

Research Article

Chinese Investment, Social Relations, and Local Actors: The Case of IMIP in Central Sulawesi

Ridha Amaliyah

Beijing Foreign Studies University,
UIN Sunan Ampel Surabaya
ridha_amaliyah@outlook.com

Abstract

Chinese foreign direct investment (FDI) in Indonesia, especially in the nickel downstream sector, has reshaped local political and social dynamics in resource-rich regions. This article critically examines the relationship between Chinese companies and local actors through a case study of Indonesia Morowali Industrial Park (IMIP) in Central Sulawesi. Employing Alvin Camba's concept of social embeddedness, the study analyzes how Chinese investment is sustained through interactions among firms, state elites, local governments, and civil society. Based on qualitative analysis of policy documents, media reports, and interviews, the findings reveal that IMIP's operations are strongly embedded within Indonesia's central government coalition elites, whose political support facilitates regulatory flexibility and minimizes local resistance. This elite alignment enables investment continuity but simultaneously weakens environmental governance and limits meaningful community participation. While IMIP contributes to local economic growth, it also generates social tensions related to labor practices, environmental degradation, and limited technology transfer. The management of these structural issues, rather than their resolution, relies on corporate social responsibility and strategic communication. The article posits that political embeddedness within a strong regime drives Chinese investment in Indonesia more than market

efficiency alone. This dynamic highlights the asymmetric power relations between investors, the state, and local communities, raising critical questions about the long-term sustainability and social justice of resource-based development under the Belt and Road Initiative.

Keywords: social embeddedness, local actors, Chinese companies, Indonesia, China

I. Introduction

The strengthening of relations between Indonesia and China has had a significant impact on Chinese foreign investment in Indonesia, especially since the implementation of the ASEAN-China Free Trade Area in early 2010 and the Comprehensive Strategic Partnership between the two countries in 2013. Since its launch in 2013, China's Belt and Road Initiative (BRI) has become a major source of foreign investment in Indonesia. This project focuses on developing connectivity routes, both by land and by sea, through massive infrastructure development across various countries, including Indonesia, which lies along the maritime route.

Chinese investment in Indonesia has continued to rise over recent years, moving from the 9th-largest source of foreign direct investment (FDI) in 2015 to the second-largest in 2019. From 2019 to September 2024, Chinese investments in Indonesia reached USD 34.19 billion, accounting for 18% of total foreign investment in the country (bkpm.go.id, 12/10/2024). The latest report of the Investment Coordinating Board (*Badan Koordinasi Penanaman Modal—BKPM*) recorded that investment realization and the number of projects from China rank second, with a total value of 16.323 million US dollars and 30.360 projects, respectively. The investment value indicates that Indonesia



remains the main destination for Chinese foreign investment.



Figure 1. Realization of Foreign Investment and Projects in 2024

Source: (BKPM, 2025), compiled by the author

Chinese foreign direct investment has played a significant role in supporting Indonesia's dominance in the nickel market, with projects such as the Morowali Industrial Park in Central Sulawesi, which is heavily backed by Chinese investment. In the nickel industry, China controls nickel processing valued at 114 trillion US dollars (BKPM, 2025). Chinese investors are rapidly entering Indonesia's electric vehicle market, exemplified by companies such as BYD establishing manufacturing facilities, thereby contributing to Indonesia's industrial capacity and infrastructure development in downstream sectors aimed at creating value-added products (aseanbriefing.com, 05/06/2024).

The investment activities are intensive and extend across Indonesia's eastern region, including Central Sulawesi. However, Chinese companies' investments in Indonesia have not always gone smoothly. Many challenges and problems arise in investment activities, including employment issues, environmental concerns, relations with local actors, and regulatory and policy constraints. A Chinese company, Xinyi Group, received protests from locals when it built Rempang Eco-city in the

Riau Islands. Development has triggered evictions, forced relocations, and a lack of public consultation (time.com, 13/09/2023). The operations of Chinese nickel processing companies on Obira Island, North Maluku, also encountered similar obstacles. Nickel refining for EV batteries, including the use of high-risk technology, has a significant impact on millions of tons of toxic waste on the environment and local communities on the island. Increasing global demand is driving industrial expansion, but the problems of waste disposal, pollution, and health risks remain poorly addressed (washingtonpost.com, 10/05/2023). Both cases represent the tension between the national development agenda and the social justice of local communities. Chinese companies must adapt to a business environment different from their home region and interact with local actors with distinct interests and cultures.

