fact, it embodies the gap between the industrial system and technology.

India owns the No.4 largest army behind the US, Russia, and China, leading ahead of Indonesia in No.16 (Global Fire Power, 2020), and India is able to manufacture indigenous rockets, satellites, lunar probes, tanks fighters, frigates, and aircraft carrier though most of them lack sufficient quality and maturity. But Indonesia can hardly produce these advanced machines on its own. Furthermore, technologies stem from basic scientific research. The amount of India's dissertations published on Nature and other 68 kinds of international core journals is 68 times of Indonesia. But even when you reach India's level, you are still wandering

outside the threshold of the Top 10 (Nature Index, 2020).

Indonesia's advantage resides in some per capita indicators. For instance, the per capita GDP of Indonesia exceeded \$4100, which is 2 times of India (IMF, 2019). And Indonesia ranks higher than India on Human Development Index (HDI) (UNDP, 2020).

India was elected as the non-permanent member of the UN security council 8 times since 1950 and it has been elected in June 2020 again. Indonesia is only 4 times. India shares 0.834% of total UN membership dues while Indonesia accounts for 0.543%. Obviously, India occupies a higher position in world politics. And the influence of Indonesia is largely confined in its local region. With the largest population and economy in ASEAN, Indonesia really shows its greatest representativeness and leadership in regional issues.

In addition, high education is also a relative advantage of India, which possesses 21 universities on the QS World university Ranking List. The quantity of Indonesia is less than 40% of India (Top Universities, 2021). Film industry is another flamboyant card of India's cultural output, which is famous for its Bollywood blockbusters such as Wrestling Competition, 3 Idiots, Bajrangi Bhaijaan and so on.

According to the latest Asia Power Index published by Lowy Institute, India is the 4th most powerful nation in Asia-Pacific region, just lagging behind US, China and Japan. By comparison, Indonesia just ranks No.11 (Lowy Institute, 2020). Elcano Global Presence Index also reveals a similar outcome in global perspective: India ranks no. 13 and Indonesia ranks no. 28 around the world (Real Instituto Elcano, 2019).

**Table 1.**  
Comparison on Power between India and Indonesia

| Indicators                  | Countries |           |
|-----------------------------|-----------|-----------|
|                             | India     | Indonesia |
| GDP (\$ trillion in 2019)   | 2.875     | 1.104     |
| Fortune Global 500 (2020)   | 7         | 0         |
| UN Dues Share (%)           | 0.834     | 0.543     |
| Global Firepower Index Rank | 4         | 16        |
| Nature Index (Share)        | 1034.89   | 15.23     |
| QS Top 1000 Universities    | 21        | 8         |
| Per Capita GDP (\$ 2019)    | 2171.64   | 4163.76   |
| HDI                         | 0.647     | 0.707     |

Sources: Proceed by authors, 2020.

### Domestic Politics

Prominent government ability and the high efficiency of a regime are also important propellers for the rise of a nation. In this part, we will discuss some influential factors on domestic politics such as national strategies, policy directions, and domestic governance.

First, both countries enacted their national plans of increasing overall strength and elevating world position. But they are based on different identity cognitions and policy directions.

Indian prime minister Narendra Modi put forward the prospect of a “secure, prosperous and strong” new India in 2017 and upgraded it to the strategy of “New India 2025” in 2018, accompanied by Made in India, Digital India, and other complementary initiatives launched before. India aims at becoming a \$5 trillion economy in 2025 just ranking lower than the US and China (Ghani, 2020). In order to reach this target, the Modi administration laid down a gigantic national investment program under the guidance of which \$1.4 trillion are required to be spent on infrastructure construction like roads, railways, energy facility and communication networks (Domain-b, 2020). It's obvious that India's target is not only confined to a south

Asia hegemony but also towards a world-class major power. In fact, India desperately cares about the matter of whether it is regarded as a great power. Just as former prime minister Jawaharlal Nehru's saying goes, “India, constituted as she is, cannot play a secondary part in the world. She will either count for a great deal or not count at all. No middle position attracted me. Nor did I think any intermediate position feasible.” Therefore, the ambition of becoming a great power has been a long-standing India's tradition since its independence from UK colonial rule.

