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To Get Rich is Glorious: Examining China's Purpose of Wealth and its Implications for Indonesia

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Abstract

This essay examines the impact of Deng Xiaoping's "To Get Rich is Glorious" concept on China's economic reforms and its subsequent influence especially in Indonesia. Originating in the late 1970s, this concept spurred economic growth, entrepreneurship, and international engagement in China. The analysis delves into the historical aspects and current economic connections between China and Indonesia. It unveils China's substantial contribution to Indonesia's progress in infrastructure, development, digitalization, and industrialization. While bilateral relations present opportunities, challenges such as Indonesia's reliance on Chinese debt and diplomatic issues are acknowledged. Future outlooks underscore the importance of ongoing collaboration to foster Indonesia's economic growth, all within the framework of its partnership with China. In essence, Deng's concept has not just influenced China's course, but has also left a lasting impact on Indonesia's economic path.

Keywords: Deng Xiaoping; Economic Reforms; To Get Rich is Glorious.

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Introduction

"To Get Rich is Glorious" (*zhìfù guāngróng*) is known as a concept that drove China's fast economic transformation over the past few decades. This term was first introduced by Deng Xiaoping, a former Chinese leader, during the late 1970s as part of his comprehensive economic reforms. During this period, China was in the middle of recovering from the Cultural Revolution, broadly known as the Great Proletarian Cultural Revolution. It was a socio-political movement from 1966 to 1967 encouraged by Mao Zedong, the Chairman of the Chinese Communist Party (CCP), who wanted to preserve the principles of communism by eliminating perceived capitalist, traditional, and cultural influences from Chinese society.¹

¹ Robert A. Scalapino, 'The Cultural Revolution: 1967 in Review' (1968) 2 Michigan Papers in Chinese Studies.[72].

As a result, freedom of expression was denied and only party members had direct control over their affairs. The Cultural Revolution led into chaos and violence in 1966 where youthful Red Guards struggled to demolish "Four Olds", which consists old customs, old habits, old culture, and old thinking. However, this revolution had gone out of control, resulting in attacks on elites, government officials, even embassies.² Thus, after Mao Zedong's death and the Party leaders' Conference, China began to advance towards "socialist modernization" under the lead of Deng Xiaoping.

Deng's main goals were increasing economic growth and maintaining control of the party's role. He led the nation in a clear direction toward capitalism, greater economic freedom, and stronger international relations with famous slogans such as "To Get Rich is Glorious" and "It Doesn't Matter if a Cat is Black or White, So Long as it Catches Mice." His vision was reflected through a concept called "Socialism with Chinese Characteristics." These reforms inspired Chinese citizens to take initiative, seize economic opportunities and improve their standard of living.

It is shown by Deng's initiatives to introduce a system of supply and demand which complete the state economic system. He allowed small and private businesses to operate, which shown as a first introduction of capitalism. Furthermore, he encouraged the state to allow individual business to apply bonuses and the dismissal of employees in order to motivate human resources to be more efficient and competent.³

Under Deng's command, China went through several modernization in agriculture, industrial, science and technology, also national defence aspects.⁴ He began by introducing the principle of autonomy and decentralization to the farmer in order to improve production and provide enough food. On the other aspect, Deng initiated an entire program for researchers and students in technology area to upskill

² Jonathan Spence, 'Introduction to the Cultural Revolution' (2001) 1 Spice Stanford Digest,[2].

³ Bernard Z. Keo, 'Crossing the River by Feeling the Stones: Deng Xiaoping in the Making of Modern China' (2020) 25 Education About Asia 2.[36].