This paper aims to discuss the pattern of relations between Chinese companies and local actors in Central Sulawesi. This case study examined how Chinese companies adapt to the diverse business and cultural environments in Indonesia and how they interact with local actors, including the government, communities, and NGOs. The results of this case study are expected to provide an overview of the investment dynamics of Chinese companies in Indonesia and provide input for relevant parties to increase the success of foreign investment in Indonesia.

II. Literature Review

Research and writings on Indonesia-China relations across various fields have indeed been widely discussed by scholars over the past decade (see Sukma, 2009; Hadi, 2012; Pattiradjawane, 2016; Negara & Suryadinata,



2018; Fitriani, 2018; Damuri et al., 2019; Mutia & de Archellie, 2023). However, the issue of political economy and Chinese investment in Indonesia does not seem to have been a concern in recent Indonesia-China studies. In fact, as cooperation between the two countries intensifies, various discourses and issues have emerged, including the structure of the relationship between Chinese companies and local actors in the region.

Buckley et al. (2009) argue that Chinese investment tends to focus on natural resource investments because they are directly related to ownership of the host country. Researchers also found that cultural proximity significantly influences investment decisions aimed at reducing transaction costs and expanding networks. Meanwhile, Gammeltoft and Tarmidi (2013) noted that Chinese investment in Indonesia is aimed at expanding markets and securing resources, with a focus on the manufacturing sector. Chinese companies are involved in a wide range of activities in Indonesia, including natural resources, automotive industries, electronics, telecommunications, air shipping and transportation, finance and insurance, and construction and engineering.

The investment relationship between China and the government of the investment destination country is the subject of a series of studies by Alvin Camba et al. (2017, 2020, 2021, 2022). Camba's research (2021), titled "How Chinese Firms Approach Investment Risk: Strong Leaders, Cancellation, and Pushback," provides a favorable overview of the relationship between Chinese companies and local actors in Indonesia. By selecting the Philippines, Malaysia, and Indonesia as his case studies, he concluded that Chinese companies prefer to work with national leaders they

consider strong and side with them. If Chinese companies choose the wrong one, this results in the cancellation of projects, as national leaders cannot protect them from elites and social mobilization. If Chinese companies vote correctly, there will be resistance from the leaders of the host country who use their interests to oppose those of the Chinese state and companies. Furthermore, Camba also emphasized the concept of "*social embeddedness*." Chinese companies take social and cultural factors into account when assessing investment risks and applying a cultural approach to investment yields novel research in international political economy.

Chinese investment has reshaped Indonesia's political economy, enabling Chinese companies to influence policy and reap large profits, sometimes at the expense of local interests and the environment. Mahendru (2021) noted that Indonesia enforces policies requiring Chinese firms to hire local staff, but language and cultural barriers can lead to conflicts. Despite being a major FDI source, China's involvement raises internal vulnerabilities for Indonesia. Pramono et al. (2022) found that three clusters of Chinese FDI projects pose significant environmental risks, especially to forests, species, carbon sinks, and water and air quality; they recommend sector-specific oversight centered on affected communities. Dinata et al. (2022) observed that while China's investment boosts Indonesia's processed materials industry, it also risks market dominance and falling nickel ore prices for local miners, potentially causing more environmental harm than benefits. Additionally, new sectors may increase corruption through unchecked concessions. Liu and Lim (2022) highlighted that projects such as the Jakarta-Bandung high-speed train have



led to greater state intervention and reflect Indonesia's political-economic challenges alongside China's profit and geopolitical ambitions.