In Indonesia, the Joko Widodo administration also portrayed its blueprint of Global Marine Fulcrum (GMF) consisting of 5 key parts: rebuilding Indonesian maritime culture, enhancing the regulations on maritime resource exploitation, improving maritime infrastructure, developing maritime diplomacy, and strengthening maritime defense force (Gindarsah and Priamarizki, 2015). GMF takes the geopolitical conditions of Indonesia into full consideration and makes use of the advantage of its maritime environment to the largest extent. Joko Widodo declared that Indonesia will become the 4th largest

economy in 2045 and his inferior, defense minister Ryamizard Ryacudu, even put across Indonesia's object of entering the Top 10 in military force by 2019 (Purwanto, 2014). We can find that Indonesia also has its ambition to be a stronger nation. 700 years ago, Sriwijaya and Majapahit Empires, the ancestors of Indonesia, subdued not only local seas but also southern Thailand and the Philippines with their powerful fleets, which constitutes the historic memory of the Indonesian dream of an influential nation (Aufiya, 2017). However, the identity set by GFM for Indonesia is a middle power instead of a world power at least in the middle and short term. And Joko Widodo also emphasized Indonesia's identity as a middle power several times. All strategies and policies are oriented by this basic cognition.

Both nations are faced with social disintegration to some extent. But compared to Indonesia, ethnic separatism in India is more serious and dangerous. As is known to us, India lacks the foundation of the national union. Over 100 ethnic groups never unified in history in the real sense and they were only roughly mixed together by British India. Today, they are still short of unified language, culture, religion, and national identification, fermenting separatism crisis at any time. In 2019, the ban on Muslim immigrants was thought of as discrimination against minority groups and triggered nationwide unrest. Such a divided status de facto leads to sharp opposition among the central government, states, army, and regional militia groups. Central authority lack of influence and prestige on subordinate departments and sectors. In fact, India operates like a highly divided governing system in which key information and orders can't be transmitted effectively and efficiently.

Indonesia also experienced a similar crisis before. In the late 20 Century, the

Suharto administration suppressed minority groups in a cruel way. In 1998, the exclusion of Chinese immigrants intensified by the Asia financial crisis finally led to a bloody humanitarianism disaster called Black May (Winarnita, 2009). After that period, more inclusive ethnic and religious policies were carried out to respect and protect the diversity and equal rights of minority groups more effectively. With positive mediation and delegation of more autonomy, the central government finally reached an accommodation with an extreme separatism force in Aceh called Gerakan Aceh Merdeka, terminating 3 decades of rebellion (Song, 2019). In Wahid's term, discrimination laws and regulations on Chinese immigrants were also abolished. Nowadays, the main challenge to the ethnic union is the special terrain. Indonesia is an archipelagic state with more than 17000 islands. Straits and seas are natural obstacles blocking connection and integration. And cross-strait jurisdiction produces high administrative costs. Generally speaking, Indonesia made more progress than India on coordinating the interest of all parties and neutralizing ethnic discrimination and social division.

India still remains the caste system that divides the society into 4 hierarchies prominently. It can't even ensure the basic social equality in name in that the caste system publicly recognizes the existence of lowliness and nobleness in human dignity. A polarized society consolidated by the caste system is the biggest obstacle to India's further development. In this sense, Indonesia has removed nearly all the backward components that originated from ancient feudal society.

### **Geopolitical Environment**

As an actor in the international system, a nation is unable to get rid of the restraint of

external conditions. The rise or fall of a nation is a part of the geopolitical environment. Therefore, how to create a more stable and peaceful geopolitical environment for yourself really matters. But how can we evaluate the quality of their geopolitical environment? The author advocates observing their bilateral relations with great powers.