⁴ David Mason, 'China's Four Modernizations: Blueprint for Development or Prelude to Turmoil?' (1984) 11 Asian Affairs: An American Review 3.[48].

the "lost generation" caused by the Cultural Revolution.⁵ He also encouraged the next generation to study abroad as a part of his vision to open China to the world. This resulted in the reverse-engineering experimentation from foreign technology that further played a vital role in China's manufacture. In national defence, he focused on the technological modernization of the People's Liberation Army and developed technology for civilian and military purpose.⁶

Nevertheless, he faced severe challenges, such as poverty and unemployment. Almost 60% of the population suffered from poverty, and millions of citizens who were granted political amnesty from the Cultural Revolution were also looking for jobs. Not to mention that China also suffered an overpopulation issue, where the nation had long been the most populous in the world. Therefore, Deng initiated restricted births, adopted the "household responsibility system", giving independence to state-owned enterprise (SOE) management, also started to open China's economy to the world by liberating foreign direct investment (FDI) and becoming a member of signatories on General Agreement on Trade and Tariffs (GATT) in 1947.

The introduction of the "To Get Rich is Glorious" concept played a profound role in the Chinese economy and society. It encouraged Chinese people to foster a sense of ambition and entrepreneurship, embracing the idea of pursuing wealth as a legitimate and noble goal. This shift in mindset led to a new class of entrepreneurs, innovators, and business leaders who played an essential role in driving China's economic growth. Nowadays, China has become the world's manufacturing hub, attracted foreign investment, and lifted hundreds of habitants out of poverty. The birth of this concept by Deng Xiaoping also opens a new relation between China and other countries worldwide, such as Indonesia.

Not only this essay will examine the origin of its concept and how it has influenced China, but also how it has impacted other countries' economic aspect, including Indonesia. Furthermore, we will also explore the opportunities, challenges,

⁵ Ross Garnaut, Ligang Song. *China: Twenty Years of Economic Reform* (Australian National University Press 1999).[118].

⁶ *ibid*.[120].

and future projection that Indonesia faces as it navigates its own path to economic growth under China's great impact.

Method Research

The research methodology employed for this journal involves a comprehensive approach exploring the impact of Deng Xiaoping's "To Get Rich is Glorious" concept on China's economic reforms and its subsequent influence, particularly in Indonesia. The author uses a literature review with data from reliable sources, such as books, journals, proceedings, and information from websites. The objective of this method research is to build a new conceptual model and theory which valuable to map the development of issue. Further analysis of primary sources, provides crucial insights into the concept during the late 1970s and its subsequent implication into China's economic policies.

Furthermore, a comparative analysis framework is used to understand the broader impact of China's economic reforms. This method examined the historical context of China-Indonesia bilateral relations, diplomatic shifts, and bilateral agreements. The study also employs a quantitative approach that emphasize the analysis based on holistic sources such as economic data, trade statistics, and investment patterns in which described with a descriptive-analytical type to provide comprehensive explanation.⁸

By integrating these diverse methods, the study aims to offer a comprehensive understanding of the successful concept of 'To Get Rich is Glorious' that has shaped China's trajectory and Indonesia's economic path. This study not only delves into the historical aspect and development trajectory of this concept, but also unravel the layers of influence embedded in Deng's shifting ideology, showcasing how it has influenced China's economic and influence over time.

⁷ Hannah Snyder, 'Literature Review as a Research Methodology: An Overview and Guidelines' (2019) 104 Journal of Business Research.[334].

⁸ Syaiful Rohman, Marthen Napang. 'Political-Economic China in Southeast Asia and Between Impact on the Indonesian Economy' (2022) 30 Media Ekonomi 1.[121].

"To Get Rich is Glorious" Concept and its Implications for Indonesia

Indonesia and China have a significant history of relation since the 15th century. This engagement began during the ancient Silk Road, where Chinese traders visited Indonesia. The historical connections are also exemplified by Chinese ethnic minorities in Indonesia, known as "Peranakan" or "Tionghoa".

However, managing relations with China has been one of the most difficult challenges in Indonesia's foreign policy. Both nations established diplomatic relations in 1950 when China's foreign policy was to actively support Communist insurgencies in Indonesia and other Southeast Asian countries. Therefore, in 1967, after the coup against communism in Indonesia, the New Order government, under the lead of President Soeharto, portrayed China as the main threat to Indonesia's national security, which led to the suspension of diplomatic relations between Indonesia and China. On the Indonesia and China.

