

INDONESIA'S ECONOMIC INTEREST IN BRICS MEMBERSHIP IN 2018-2025

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Abstrak

Studi ini meneliti kepentingan ekonomi Indonesia dalam keputusannya untuk menjadi anggota penuh BRICS pada tahun 2025, dengan fokus pada periode 2018 hingga 2025. Keanggotaan Indonesia dalam aliansi ini dipengaruhi oleh dinamika global yang mengungkapkan keterbatasan tatanan ekonomi internasional, yang didominasi oleh negara-negara maju. Studi ini bertujuan untuk mengidentifikasi motivasi strategis Indonesia dalam konteks diplomasi ekonomi dan bagaimana pemerintah menggunakan forum BRICS untuk mengejar kepentingan nasionalnya. Studi ini menggunakan pendekatan kualitatif deskriptif melalui tinjauan pustaka dan menganalisis proses kerja sama dan negosiasi yang dilakukan oleh Indonesia. Teori diplomasi ekonomi merupakan kerangka kerja utama untuk menjelaskan bagaimana negara-negara menggabungkan instrumen politik dan ekonomi untuk mencapai kemakmuran nasional dan stabilitas strategis, yang didukung oleh konsep kepentingan nasional, kerja sama, dan negosiasi. Temuan menunjukkan bahwa Indonesia menggunakan BRICS sebagai saluran pembiayaan alternatif untuk pembangunan, diversifikasi pasar ekspor, dan penguatan posisi tawar di forum global. Namun, keanggotaan ini juga menghadirkan tantangan, seperti dominasi kekuatan besar di dalam BRICS, potensi ketegangan dengan organisasi regional, dan risiko yang terkait dengan pengelolaan utang luar negeri. Kontribusi utama studi ini adalah analisis komprehensif tentang strategi diplomasi ekonomi Indonesia dalam konteks kerja sama Selatan-Selatan, yang belum banyak dikaji dalam penelitian sebelumnya.

Abstract

This study examines Indonesia's economic interests in its decision to become a full member of BRICS in 2025, focusing on the period from 2018 to 2025. Indonesia's membership in this alliance is influenced by global dynamics that reveal the limitations of the international economic order, which developed countries have dominated. This study aims to identify Indonesia's strategic motivations in the context of economic diplomacy and how the government uses the BRICS forum to pursue its national interests. This study uses a descriptive qualitative approach through a literature review and analyzes the cooperation and negotiation processes carried out by Indonesia. Economic diplomacy theory is the primary framework for explaining how states combine political and economic instruments to achieve national prosperity and strategic stability, supported by the concepts of national interests, cooperation, and negotiation. The findings reveal that Indonesia uses BRICS as an alternative financing channel for development, export market diversification, and strengthening its bargaining position in global forums. However, this membership also presents challenges, such as the dominance of major powers within BRICS, potential tensions with regional organizations, and risks associated with foreign debt management. The main contribution of this study is a comprehensive analysis of Indonesia's economic diplomacy strategy within the context of South-South cooperation, which has not been extensively examined in previous research.

INTRODUCTION

In recent years, the world has faced various crises that have shaken the global order. The trade war between the United States and China began in 2018, with the imposition of high tariffs by both countries causing significant disruptions to international trade flows (Fajgelbaum & Khandelwal, 2022). This situation triggered protectionist tendencies and destabilized the global trading system. The COVID-19 pandemic that has broken out since late 2019 has further exacerbated the condition. The unequal distribution of vaccines, with developed countries gaining early access while developing countries lag, highlights inequalities in the global health system (WHO, 2021).

The Russia-Ukraine conflict that broke out in February 2022 added to the complexity of the global crisis. The war disrupted the supply chains of vital commodities such as energy, food, and fertilizer, causing price spikes and inflation in various countries, including Indonesia (WBG, 2022). These conditions show that the international system that Western powers have dominated cannot fully guarantee global stability or justice between countries. In the Russia-Ukraine conflict, for example, the imbalance of international law enforcement has become increasingly apparent, especially in protecting non-state individuals involved in armed conflict (Khoirunnisa et al., 2025). Thus, developing countries, including Indonesia, are encouraged to review foreign policy direction and strengthen more inclusive international cooperation.