Existing studies highlight resource-seeking motives, market expansion, environmental risks, labor issues, and state intervention. It also emphasizes Camba's social embeddedness, which explains how Chinese firms manage investment risk by aligning with strong political leadership in host countries. Drawing on the literature review above, the authors develop their arguments about the pattern of relations between Chinese companies and local actors in Indonesia and offer a broader perspective on foreign investment in Indonesia.

III. Social Embeddedness in Chinese Investment

This paper adopts the conceptual framework developed by Alvin Camba (2021), which argues that the dynamics of Chinese companies in their foreign investment activities are inseparable from the social embeddedness among three parties: the company, the Chinese government, and the host country's government. There is no significant difference between private and public companies in China. It is important to examine how Chinese public and private companies are connected to their country, particularly through the social, historical, normative, and institutional contexts that influence their understanding of risk and the host country's environment. Institutionally, this social attachment is one of the main characteristics of large Chinese companies.

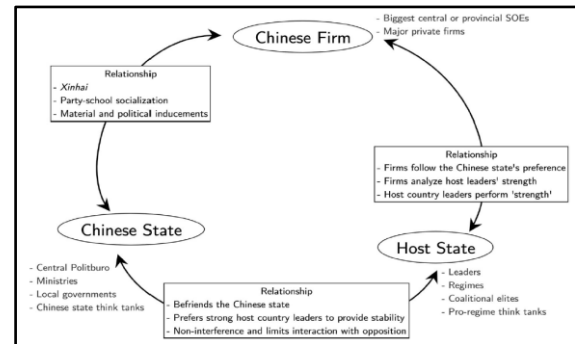


Figure 2. Social Embeddedness of Chinese Foreign Investment

Source: (Camba, 2021, p.6)

Based on the above model, the social relations among Chinese companies, the Chinese government, and the government of the investment destination country can be more clearly explained. The company is a major actor, operating with the approval of the Chinese and host country governments, including Chinese state-owned enterprises and large private companies. The company is occupied by members of the Chinese Communist Party (CCP) cadre or business people who join or often work with the CCP and are educated at the party's schools. These cadre members and entrepreneurs are among the most important sources of information on investment risk. Companies act when the Chinese government and the host country's government have agreed to cooperate. The Chinese government includes CCP officials, ministries, local governments, and strategic study institutions. The Chinese government tends to choose investment destinations in countries that can provide stability for smooth investment and limit interaction with the opposition. Chinese companies have a unique relationship with the host country's government. The company selects investment objectives aligned with the Chinese government's goals and preferences.

Furthermore, companies must be able to assess the "strength" of the host country's leader. Chinese companies and governments prefer a "strong" host country, which can be interpreted as a country controlled by a leader who can provide strong leadership, political stability, and policy certainty. The host country is the leader, the ruling regime, the coalition elite, and the strategic research institution that sides with China.

The article will focus on the relationships between Chinese companies and the Indonesian government, including local actors, in Chinese investment activities at the nickel smelter at PT Indonesia Morowali Industrial Park (IMIP), Morowali, Central Sulawesi.

IV. Chinese Investment Penetration in Indonesia

Under the leadership of President Xi Jinping, China launched the Belt and Road Initiative in 2013. President Xi Jinping introduced the project in the fall of 2013 during his official visits to Kazakhstan and Indonesia. By taking the BRI initiative, China confirms its transition from a country that takes advantage of the current global economic conditions to a leader capable of creating a positive, synergistic effect on other countries. In general, BRI can be described as a new paradigm of globalization, and this initiative can be considered as the main determinant of foreign investment activity in the Chinese economy (Balaz et al., 2020).

The Indonesian government welcomed the BRI project. President Joko Widodo has prioritized the World Maritime Axis (*Poros Maritim Dunia*) as the guiding principle of Indonesia's foreign policy and has employed economic diplomacy to advance Indonesia's national interests. The CSIS report on

Indonesia's perception and readiness for the BRI project stated that in the context of bilateral relations between Indonesia and China, the BRI project plays a crucial role. Besides infrastructure, the projects focus on energy and natural resource projects, such as the construction of a nickel smelter in Central Sulawesi.