Both nations faced another significant challenge throughout the New Order period since people of ethnic Chinese were banned from publicly expressing their Chinese heritage. On the other side, the New Order government granted a few economic privileges to Chinese conglomerates. This has increased the anti-Chinese sentiment in 1998 and ended in the anti-Chinese racial riots in various parts of Indonesia. The diplomatic relation was restored after the New Order period and grew closer under President Abdurrahman Wahid's lead in 2001.

The establishment of economic relations has emerged as a fundamental aspect between the two nations. The United Nations COMTRADE database shows that Indonesia's value of imports from China was US\$56.21 billion in 2021.¹¹ China is one of Indonesia's largest trading partners, and both nations have engaged in substantial infrastructure projects such as China's Belt and Road Initiatives (BRI).

⁹ Michael Wicaksono, *Republik Rakyat China – Dari Mao Zedong sampai Xi Jinping*, (Jakarta: Elex Media Komputindo 2017).[26].

¹⁰ Dewi Fortuna Anwar, 'Indonesia-China Relations: To Be Handled With Care' (2019) 19 Yusof Ishak Institute Analyze Current Events.[2].

¹¹ Trading Economics, 'Indonesia Imports from China', (Indonesia Imports) https://tradingeconomics.com/indonesia/imports/china dikunjungi pada 21 Januari 2024.

Furthermore, Indonesia has joined the China-led Asian Investment Infrastructure Bank (AIIB), where China allocated resources and investment for ports, railways, and energy sectors, which strengthened economic bonds between both nations.¹²

China's philosophical concept has significantly influenced Indonesia, as previously mentioned. Consequently, Indonesia has focused on infrastructure development, digitalization, industrialization, also empowering foreign investment, mirroring China's successful model. Under President Jokowi's government, Indonesia has a very ambitious infrastructure development plan valued at IDR 4,700 trillion.¹³

Since the Indonesian government cannot finance all infrastructure development, this nation relied mainly on China's foreign investment, which was proved by 36 new agreements between Indonesia and China in the Jokowi era. ¹⁴ According to the Ministry of Investment / Indonesia Investment Coordinating Board (BKPM), China's investment realization reached US\$ 2.6 billion in 2023, marking China as the second largest investor in Indonesia after Singapore. ¹⁵

China's efforts to strengthen its economic dominance have been shown by its ambitious agenda known as One Belt One Road (OBOR), the Silk Road Economic Belt and the 21st Century Maritime Silk Road Maps, which reflected China's famous concept of "To Get Rich is Glorious". From this framework, China's interests in Indonesia are very evident, namely making Indonesia an integrated part of China's development in global trade. With its Belt and Road Initiative Program, China sees Indonesia as one of the "Asian Tigers" that can help form its initiative strategy and support its "Made in China 2025" ambition. It is shown by the realization of Whoosh, a high-speed train (HST) from Jakarta

¹² M. Dudi Hari Saputra, 'Economic Relations of ASEAN (Indonesia) + China After AIIB', (2017) 2 Dinamika Global: Jurnal Ilmu Hubungan Internasional 01.[5].

¹³ Haryo Aswicahyono, Deni Friawan. 'Infrastructure Development in Indonesia' (2018) 2 International Infrastructure Development in East Asia – Towards Balanced Regional Development and Integration, ERIA Research Project Report.[135].

¹⁴ Aaron L. Connelly, 'Indonesian Foreign Policy Under President Jokowi' (2014) 01 Lowy Institute for International Policy.[17].