In this regard, BRICS (Brazil, Russia, India, China, and South Africa) emerged as a strategic alliance that promotes a multipolar world order and champions the interests of the Global South. By establishing the New Development Bank (NDB) and de-dollarization efforts, BRICS seeks to build a more equitable global financial architecture (NDB, 2023). Indonesia has shown growing interest in BRICS, confirmed by its participation in the 2023 BRICS Summit and its decision to join as a full member in January 2025 formally. This decision is a strategic move to strengthen Indonesia's position in the global economic order (Asia Society, 2025).

Indonesia's joining BRICS is driven by various strategic considerations, especially in economics. As a developing country with abundant natural resources and a large domestic market, Indonesia wants to expand access to trade, investment, and development financing through alternative channels outside Western financial institutions. The NDB provides an opportunity for Indonesia to fund infrastructure projects without overly binding conditions, which has been a constraint in relations with institutions such as the IMF or World Bank.

In addition, membership in BRICS opens space for Indonesia to strengthen South-South economic cooperation, accelerate industrialization, increase exports, and build national economic resilience. This aligns with Indonesia's long-term development agenda, emphasizing inclusive and sustainable growth amid global uncertainty. On the other hand, BRICS views Indonesia as an essential strategic partner in realizing the vision of multipolarity and a more balanced global order. As the world's third-largest democracy and Southeast Asia's largest economy, Indonesia strengthens the legitimacy of BRICS as an inclusive and representative alliance. It expands its sphere of influence to the Indo-Pacific region (Medina, 2025).

From the background above, this research aims to answer what motivates Indonesia's interest in joining BRICS, especially in the economic field in 2018-2025. To answer this question, this research uses an economic diplomacy approach. In the era of globalization and economic interdependence, economic diplomacy is essential for countries to fight for their national interests in the international sphere. Bayne and Woolcock state that economic diplomacy is a process that encompasses international decision-making and negotiations in various cross-border economic areas, such as trade, investment, and aid, involving interactions between domestic and global factors. This definition shows that economic diplomacy focuses on foreign activities and is strongly influenced by synergistic domestic policies and interests (Bayne & Woolcock, 2016).

Meanwhile, Maaik Okano-Heijmans views economic diplomacy as a foreign policy strategy that combines political and economic instruments to achieve two main objectives: national economic prosperity and political stability. This view emphasizes that economic diplomacy is not just a matter of financial gain but also concerns the strategic position of a country in the global power arena (Okano-Heijmans, 2011). The definition shows that economic diplomacy is an approach that brings together political and economic objectives strategically. This becomes particularly relevant regarding Indonesia's planned membership in BRICS, a forum for developing countries' cooperation focusing on economic collaboration and a more balanced global role. In this case, Indonesia can use economic diplomacy to fight for national interests, such as increased exports, access to development financing, and technology from fellow BRICS members.

This research also uses three concepts to analyze Indonesia's role in BRICS: national interest, cooperation, and negotiation. National interest reflects the country's primary goal in economic diplomacy: to ensure people's prosperity and financial independence (Holsti, 1970). Meanwhile, cooperation reflects Indonesia's desire to build mutually beneficial relationships with BRICS member countries within a multilateral framework (Keohane, 1984). Negotiation illustrates Indonesia's ability to convey positions, fight for policies, and reach agreements supporting its interests (Berridge, 2022). These three concepts are also inseparable from Indonesia's capabilities as a state in carrying out diplomatic and economic roles. This means that the stronger Indonesia's ability to manage its interests, cooperate, and negotiate, the greater its potential success in maximizing the benefits

of BRICS membership. Therefore, this research will examine how Indonesia exercises these capabilities in this international forum as part of its economic diplomacy strategy.

