

## ABSTRACT

*This thesis examines the reasons for Indonesia's shift from Japan to China as its preferred partner in building the Jakarta-Bandung High-Speed Railway Line. It argues that the outcome cannot be explained solely by the long history of Japanese-Indonesian cooperation, but must also be understood through interactions between domestic and foreign political actors through Putnam's two-level game theory. It explores how the difference in governance between Japan's Official Development Aid and China's Belt and Road Initiative helped shape Indonesia's win-set during the 2015 bidding process through a qualitative single-case study with process tracing. Sources for this thesis draw from feasibility studies, academic literature, and media records. The results find that China's victory in the bidding process was due to its offer being perceived as more compatible with Indonesia's domestic political and institutional conditions at the time of the project's bidding through matters regarding fiscal exposure, project deliverability, and public scrutiny. In all, China's offer was chosen not because it was superior in all aspects, but rather due to it being the most domestically ratifiable option at the time under Indonesia's conditions.*

**Keywords:** *Japan, China, Belt and Road Initiative, Official Development Assistance, Two Level Game*