 $^{^{15}\,\}mathrm{BKPM},$ 'Investment Outlook Indonesia – 2023', https://arc-group.com/investment-outlook-indonesia-2023/ dikunjungi pada 20 Januari 2024.

to Bandung, funded by PT KCIC or Kereta Cepat Indonesia China (Chinese – Indonesian High-Speed Train Company) in 2023.¹⁶

China also played a significant role in Indonesia's efforts toward digitalization and industrialization. Chinese telecoms such as Huawei and ZTE have contributed to expanding the country's mobile and internet networks, such as developing 5G technology in partnership with Indonesia's Indosat Ooredoo and XL Axiata.¹⁷ Chinese internet giant like Alibaba also have invested US\$845 million in Indonesia's e- commerce, Lazada Group, since 2016.¹⁸ Furthermore, the Chinese impact on modernizing Indonesia's digital payment was also shown by the launching of DANA by Ant Group's partner, Emtek. Indonesia has adopted Chinese-style QR code payments at retail stores, restaurants, and merchants since 2020.

China has played a vital role in assisting Indonesia's infrastructure development, digitalization, and industrialization ambitions. While these contributions have been critical in achieving both nations' aims, Indonesia must handle any obstacles in a long- term economic and development goals, especially to maintain its bilateral relations with China. The strength of Indonesia's economic and development trajectory lies on its ability to leverage the positive aspects with China while proactively addressing challenges, thereby ensuring a mutually beneficial and enduring partnership.

Opportunities, Challenges, and Future Projections for Indonesia's Economy

The concept of "To Get Rich is Glorious" has opened significant opportunities for China and other countries such as Indonesia. Several strategic partnerships and projects between the two nations have further solidified their bilateral ties, offering

¹⁶ Quartz, 'Why China Laid the Tracks for Indonesia's First High-Speed Rail', (Whoosh on the Way), < https://qz.com/indonesia-whoosh-high-speed-rail-china-belt-and-road-in-1850882868> dikunjungi pada 21 Januari 2024.

¹⁷ Bisnis.com, 'XL Axiata dan Huawei Luncurkan Konsep Jaringan Green 5G', < https://bali.bisnis.com/read/20221005/537/1584575/xl-axiata-dan-huawei-luncurkan-konsep-jaringan-green-5g> dikunjungi pada 21 Januari 2024.

¹⁸ CNBC Indonesia, 'Alibaba Suntik Lazada Rp 5,5 Triliun, Bakal Perang Diskon?' < https://www.cnbcindonesia.com/tech/20220510100837-37-337689/alibaba-suntik-lazada-rp55-trili-un-bakal-perang-diskon> dikunjungi pada 21 Januari 2024.

promising prospects for both countries. Indonesia benefits from the growing demand for exports such as palm oil, coal, rubber, and minerals to China.¹⁹ Moreover, China's strategic project, such as BRI, has brought numerous infrastructure and economic opportunities like job creation, connectivity, and efficient transportation networks.

However, these two nations' blossoming relation also comes with several challenges. The most notable concern is the potential risk of Indonesia's debt dependency on China, which reached US\$520.8 billion in July 2023.²⁰ Generally, Indonesia's foreign debt has consistently increased every year. With China as Indonesia's largest trading partner and investor, the widespread issue about "debt traps" is undeniable. The loan scheme offered by China has consequences, which if the borrowing country is unable to pay its debts, then China will limit the government's power to make decisions and its control, or in another word China will take the ownership of the projects.²¹

For instance, Zimbabwe is one of the countries that received great numbers of loans to battle rebels. However, in 2016 Zimbabwe had to employ Yuan as its legal currency since they were unable to pay debts to China.²² On the other hand, Sri Lanka had to share the dominant ownership of Hambantota International Port to the China with the amount of 70% as the consequence of a failure on debt payments. Therefore, it is important for the Indonesian government to conduct its own policy and monitoring system to avoid the debt traps and potential losses in the long run.

Additionally, diplomatic issue such as Indonesia's stance on the South China Sea dispute remains consistent. Until today, Indonesia has a firm and neutral stance on its interests in the South China Sea, even though Indonesia has received much investment from China. The South China Sea, with its complex territorial disputes and geopolitical tensions has been a focal point in international relations.