Although both use the economic diplomacy approach, there are differences in focus between this research and previous research. The study entitled “Indonesia’s Joins BRICS: Balancing Economic Opportunities and Geopolitical Challenges in a Multipolar World” highlights how Indonesia utilizes BRICS to strengthen its global position and seek alternative channels of development financing. However, the study also emphasizes the geopolitical risks and foreign policy dilemmas that could arise due to Indonesia’s proximity to non-Western powers (Setiawan, 2025). Meanwhile, the research entitled “Indonesia’s Strategy and Opportunities in BRICS Cooperation to Strengthen National Economic Security” focuses more on domestic economic security. The main findings of the study identified opportunities for BRICS cooperation in trade diversification and infrastructure funding through the New Development Bank (NDB) but also highlighted the risks of dependence on foreign investment and potential exchange rate fluctuations that could destabilize the national economy (Muslim & Permatasari, 2024).

In contrast to these two studies, this research presents a more comprehensive approach by combining the strategic and technical dimensions of Indonesia’s economic diplomacy in BRICS, which asserts that Indonesia utilizes BRICS for three main interests, namely gaining access to strategic financing for national development projects, diversifying export markets to reduce dependence on traditional trading partners and strengthening its bargaining position in multilateral diplomacy forums. However, this study also acknowledges the challenges in achieving these goals, such as the dominance of major powers in the BRICS structure, potential tensions with regional organizations such as ASEAN, and the risks of managing external debt from large-scale projects.

RESEARCH METHOD

This research uses a descriptive qualitative approach as the main objective is not to measure but to understand how Indonesia’s economic interests are shaped and carried out in the BRICS context from 2018 to 2025. This research focuses on process and meaning, not just the result, so the qualitative approach is considered the most appropriate to answer exploratory and interpretative research questions (Creswell & Creswell, 2018). The method used is a literature study, where data is collected from various secondary sources such as books, journal articles, newspapers, press releases, official state documents, news sites, and ministries relevant to Indonesia’s relationship in its decision to join BRICS. This desk study approach allows researchers to gather information from various diverse sources, thus broadening the scope and depth of analysis of the topic under study (Khoirunnisa & Jubaidi, 2024). As BRICS is a complex and dynamic international forum, it is essential to look at it from various angles, including how Indonesia interprets its membership in the context of domestic and global economy.

Content analysis is used to analyze the data, which allows researchers to see narrative patterns, key terms, and diplomatic logic that appear in official documents and policy statements. This technique is carried out by reading critically and compiling thematic categories based on the two leading theories in this study, namely the theory of economic diplomacy and the concept of national interest. Economic diplomacy is understood here as how states use foreign policy instruments to pursue economic objectives such as trade, investment, and market access (Okano-Heijmans, 2011). Meanwhile, the concept of national interest is used to assess the extent to which Indonesia prioritizes economic stability, diversification of trading partners, and strengthening its bargaining position in the global economic structure (Hill, 2013).

RESULTS AND DISCUSSION

INDONESIA’S ECONOMIC INTERESTS IN BRICS MEMBERSHIP

Indonesia’s decision to strengthen its engagement with BRICS is not a sudden move. It is part of a long-term strategy to face the changing global economic order, which is increasingly multipolar and full of uncertainties. In this framework, the economic diplomacy approach becomes very relevant. Diplomacy is no longer only aimed at fighting for foreign political interests but has shifted to become an instrument to expand access to economic resources, technology, and international markets (Bayne & Woolcock, 2016).

Access to Inclusive Financing for Strategic Projects

One of the primary motivations for Indonesia’s interest in joining BRICS was the opportunity to obtain alternative financing from the New Development Bank (NDB). Unlike traditional international financial institutions such as the IMF or World Bank, which often require macroeconomic reforms as a condition for lending, the NDB offers a more inclusive approach that puts less pressure on borrowing countries. This approach is particularly important for Indonesia, which is working on large and strategic projects, such as the development of the Capital City of the Archipelago (IKN) and the Jakarta-Bandung high-speed rail, which require significant funds but still prioritize the independence of national economic policies (Muslim & Permatasari, 2024).