During 2015-2020, China's main investments were in base metals and metal goods, the non-machinery and equipment industry, which accounted for 42%. Given the development of the global electric car industry and Indonesia's abundant nickel resources, the Indonesian government is optimistic that investment will continue to grow and become a source of investment in battery processing for electric cars (kompas.com, 13/01/21). The natural resources sector, especially mining, has been the backbone of Indonesia's economy for decades. The increasingly robust cooperation between Indonesia and China in the mining and mineral processing sector affects the important role of Chinese investors and companies as implementers of BRI projects. Chinese companies are involved in government-financed infrastructure projects. Some Chinese companies have also invested funds and technology in BRI projects (Balaz et al., 2020).

Investment projects in the nickel processing sector appear to be a priority for China amid global economic developments, particularly in the electric vehicle industry. The Chinese government created a policy framework and provided financial assistance to develop the *electric vehicle* industry in the early 2000s. Therefore, this booming industry requires an increasing amount of nickel. This demand is driving increasingly rapid Chinese investment in Indonesia's mining sector, which



is rich in nickel reserves. One of the large-scale nickel processing companies is PT. Indonesia Morowali Industrial Park (IMIP).

IMIP is a ferro-nickel mining and smelter group that has emerged as one of the largest investments by Chinese companies in Indonesia (Camba et al., 2020), established in Morowali Regency, Central Sulawesi. Morowali's parent company, Sulawesi Mining Investment (SMI), is jointly owned by China-based Shanghai Decent Investment (66.25%) and Indonesian mining company Bintang Delapan Group (33.75%) (Dinata et al., 2022). IMIP's investment activities began even before the launch of the BRI project. In 2009, Decent Group and SMI invested in nickel ore mining and export. The activity then shifted to the ferronickel smelting industry in response to the government's ban on the export of mineral ores. In 2014, the government established IMIP as an industrial park specifically for nickel-based industries. Morowali Regency is known for its nickel deposits. According to one estimate, Morowali has about 370 million tons of nickel reserves, enough to sustain decades of mining (Damuri et al., 2019).

Bintang Delapan Group and Tsingshan Steel Group collaborate to operationalize IMIP. Tsingshan Group is the world's largest company in nickel processing and has mastered complete processing technology, including advanced, modern technologies (IMIP, 2023). IMIP combines efficient nickel extraction with the latest smelting technology. The presence of IMIP makes Indonesia an important player in the global electric vehicle industry. President Jokowi even asked Chinese companies to increase the number of their energy projects in other countries (Camba, 2021).

V. Social Embeddedness, IMIP, and Local Actors in Central Sulawesi

This paper will adopt and expand on Camba's (2021) concept of social embeddedness, grounded in the data. In a case study of IMIP and local actors in Central Sulawesi, researchers identified three actor types that are influential in IMIP's investment activities: local governments, coalition elites, and civil society. Although the basic concept of social *embeddedness* does not include elements of civil society, the author considers that the two additional actors have contributed to IMIP investment activities from a socio-cultural approach, as intended by Camba. The pattern of IMIP's relationship with each actor will be explained in more detail.

a. Subnational Governance and Investment Facilitation

IMIP is one of the foreign companies under the supervision of the Central Sulawesi provincial government. Based on interviews with representatives of the Central Sulawesi Investment Office, the nickel smelter industry grew rapidly in 2019. This is due to the ban on nickel ore exports, which has been in place since 2009, so that nickel business actors sell their mining products only domestically. This encourages the smelter industry to develop and advance in Central Sulawesi. Throughout 2021, the Central Sulawesi Provincial Investment Office recorded Singapore's foreign investment of 17.17 trillion, followed by China's 11.82 trillion and Hong Kong's 9.05 trillion, all of which operate in the nickel processing industry. The base metal industry dominates foreign investment in Central Sulawesi, amounting to 33.82 trillion US dollars. The majority of investments in Central Sulawesi are made by companies from Singapore with parent companies in China,



such as Wanshiang Group, Tingshan Group, Dexin Group, and Huayue Group. The production capacity of the smelter in Central Sulawesi has far exceeded the capacity of the existing smelter. In 2022, IMIP already had 38 tenants with 37 lines in each smelter furnace (Central Sulawesi Investment Office, 2022).