¹⁹ Martin Jacques, When China Rules the World (UK: Penguin Books 2012).[56].

²⁰ CEIC, 'Indonesia's National Government Debt' dikunjungi pada 21 Januari 2024.

²¹ CELIOS, 'China's Belt and Road Initiative in Indonesia: How to Avoid Low Investment Quality and Debt Traps?' (2023) 01 Center of Economic and Law Studies.[13].
²² ibid.[15].

Indonesia's stance in the South China Sea issue is rooted in its commitment to maintain a neutral and non-confrontational position, where it should be addressed through dialogue and diplomatic channels.

Indonesia denied China's nine-dash line proposal, which considered not in agreement with the international maritime law under UNCLOS.²³ The country's stance is encapsulated in the "ASEAN way", emphasizing consensus building and non-interference in the internal affairs of member states, as a prominent member of the Association of Southeast Asian Nations (ASEAN), actively engages in diplomatic initiatives within the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS) to foster dialogue and cooperation in addressing regional challenges. For example, Indonesia successfully reached a consensus on The Declaration of Conduct of Parties in the South China Sea in 2002 between ASEAN and China as an agreement to maintain peace and stability in the South China Sea.²⁴

Under President Jokowi, Indonesia maintain an independent and neutral role as a mediator and generate proactive actions to protect its territorial sovereignty in Natuna that has many Chinese intrusion, therefore increasing more troops and security system is considered as a priority.²⁵ By prioritizing diplomatic ways and upholding international law, Indonesia contributes to regional stability and fosters an environment conducive to economic cooperation especially in regional dynamics. However, Indonesia's pragmatic stance in the South China Sea issue may strain relations and potentially impact economic cooperation with China in the long run.

However, Indonesia still has potential future economic trajectory in its bilateral relations with China. Infrastructure development remains the central agenda while improving its partnership with China. Furthermore, collaboration in the digital economy and sustainable practices especially in sectors such as palm

²³ Ardina Kartikasari, 'Indonesia's Image from China's Perspective on South China Sea Dispute (A Preliminary Study on China's Perception on Indonesia)' (2019) 21 Global: Jurnal Politik Internasional 2.[6].

²⁴ Ministry of Foreign Affairs of Republic of Indonesia, 'Overview of Indonesia's Foreign Policy',< https://kemlu.go.id/portal/en/read/13/foreign-policy > dikunjungi pada 22 Januari 2024.

²⁵ Rafyoga Jehan Pratama Irsadanar, 'Indonesia's South China Sea Policy under Joko Widodo: Building Credibikity in Indo-Pacific Geostrategic Circuit' (2022) 12 Jurnal Hubungan Internasional 1.[4].

oil and mining will be critical for long-term economic prosperity.²⁶ By pursuing a strategic approach, Indonesia can position itself for sustainable economic growth within the context of its partnership with China.

Conclusion

Deng Xiaoping's visionary concept 'To Get Rich is Glorious' has not only shaped China's economic trajectory, but has also left a mark for Indonesia's economic path. The socio-political background on the late 1970s was characterized by the aftermath of the Cultural Revolution, where Deng finally steered China towards socialist modernization. The profound impact of Deng's concept goes beyond China's borders, particularly in Indonesia. Challenges like debt dependency and diplomatic intricacies in the South China Sea remain a present issues, but Indonesia – China relations hold promise for future collaboration and economic growth through infrastructure development and collaboration. In essence, 'To Get Rich is Glorious' has not only influenced China's economic path, but has also become a cornerstone in shaping Indonesia's economic future.

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²⁶ Muhammad Tri Andika, Allya Nur Aisyah. 'Analisis Politik Luar Negeri Indonesia—China di Era Presiden Joko Widodo: Benturan Kepentingan Ekonomi dan Kedaulatan?' (2017) 2 Indonesian Perspective 2.[168].

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