A report from Indonesia Business Post (2025) mentions that the NDB has shown interest in financing energy and infrastructure projects in Indonesia, particularly those that support green transformation and sustainable development. Close bilateral cooperation between Indonesia and BRICS member countries, such as China and Russia, has accelerated credit disbursement from the NDB worth USD 5 billion by 2024. This is concrete evidence that Indonesia's economic diplomacy through the BRICS channel has yielded tangible results supporting national development (Isaac, 2025). In addition, the East Asia Forum (2025) emphasizes that access to the NDB gives Indonesia the space to design financing schemes that suit domestic needs without having to submit to financing schemes that are liberal and centered on the agenda of developed countries. This gives Indonesia greater independence in managing its economic development (EAF, 2025).

Therefore, the NDB acts as a lender and an instrument of economic diplomacy that strengthens Indonesia's position as a developing country that actively seeks alternative financing avenues. The presence of the NDB is very strategic in maintaining national economic stability, especially in an uncertain global situation (Muslim & Permatasari, 2024). Meanwhile, Bakti et al. (2025) added that Indonesia's technical diplomacy and negotiations with BRICS members played a significant role in accelerating the disbursement of funds and the implementation of vital development projects (Bakti et al., 2025).

From a theoretical perspective, this access to financing reflects the real application of economic diplomacy theory, where Indonesia uses international cooperation channels to obtain direct economic benefits through project funding. This action is also closely related to national interest, as the funding is intended for strategic projects strengthening Indonesia's regional and global position. Indonesia's building relationships with BRICS countries and establishing financing dialogues reflect elements of cooperation and negotiation, which are essential in modern economic diplomacy strategies. Thus, participation in the NDB and BRICS demonstrates Indonesia's capability to actively champion national development through fairer and more equitable channels of international relations.

Market Diversification and Increased Trade Cooperation

Indonesia's move to join BRICS is a symbol of presence in international forums and a concrete strategy to expand trade networks and reduce dependence on traditional partners such as the United States, Japan, and the European Union. Indonesia was directly affected by a trade war between the US and China in the 2018-2020. Demand for Indonesia's flagship commodities, such as nickel, coal, and palm oil (CPO), experienced a sharp decline, causing significant pressure on the export balance (Muslim & Permatasari, 2024).

Through trade relations with BRICS countries such as India, Brazil, and South Africa, Indonesia now has the opportunity to access alternative markets that require large quantities of commodities. A report from ASEAN Briefing (2024) shows that BRICS partners are opening doors for Indonesia to form joint industrial cooperation, such as joint ventures between state-owned companies and local entities in South Africa. Such initiatives strengthen South-South cooperation, which is also an essential orientation in Indonesia's economic diplomacy (Medina, 2025).

Indonesia's non-oil and gas exports to BRICS countries reached USD 84.37 billion in 2024, about 34 percent of total national non-oil and gas exports. China and India are the main partners, with exported goods including iron and steel, mineral fuels, and palm oil products. These high export values reflect Indonesia's trade structure shift towards more diverse and rapidly growing partner countries (Bakti et al., 2025). Meanwhile, Indonesia has built a new economic axis through the BRICS platform. The primary focus is on the mining and agricultural sectors, which are the main strengths of Indonesia's exports. This strategy is evidence that Indonesia is actively adapting to the direction of global trade, which is no longer entirely dependent on Western markets (Suara, 2025).

Indonesia's strategy is relevant to the economic diplomacy approach, which uses international cooperation to promote domestic economic interests. Indonesia is not just a spectator in global trade flows but an active actor shaping its trade landscape. In terms of national interests, this step strengthens the competitiveness of Indonesian exports and supports the stability of the trade balance. Through cooperation and negotiation mechanisms with the BRICS countries mentioned earlier, Indonesia has succeeded in building new economic relations that are more resilient and less susceptible to the geopolitical dynamics of developed countries. Thus, trade cooperation through BRICS is not only a tactical response but also part of a strategic transformation of Indonesia's foreign economy, which is more sovereign and purposeful.