As an extension of the Investment Coordinating Board, the Central Sulawesi government, through the Investment Office, provides ease of investment to foreign investors, including IMIP. One of those facilities is an import duty exemption. Heavy equipment from China easily enters the factory. Other facilities provided include tax holidays and a 10-year production tax exemption. The Investment Coordinating Board plays an increasingly important role in managing the ease of doing business in Indonesia, including in ensuring the improvement of ease of doing business (EODB) rankings, evaluating the implementation of business licensing and investment facilities carried out by ministries/institutions and local governments, and facilitating the granting of licenses to business actors and investment facilitation. This encourages the Board to focus on increasing investment in sectors that add value, including export-oriented, labor-intensive industries, downstream mining, new and renewable energy, and infrastructure (kompas.com, 13/01/2021).

Regarding employment, the Investment Office of Central Sulawesi explained that the foreign workers from China who arrived were temporary experts. The experts' job is to supervise the installation of the machines as they work alongside local workers. Even so, knowledge transfer is not as smooth as imagined because local workers are not accustomed to how Chinese foreign workers

work, so they tend to be intolerant and quit. One example of a way of working that is difficult to follow is the calculation of 45 working days with 1 day off (Central Sulawesi Investment Office, 2022). This obstacle is certainly an important point for IMIP and local governments to address together in pursuit of mutually beneficial solutions. Transparency in providing up-to-date information on the number of Chinese foreign workers at IMIP, including those undergoing work permit processing, is a measure that can be taken (Damuri et al., 2019). Transparency will also reduce the likelihood of friction between local and foreign workers. Foreign companies are expected to comply with the country's laws and regulations.

b. Elite Coalitions and State Support Mechanisms

Since its inception, IMIP has received strong support from national elites, including President Joko Widodo and Indonesia's Minister of Maritime Coordination and Investment, Luhut Binsar Panjaitan. In addition to cooperation in the nickel processing sector, Indonesia and China have also signed an MoU between Tsingshan Group and Bintang Delapan Group and PT IMIP regarding cooperation in the construction of a power plant in the Morowali industrial estate, Central Sulawesi, with a capacity of 700 MW and a total investment value of 650 million US dollars (kemenperin.go.id, 17/6/17). The cooperation is one of the follow-ups to the bilateral meeting between President Joko Widodo and President Xi Jinping on increasing Indonesia-China economic cooperation within the BRI framework.

The central government has consistently paid close attention and provided strong support for IMIP's activities. In particular, Joko



Widodo (President 2014-2024), Yusuf Kalla (Vice President 2009-2014), and Luhut Pandjaitan (Coordinating Minister for Maritime Affairs 2014-2019) are the national elites who oversee all project negotiations under the BRI (Tritto, 2021). From China's perspective, President Joko Widodo is a leader with strong character and can "guarantee" the sustainability of Chinese investment in Indonesia. The IMIP project can be considered an example of investment by Chinese companies, including several state-owned companies linked to Jokowi, in energy, infrastructure, and natural resources (Camba, 2021). In September 2022, Luhut Pandjaitan inaugurated the QMB New Energy Materials project at IMIP. QMB is part of the strategic cooperation framework between Indonesia and China under the BRI. He emphasized that there will be the first museum dedicated to the nickel resource industry in Indonesia (kompas.com, 26/09/22).

The central government has designated IMIP as part of the national strategic project area. The total value of investment absorbed by IMIP reached 21 billion US dollars. By 2022, the number of direct and indirect workers at IMIP had reached 77,000. So it is not surprising that this area is one of the destinations for working visits by national elites. The visit of the Indonesian Army Chief of Staff to IMIP during the closing of the 123rd TNI Integrated Village Development Program (TNI Manunggal Masuk Desa –TMMD) in March 2025 underscored the military's role in supporting industry (imip.co.id, 21/03/25). Deputy Minister of Industry, Faisol Riza, visited IMIP in August 2025. He highlighted that effective collaboration among stakeholders—including local communities and security forces—has helped boost economic performance

(imip.co.id, 13/08/25). The visit of central government officials confirmed that the relationship between IMIP and the coalition elite is very close and solid.