Under the framework of the Indo-Pacific Strategy initiated by US President Donald Trump, both India and Indonesia are key partners. In recent years, India participated the joint exercises with the US, Japan, and Australia more and more. In order to enlarge the united frontline against the rise of China, western countries not only provide sufficient economic and military assistance for India but also glamorize India by all means in public opinion. Russia is a non-western major power but it also maintains a close link with India by arms sales. Advanced fighters such as F16, Su30MK2, Mig29K, Rafale, military helicopter-like AH64, a conventional submarine like Scorpene, and the only commissioned aircraft carrier Vikramaditya are all from the US, Russia, or France. As we know, the survival of sovereignty is the most basic national interest. So large scale of arms sales usually means a deeper mutual trust and more special relations. From 2015 to 2019, India is the biggest buyer of Russian weapons and the 3rd largest client of the French military industry (Wezeman, Fleurant et al, 2020). To be honest, these treatments are nearly impossible and unbelievable for China.

Unlike India, Indonesia is not put in such a high position by the West. But it also keeps benign relations with all the western powers and Russia. In April 2020, President Donald Trump promised to donate ventilators to Indonesia in order to curb the spread of coronavirus while ringing with his

Indonesian counterpart Joko. 3 months later, Trump fulfilled his promises: the US embassy confirmed that 100 US made ventilators had been delivered to Indonesia (Purnamasari, 2020). In October, Secretary of State Mike Pompeo visited Indonesia and expressed his will of enhancing cooperation in the South China Sea issue (U.S. Embassy Jakarta, 2020). This frequency of interaction with high-level US leaders really suggests stable progress of Indonesia-US bilateral relations. Japan also attached great importance to Indonesia. Shinzo Abe and Yoshihide Suga, the former and newly inaugurated prime ministers of Japan, both chose Indonesia as a destination of their first state visit. In addition, the US (19%), Russia (14%), France (13%), UK (9%), and Germany (9%) are the 5 biggest suppliers of Indonesia's weapons. They account for 64% of the Indonesian market of the military industry (Gindarsah and Priamarizki, 2015).

Nevertheless, their relations with China are the biggest variable that directly determines the quality of their geopolitical environment.

In order to conceal their complete failure of dealing with the pandemic and transfer internal contradictions, India had illegally crossed the border of Chinese territory at least 3 times since the beginning of 2020. Even they left 20 bodies destructively in the Galvan Valley dispute in June, they still put on a desperate struggle near Pangong Lake in August. Up to president Modi and down to common people, India even initiated a nationwide movement of boycotting Chinese products. Extreme nationalism and imprudent aspiration of expansion are worsening Sino-India relations uncontrollably and dragging India into a dangerous abyss. More resource is mobilized to the frontline of a meaningless war of attrition instead of the solution of domestic

crisis. India's administration is decaying and even treading on its legitimacy. And decoupling with China is equal to decoupling with the largest consuming market and all related opportunities and prosperity, which is fatal to India's future.

But Indonesia is different. At present, there is no territorial dispute between China and Indonesia. In the perspective of Indonesia, China is at least an option to balance the influence of the US and Japan instead of an evil force. In 2014, Indonesia chose the whole China approach including design, construction, technology, operation, and standard for its maiden high-speed railway project. In 2017 and 2019, Indonesia chose Japan to build its two stages of subway project in Jakarta.

In recent years, Sino-Indonesia relations are moving forward on the track of peace and cooperation. Both sides are enlarging their common interests in trade, investment, security, tourism, global governance, and other issues. In this sense, Indonesia can rise in a better external condition.

## CONCLUSION

To sum up, India has laid a foundation as a world power but it needs to take every effort to improve its quality of development

and innovation. And it's urgent for India to carry out a profound social reform and adjust its foreign policies to neighboring countries. Don't be hijacked by irrational nationalism and never be misled by short term strategic insight. An effective governing system and a rational long-term strategic thought are indispensable for the final success of an emerging rising power.

Indonesia is short of the reserve of all types of basic national capabilities. The most important task is to establish an initial complete industrial chain and innovation system. Only in this way can Indonesia improve its ability for independent development. And the author also advises Indonesia to calibrate its identity cognition and development goal from "middle power" to "world major power". As Alexander Wendt said, identity cognition constructed by systematic common values will define an actor's interest and then determine its behaviors. The elevation of identity and goal means a new upper limit that you are willing to seek and reach. In fact, a population of 240 million is enough to support a scale of world power. UK, France, Germany, Russia, and Japan, all of which are less than 150 million, are all successful cases of world power.

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