Strengthening Bargaining Position and Role in Multilateral Diplomacy

One of Indonesia's strategic objectives in joining BRICS is to strengthen its bargaining position at the global level, especially in reforming the international financial and trade architecture. So far, global institutions such as the IMF and World Bank are considered too dominated by the interests of developed countries, so many developing countries, such as Indonesia, feel underrepresented in the decision-making process. Through BRICS membership, Indonesia sees an opportunity to be part of a new group of forces capable of balancing Western dominance and fighting for fairer global economic governance (Azarya, 2024). At the 2023 BRICS Summit in Johannesburg, Indonesia showed a proactive diplomatic stance by proposing cooperation in renewable energy, green finance, and global trade reform. This move reflects the transformation of Indonesia's role from a policy

recipient to an actor shaping the global agenda. Indonesia is no longer just considered a potential market but has begun to emerge as a player capable of directing international economic discourse more inclusively (ANTARA News, 2025).

Indonesia's presence in BRICS provides economic access and opens up space for Indonesia to play a power balancer between developed and developing countries. This role becomes vital amid increasingly complex geopolitical dynamics and an increasingly multipolar world. With its strategic position in Southeast Asia and membership in various international forums such as the G20, ASEAN, and now BRICS, Indonesia has further emphasized its reputation as an influential developing country (Maulidi & Utama, 2024). On the other hand, Aisyah and Pratisti (2025) explain that from a foreign policy perspective, Indonesia's active involvement in BRICS reflects the implementation of an offensive-diplomatic strategy. This strategy considers collective opportunities to shape a new, more balanced global order while maintaining Indonesia's free and active foreign policy principles. With this principle, Indonesia can build global alliances without being ideologically bound to any power. This makes Indonesia's position increasingly valued by developing and developed countries (Aisyah & Pratisti, 2025).

Through BRICS, Indonesia is seeking export opportunities or project funding and enlarging its sphere of influence in global decision-making processes. This aligns with the concept of national interest, as the diplomacy conducted directly supports domestic development, such as encouraging renewable energy cooperation and global trade system reform. This commitment can be seen in Indonesia's strategic move to join as a full New Development Bank (NDB) member. This BRICS-owned financial institution opens access to alternative financing for national projects. President Prabowo Subianto even stated that Indonesia's membership in the NDB will support the acceleration of economic transformation, especially in the clean energy sector and technology development (Reuters, 2025).

On the other hand, Indonesia's active role is also evident in BRICS multilateral forums, such as when the Indonesian Foreign Minister voiced the need to reform global institutions, including the UN Security Council, to be more inclusive of developing countries (ANTARA, 2025). In supporting the energy transition, Indonesia has launched 37 strategic projects in the energy sector, 89 percent of which are based on clean energy sources, and also submitted a proposal worth USD 235 billion at the COP29 Climate Change Conference to develop 75 gigawatts of renewable energy capacity in the next 15 years (TV BRICS, 2025). Indonesia's active role in conveying ideas, building strategic relationships with other BRICS members, and helping to set joint policy directions shows how international cooperation is carried out effectively. The dialog and proposal submission process in various BRICS meetings demonstrates the importance of multilateral negotiation as a strategy to strengthen the bargaining position. In short, through BRICS, Indonesia is not only expanding its cooperation network but also establishing itself as an essential factor in shaping a more balanced and inclusive world economic order.

INDONESIA'S CHALLENGES IN BRICS MEMBERSHIP

Although BRICS offers several strategic opportunities, Indonesia's participation also brings challenges. These technical challenges relate to geopolitical dynamics, fiscal policy, and foreign policy consistency.