The central government's support has even been evident during IMIP's planning stage. In fact, the Central Sulawesi provincial government has discussed the environmental impact of the IMIP development plan. However, the provincial government of Central Sulawesi implemented the recommendations issued by the Ministry of Forestry and Environment. The recommendation was also made at the behest of coalition elites in other government agencies, like the Ministry of Trade and the Ministry of Maritime Coordination and Investment. Therefore, the environmental assessment indirectly triggers an 'order' and 'formality' from the central government, paving the way for the immediate completion of the IMIP construction.

The alignment of coalition elites in supporting IMIP's investment activities is clear. Professor Ilyas Lampe, a sociologist from Tadulako University and a member of the expert team assessing the environmental impact of the construction of the IMIP smelter, admitted that the team only needs to adjust, since all facilities have already been built. According to him, there is no comprehensive assessment of IMIP development. Apart from the central government's insistence, the Central Sulawesi provincial government is also institutionally weak. The Central Sulawesi Provincial Environmental Service has a limited number of personnel. For example, in Morowali Regency, only 3 personnel can carry out monitoring. The number of personnel is certainly not comparable to the number of industrial estates in Morowali Regency (Lampe, 2022).



c. *Socio-Economic Effects on Local Communities*

The presence of IMIP among the people of Central Sulawesi, especially in Morowali Regency, creates a profound socio-cultural relationship between IMIP and civil society. Ilyas Lampe explained that IMIP shows a paradox of development: economic growth and the potential for social conflict. On the one hand, the government and the local community feel the presence of a domino effect economically. IMIP has a positive domino effect for the majority of civil society, especially those living around the IMIP area in the Bahodopi District. Before the industrial area, the surrounding community had a low standard of living, with many people working as fishermen and factory workers.

However, after the opening of the IMIP area, the local economy increased. Local people open their own businesses, such as stalls and boarding houses. Public facilities, such as banks, are also present to observe the development of the area around IMIP. Road infrastructure was also added and widened to support the activities of this industrial estate. Bahodopi turned into a densely populated and expensive area, a village with a "city feel." House buildings that were previously scarce are now crowded and busy. The houses are now also equipped with electronic furniture, motorcycles, and cars (Lampe, 2021, 2022). The Deputy Regent of Morowali, Najamudin, also conveyed this economic improvement. He emphasized that the Bahodopi District is the only sub-district in Central Sulawesi with rapid economic growth, and this is due to the presence of IMIP (imip.co.id, 02/10/22).

On the other hand, factors hinder the occurrence of positive economic and socio-cultural effects. The most obvious obstacle is

employment. The local community believes that IMIP provides preferential treatment to Chinese foreign workers rather than to local workers. The interaction between Chinese foreign workers and local workers occurs only at the workplace and during working hours, so socio-cultural relations are not really visible. The technology transfer from Chinese foreign workers to local workers is also slow. This is because the machines and heavy equipment imported from China are knockdown (semi-finished) and require only installation. The guide is also in Chinese. That way, technology transfer is difficult. In addition, the livelihoods of local communities, especially farmers and fishermen, changed. Some local people choose to work at IMIP rather than in their previous jobs. The growing potential for social conflict due to the influx of immigrants from various regions of Indonesia, especially South, Southeast, and West Sulawesi (Lampe, 2021), must also be a concern for IMIP and local governments.

d. *Strategic Communication and Legitimacy Building*

IMIP strives to create positive socio-cultural relations with the local community. This can be seen in the corporate social responsibility activities carried out over the past few years in the socio-cultural and environmental fields. One of IMIP's CSR activities was a blood donation drive in the Bahodopi District, Morowali Regency, in March 2022. The activity was carried out to overcome the shortage of blood stock at the Regional General Hospital (RSUD) and other health facilities in Morowali. The RSUD and representatives of the Morowali Regency government really appreciate the blood donation activity initiated by IMIP (imip.co.id,



22/3/22). In June 2022, IMIP, together with the conservation group Sombori Dive Conservation (SDC) Morowali, rehabilitated coral reefs on Sombori Island, Mbokita Village, Menui Islands District, Morowali Regency, Central Sulawesi. The IMIP representative said that coral reefs have a very important function in marine ecosystems. IMIP took concrete action to support the conservation area of Sombori Island, as determined by the Indonesian Ministry of Maritime Affairs and Fisheries (imip.co.id, 01/06/22).

