



Table of Contents

Lembar Pengesahan	i
Lembar Pernyataan Bebas Plagiasi	ii
Acknowledgments	iii
Abstract	v
Abstrak	vi
Table of Contents	vii
Table of Tables	ix
Table of Abbreviations	x
Chapter 1: Introduction	1
1.1 Background	1
1.2 Research Question	2
1.3 Conceptual Framework.....	3
1.3.1 Neorealism and Smaller-Power Approach on Rising Hegemony.....	3
1.3.1.1 Bandwagoning	3
1.3.1.2 Balancing	3
1.3.1.3 Hedging.....	3
1.3.2 Economic Statecraft.....	5
1.4 Arguments.....	5
1.5 Methodology.....	5
1.6 Research Design.....	7
Chapter 2: The Digital Silk Road and Indonesian E-Commerce	8
2.1 The Digital Silk Road	8
2.2 The DSR as Economic Statecraft.....	9
2.3 The DSR's Operations in Indonesia's E-commerce Market.....	10
2.3.1 Conceptualizing E-Commerce in Indonesia	10
2.3.2 Infrastructure of E-commerce in Indonesia	11
2.3.2.1 Technological factors.....	12
2.3.2.1.1 Internet accessibility and Palapa Ring	12
2.3.2.1.2 E-payment systems	12
2.3.2.1.3 Shipment Logistics.....	12
2.3.2.2 Organizational factors.....	13
2.3.2.2.1 Personnel digital literacy.....	13
2.3.2.2.2 Civil Society digital literacy	13
2.3.2.3 Environmental factors.....	13
2.3.2.3.1 Government policy.....	14
2.3.2.3.2 Investment.....	14



2.3.2.4 Customer trust factors	14
2.3.2.4.1 Cyber security	14
2.3.2.4.2 Preventing Fraud	15
2.3.2.5 Performance	15
2.3.3 Indonesian Regulatory Inconsistencies of E-commerce	15
2.4 Conclusion	16
Chapter 3: Making Sense of Indonesia's Strategy on Engaging with the DSR	18
3.1 Indonesia's Hedging Strategy towards Chinese Digital Penetration	18
3.1.1 Risk Contingency (Power Rejecting Behaviours)	18
3.1.1.1 Indirect Balancing	18
3.1.1.1.1 Indonesia and the US	19
3.1.1.1.2 Indonesia and ASEAN	19
3.1.1.1.3 Contextualizing the Problem: Indonesia's Cybersecurity Relationship with China	20
3.1.1.2 Dominance Denial	20
3.1.2 Returns Maximizing (Power Accepting Behaviours)	21
3.1.2.1 Binding-engagement	21
3.1.2.2 Limited Bandwagoning	21
3.1.2.3 Economic Pragmatism	22
3.1.3 Summarizing Indonesia's Hedging Behaviours	22
3.2 The Risks of Returns: Implications of Hedging-Bandwagoning for Indonesia's E- commerce	24
3.2.1 The DSR as a Constraint to Indonesian E-commerce	24
3.2.1.1 Constraining Balancing: Indonesia's Infrastructure and Chinese Espionage ..	25
3.2.1.2 Constraining Denial: Examining China's E-commerce Compliance	26
3.2.2 Connecting Costs: Between Dependency and Bandwagoning	27
3.3 Explaining the Reasons Behind Indonesia's Strategy: E-commerce as a Digital Policymaking Driver	28
3.3.1 Indonesia's Unexpected Lean towards Bandwagoning	28
3.3.1.1 Threat Mitigation	28
3.3.1.2 Potential Gains	29
3.3.1.3 Alignment of Interests	30
3.3.2 Hedging-Bandwagoning: Indonesia's Return-Maximizing Lesser Evil	30
3.4 Conclusion	32
Chapter 4: Conclusion	33
Reference list	35