Power Asymmetry and Chinese Dominance

Since joining BRICS and establishing a relationship with the New Development Bank (NDB), Indonesia has been confronted with the fact that China holds considerable control over this organization, not only because of its most considerable initial capital contribution but also because of its strong political and strategic influence. In practice, many of the projects funded by the NDB follow the direction of Chinese foreign policy, especially projects related to the Belt and Road Initiative (BRI). This aligns with China's infrastructure diplomacy strategy in Southeast Asia, where projects such as railways and the construction of land transportation lines are China's primary tools for expanding its influence (Khoirunnisa, 2022). This means that other countries, including Indonesia, often have to follow the "rules of the game" indirectly set by China. This is also referred to as a form of soft balancing, which is domination that is not done overtly but through influence behind the structure of the Institution (Papa & Han, 2025). Member countries like Indonesia must be more active and tactical in designing diplomatic strategies so their voices are still considered in essential forums such as the NDB Board of Directors meetings. In many cases, these countries have little room to define projects genuinely independent of China's agenda.

China is said to use BRICS as an extension of its global policies. Many infrastructure projects, technology cooperation, and even green energy financing programs actually fall under the BRI's big agenda. As a result, it is difficult for other countries to ensure that the projects they submit to the NDB are purely in their national interest without the appendage of Chinese interests (Singh, 2023). Although BRICS seems open to the expansion of members and the deployment of new capital, the reality is that its voting mechanism still favors powerful countries like China. That is, important decisions are still determined by those in a dominant position (Mongan, 2024).

In the application of economic diplomacy, the challenge becomes relevant, meaning that Indonesia must be able to play a dual role: on the one hand, utilizing the international financing opportunities offered by BRICS, on the other hand, maintaining sovereignty in determining the direction of its national development. This is also closely related to Indonesia's national interests, which cannot be fully surrendered to the flow of global power domination. It is crucial to build strategic cooperation with other BRICS members, such as Brazil, South Africa, or India, to create a kind of "internal balance of power". Through bilateral and multilateral negotiation channels, Indonesia can ensure that projects submitted to the NDB align with domestic development priorities, not just part of another country's global strategy.

Shifting Priorities and Tensions with ASEAN

A complicated dilemma arose when Indonesia started to show serious interest in joining BRICS. On the one hand, Indonesia wanted to expand its influence through a global forum such as BRICS, which is filled with major economic powers such as China, Russia, and India. On the other hand, Indonesia also has a responsibility as part of ASEAN, a regional organization that has long been the backbone of cooperation in Southeast Asia. The problem is that the fundamental values of BRICS and ASEAN are not always in line. According to Tan and Lee, the expansion of BRICS to countries such as Egypt, UAE, and Iran brings a new and different geopolitical nuance. BRICS is increasingly oriented towards global interests and sometimes takes aggressive steps in investment standards, energy security, and infrastructure strategies. Meanwhile, ASEAN has always relied on the principles of consensus and non-intervention, aka all decisions must be agreed upon without interfering in the domestic affairs of other countries (Lee et al., 2025). Tensions can arise when BRICS pushes a fast and strategic agenda, while ASEAN is more cautious and collective.

Indonesia's joining BRICS marks a bold step in its foreign policy, but it also poses significant challenges in its relationship with ASEAN. As ASEAN's first member to join BRICS, Indonesia faces a dilemma between expanding its global influence and maintaining regional solidarity. Although the government asserts that BRICS membership aligns with the free and active foreign policy principle, this move may obscure Indonesia's position within ASEAN. This decision reflects Indonesia's shifting strategic priorities from a regional focus to a more active role on the global stage. However, this raises tensions with other ASEAN countries, who may see Indonesia's move as a departure from regional consensus. Moreover, deeper engagement with BRICS, especially with China's dominance, could deepen Indonesia's structural dependency and affect ASEAN's internal dynamics (Iannone, 2025).

President Jokowi often attends BRICS summits, such as those in 2023 in Johannesburg, but still emphasizes Indonesia's position as Chair of ASEAN. This is done to avoid the impression that Indonesia is abandoning the Southeast Asian region in favor of more ambitious global alliances. It is a brilliant diplomatic maneuver because Indonesia wants to benefit from two sides: the economy from BRICS and stability from ASEAN (SETKAB RI, 2023). This is where Indonesia's real challenge is to remain active in two different stages without making either one feel neglected.