According to Lampe (2021), IMIP has pursued several strategies to communicate with the public about its investment activities, including a community approach, the implementation of corporate social responsibility and community empowerment, and news publications through national media (print and online), news cooperation, and advertising. He also recommended strengthening the public relations function, especially in managing corporate communication, using both conventional communication methods and social media.

VI. Dynamic Social Embeddedness of Chinese Investment

The social attachment between IMIP and local actors in Central Sulawesi can be interpreted as the relationship between IMIP and the coalition elite, namely the central government elites, including President Joko Widodo, who represent what Camba perceives as a strong regime. The central government plays a crucial role in overseeing the development and implementation of mining activities in Morowali Regency. The central government's pro-investor regime provides companies with convenience. Both parties benefit from this situation. The host country's

government has an interest in attracting foreign investment, while investment companies seek political, economic, and socio-cultural stability to conduct their business.

The host party's solid leadership then shapes the company's relationship with other local actors. IMIP's relationship with local governments and civil society tends not to encounter significant obstacles. The Central Sulawesi provincial government facilitated IMIP mining activities in line with recommendations and 'urges' issued by the central government. However, the provincial government is an apparatus of the central government regime. IMIP's relationship with the local community had faced several obstacles, such as environmental issues. However, it did not expand due to the support and facilities provided by the central and local governments. Moreover, IMIP has prepared a strategy for managing its corporate communications.

VII. Conclusion

As one of the largest forms of Chinese foreign investment in Indonesia, IMIP is required to 'assess' Indonesia as the host country and maintain this relationship. This paper concludes that the social attachment drawn from the relationship between IMIP and local actors in Central Sulawesi can be interpreted as the relationship between IMIP and the coalition elite, namely the central government elite, which represents what Camba perceives as a strong regime. The Indonesian government plays a crucial role in overseeing the development and implementation of mining activities in Morowali Regency, Central Sulawesi. This, in turn, yields a mutually beneficial outcome for both parties. The host country's government



has an interest in attracting foreign investment, while investment companies seek political, economic, and socio-cultural stability to conduct their business.

This paper has not comprehensively discussed the concept of social embeddedness, as in Camba's model. The relationship between Chinese companies and the Chinese government has not been discussed in detail, likewise with the relationship between the Chinese government and the host country's government. The limited number of interviewed informants is also a limitation of this article, and it will be addressed in future work. This paper is very open to constructive criticism and input.

Works Cited

- Balaz, P., Zábojník, S., Harvánek, L. (2020). *China's Expansion in International Business*. Palgrave Macmillan.
- Buckley, P.J., Clegg, J., Cross, A.R., Liu, X., Voss, H., Zheng, P. (2009). "The Determinants of Chinese Outward Foreign Direct Investment." *Journal of International Business Studies*, February 2009
- Camba, A. (2017). "Inter-State Relations and State Capacity: The Rise and Fall of Chinese Foreign Direct Investment in the Philippines." *Palgrave Communications* 3:41. doi: 10.1057/s41599-017-0033-0
- Camba, A. (2021). "How Chinese Firms Approach Investment Risk: Strong Leaders, Cancellation, and Pushback. *Review of International Political Economy*. doi: 10.1080/09692290.2021.1947345
- Camba, A., Lim, G., & Gallagher, K. (2022). "Leading Sector and Dual Economy: How Indonesia and Malaysia Mobilised Chinese Capital in Mineral Processing". *Third World Quarterly*, 43:10, 2375–2395, DOI: 10.1080/01436597.2022.2093180
- Damuri, Y., Perkasa, V., Atje, R. & Hirawan, F. (2019). *Perceptions and readiness of Indonesia towards the Belt and Road Initiative: Understanding local perspectives, capacity, and governance*. Centre for Strategic and International Studies, 2019.
- Dinas Penanaman Modal Provinsi Sulawesi Tengah. Wawancara, 12 Juni 2022.
- Dinata, S., Ikhsan, M., Silaban, M., & Umam, A.K. (2022). *The Outcome Of China's Investment In Indonesia: Lessons From The Nickel Industry*. Paramadina Public Policy Institute
- Fitriani, E. (2018). "Indonesian Perceptions of the Rise of China: Dare You, Dare You