This situation illustrates Indonesia's national interests and the practice of economic diplomacy. Indonesia not only uses one international forum but also opens and uses other bilateral and multilateral forums. This is where multilateral cooperation skills are important, and Indonesia needs to be the mediator to bridge the interests of ASEAN and BRICS. Regarding negotiations, Indonesia's role as a "balancer" gives it a strong bargaining position. Indonesia can become a link between global regions, and this can strengthen its position in both camps.

Loan Risk Management and Potential Debt Traps

Indonesia has undertaken impressive major infrastructure projects in recent years, including the Jakarta-Bandung high-speed railway, the first prestigious project in Southeast Asia. But behind its splendor, this project leaves an essential note regarding financing and debt risk. Most of the funds come from foreign loans, including those facilitated within cooperation with BRICS partners, especially China. The problem is that the loan schemes are designed with variable interest rates and extended maturities, which means that the number of installments can swell if economic conditions are unstable or if the project does not produce according to initial projections (Nabiilah & Deasy Silvyia Sari, 2024). If fare revenues and passenger numbers do not reach the target by 2030, Indonesia's external debt ratio could exceed 30% of gross domestic product (GDP), a worrying figure in terms of fiscal sustainability. Institutions such as the United Nations Conference on Trade and Development (UNCTAD) recommend that Indonesia start setting a debt ceiling and consider mitigation strategies such as debt insurance (contingent liabilities) in case the worst-case scenario occurs (Pulungan & Listiyanto, 2021).

Regarding lending institutions, Fitch Ratings considers that the BRICS New Development Bank (NDB) has a more flexible approach than the IMF or World Bank. The NDB focuses more on development missions and financing sustainable projects such as green energy. However, Fitch also warns that member countries must still realistically measure their fiscal capacity before taking loans. They should not immediately absorb significant funds that later burden the budget because the interest rate is lower or the terms seem more relaxed (Fitch Ratings, 2024). Think tanks such as the Center of Economic and Law Studies (CELIOS) even warn that debt risks are not just about the amount but also about political and policy entanglements. Without a fair renegotiation clause,

Indonesia may find it difficult to readjust its debt scheme when the global economy weakens. This could open a gap where external pressures dictate Indonesia's fiscal sovereignty (Rakhmat et al., 2024).

All these dynamics show that the debt negotiation process is not only limited to efforts to reduce interest rates but also includes aspects of redesigning loan agreements, such as adjusting maturities, granting grace periods, and protecting state assets from foreign legal claims (sovereign immunity). From a national interest perspective, foreign debt should ideally only be used to fund strategic projects that have a long-term impact on national economic growth. Therefore, Indonesia's involvement in BRICS cooperation should not stop at funding but should include institutional capacity building in public debt management. Thus, Indonesia will not only be a beneficiary of financing but also a country that can learn, adapt, and build a strong, transparent debt management system that maintains fiscal sovereignty.

CONCLUSION

This study concludes that Indonesia's full membership in BRICS in 2025 is a strategic step that represents the implementation of economic diplomacy to fight for national interests amid evolving global dynamics. Indonesia utilizes the BRICS forum to obtain more inclusive development financing through the New Development Bank, expand export markets and trade cooperation across the south, and strengthen its bargaining position in global economic governance. However, Indonesia also faces significant challenges, such as the dominance of major powers in BRICS, especially China, potentially creating tensions in Indonesia's position in ASEAN member states and the risk of debt traps from large projects financed through international schemes. This study contributes to the academic understanding of Indonesia's economic diplomacy strategy in the context of South-South cooperation, which is still minimally studied. However, this research has limitations because it is still limited to the period before Indonesia officially became a member of BRICS. Future research is expected to evaluate the effectiveness of Indonesia's role in the internal structure of BRICS. In addition, comparative studies with other BRICS member countries are also necessary to broaden the understanding of the global economic strategies of developing countries in facing an increasingly multipolar world order.

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