- Not." The Pacific Review 31, no. 3: 391–405.
doi:10.1080/09512748.2018.1428677
- Gammeltoft, P. & Tarmidi, L. (2013). "Chinese Foreign Direct Investment in Indonesia: Trends, Drivers, and Impacts". International Journal of Technological Learning, Innovation and Development, 6(1–2), 136–60.
- Hadi, S. (2012). "Indonesia, ASEAN, and the Rise of China: Indonesia in the Midst of East Asia's Dynamics in the Post-Global Crisis World." International Journal of China Studies 3, no. 2 (2012): 151–166.
<https://icsum.org.my/wp-content/uploads/2020/02/VOL3NO2-FULL-ISSUE.pdf>
- Indonesia Morowali Industrial Park. (2023). IMIP 2023 Sustainability Report.
- Lampe, I. Wawancara, 13 Juni 2022.
- Lampe, I. (2021). "Isu-isu Industrialisasi Nikel dan Pengelolaan Komunikasi Korporat di Kawasan Industri Morowali". Profesi Humas, Volume 6, No. 1, 2021, p.1-22
- Liu, H. & Lim, G. (2022). When the State Goes Transnational: The Political Economy of China's Engagement with Indonesia. Competition & Change, 2022, Vol. 0(0), 1–20
- Mahendru, K. (2021). "China's Investments in Indonesia: Projects, Trends, and Impacts". Issue Brief, Center for Security Studies
- Negara, S., & Suryadinata, L. (2018). "Indonesia and China's Belt and Road Initiatives: Perspectives, Issues and Prospects." in the Trends in Southeast Asia Series. Singapore: ISEAS, 2018.
- Sukma, R. (2009). "Indonesia–China Relations: The Politics of Re-engagement." Asian Survey 49, no. 4 (2009): 591–608.
- Tham Siew Yean, S. D. (2020). "Chinese Investments in Industrial Parks: Indonesia and Malaysia Compared". Singapore: ISEAS, 2020.
- Tritto, A. (2021). "China's Belt and Road Initiative: From Perceptions to Realities in Indonesia's Coal Power Sector". Energy Strategy Reviews 34 (2021).
<https://money.kompas.com/read/2021/01/13/195028326/mengupas-kerja-sama-investasi-china-di-indonesia>.
- <https://imip.co.id/news.php?slug=pertumbuhan-ekonomi-bahodopi-lebih-cepat-dari-kecamatan-lain-di-sulteng>
- <https://imip.co.id/penutupan-tmmd-ke-123-kodim-1311-morowali-kasad-sambangi-pt-imip/>
- <https://imip.co.id/tingkatkan-ekonomi-nasional-wamenperin-tegaskan-dukungan-pemerintah-ke-imip/>
- <https://kemenperin.go.id/artikel/17712/Industri-RI-Tiongkok-Sepakat-Investasi-USD-1,63-M-di-Morowali>
- <https://www.bkpm.go.id/id/info/siaran-pers/investment-commitment-worth-usd-10-07-billion-achieved-during-prabowo-s-state-visit-to-china-rosan-optimistic-about-continued-growth-of-chinese-investment>
- <https://time.com/6313609/indonesia-rempang-eco-city-protests-china>
- <https://www.aseanbriefing.com/news/chinas-investments-in-indonesia-2024-outlook/>

