



Mapping Indonesia Relation to BRICS (Brazil, Russia, India, China, and South Africa): Two-Level Game Theory Approach

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Abstract

The rise of BRICS—taken from the acronym for Brazil, Russia, India, China, and South Africa—marks a significant shift in the global political and economic order, offering both opportunities and challenges for emerging powers such as Indonesia. As BRICS positions itself as an alternative to Western-dominated institutions, Indonesia faces the strategic question of how best to engage with the organization to safeguard and advance its national interests. This research examines the trajectory of BRICS as a global actor, utilizing Two-Level Game Theory as the analytical framework. The theory provides a lens to understand how Indonesia must simultaneously navigate external negotiations with BRICS members (Level I) and reconcile those engagements with domestic political, economic, and institutional constraints (Level II). The purpose of this study is to evaluate Indonesia's strategic policy options toward BRICS in order to identify a foreign policy posture that balances international bargaining opportunities with domestic constraints while safeguarding autonomy and promoting economic diversification. The findings suggest that Indonesia's optimal strategy lies in adopting a pragmatic and adaptive approach: leveraging BRICS' platforms, such as the New Development Bank, for financing, strengthening South-South cooperation, and enhancing global bargaining power, while ensuring alignment with domestic development priorities and maintaining political legitimacy. Ultimately, Indonesia's participation in BRICS initiatives must be guided not only by opportunities at the international level but also by the imperative to maintain coherence with domestic agendas, thereby maximizing strategic benefits in a complex multipolar order.

Keywords: *BRICS; Indonesia; Two-Level Game Theory; Foreign Policy; Strategic Interests*

INTRODUCTION

BRICS—an acronym for Brazil, Russia, India, China, and South Africa—originated with the concept of “BRIC,” introduced by Goldman Sachs economist Jim O'Neill in 2001 to describe four rapidly growing economies with the potential to reshape global economic power (O'Neill, 2001). Over time, BRICS has developed into a cooperative platform for political, economic, and social engagement among Global South countries, aiming to bolster economic cooperation, expand political influence, and press for reform of institutions such as the United Nations, International Monetary Fund, and World Bank, while endorsing a vision of a multipolar world order (BRICS, 2025). Key initiatives include the use of local currencies in trade, the establishment of alternative financial institutions such as the New Development Bank (NDB), and efforts to reduce dependency on the U.S. dollar (Greene, 2023).

A significant achievement of BRICS is the creation of the New Development Bank in 2014, which began operations in 2015. With an initial capital of US\$100 billion equally contributed by founding members, the NDB is designed to finance public and private infrastructure and sustainable development projects as an alternative to the Bretton Woods institutions. Alongside it, the Contingent Reserve Arrangement provides liquidity support in times of financial stress.

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Discussions about a shared BRICS currency or expanded use of local currencies also exemplify the group's ambition to pursue financial autonomy, though consensus among members remains distant. The 2023 Johannesburg Summit represented a pivotal moment, with the bloc inviting six new countries—Egypt, Ethiopia, Iran, Saudi Arabia, the United Arab Emirates, and Argentina—to join BRICS. Most were formally admitted as of 1 January 2024, although Argentina withdrew and Saudi Arabia delayed final ratification. Indonesia's admission as a full member in January 2025 marked Southeast Asia's first entry into BRICS, expanding both the geographical reach and political heft of the alliance.

For Indonesia, membership presents strategic benefits. With its large population and growing economy, joining the BRICS aligns with its goal of diversifying global partnerships and strengthening economic diplomacy. Access to energy-hungry major economies, such as China and India, offers new markets for export and cooperation. Foreign direct investment, particularly in infrastructure, renewable energy, and downstream industries, is expected to increase ([Pakpahan, 2025](#)). Additionally, beyond economic gains, being part of BRICS enhances Indonesia's geopolitical visibility and lends it a more influential voice in shaping the agendas of the Global South. However, Weak intellectual property protections and regulatory uncertainty may deter high-value investment and slow technology transfer.

Politically, there is tension between Indonesia's traditional foreign policy principle of "*bebas aktif*" and the perception, by some observers, that joining BRICS might align Indonesia too closely with certain global blocs. Critics argue that such alignment could risk diluting sovereign decision-making. In response, Indonesian leaders, including Foreign Minister Sugiono, have emphasized membership as a means of expressing their independent foreign policy, which bridges the interests of developing countries while maintaining balance with Western partners ([VOA Indonesia, 2025](#)). Since President Prabowo Subianto and Vice President Gibran Rakabuming Raka took office in October 2024, Indonesia has adopted a multi-alignment diplomatic strategy. BRICS membership is viewed as part of this shift—offering new channels for pursuing domestic agendas such as food security, energy independence, poverty reduction, and human capital development without overreliance on any single global power.

On the domestic front, several priorities intersect with BRICS membership. First, alternative financing through the NDB is crucial for projects such as the development of the new capital city, Ibu Kota Nusantara (IKN), public transportation, and renewable energy initiatives. The Indonesian government has allocated approximately IDR 48.8 trillion (~USD 2.98 billion) for Phase II of the IKN development (2025-2029), supplemented by private investment and public-private cooperation funds. This demonstrates commitment to large-scale infrastructure, though execution and absorptive capacity remain critical. Secondly, BRICS may facilitate deeper trade and investment in downstream industries, such as nickel, bauxite, and copper, and accelerate technology transfer from China, India, and Russia. However, to avoid unfavorable outcomes, regulatory frameworks and protection for strategic sectors must be strengthened to ensure that trade liberalization supports domestic value addition. Third, cooperation within BRICS on food and energy security can help Indonesia reduce vulnerabilities to global supply chain disruptions. Expertise in advanced agriculture, irrigation technologies, and renewable energy research can be leveraged to enhance domestic resilience and unlock export opportunities in the agricultural and fisheries sectors. Finally, human capital and innovation are essential to Indonesia's long-term development. Participation in research networks, student exchanges, and joint programs in green technology, health sciences, and artificial intelligence under the auspices of BRICS aligns with the country's vision of becoming a leading digital economy in Southeast Asia.

Therefore, Indonesia's engagement with BRICS should be understood within the broader context of a rapidly evolving international order marked by shifting power configurations,

economic realignment, and intensifying strategic rivalries. Rather than framing the issue as a simple binary between alignment and opposition, the central question lies in how Indonesia can navigate an increasingly fragmented global landscape while safeguarding its national interests and maintaining strategic autonomy. This dynamic environment presents both opportunities and constraints, especially as emerging powers like BRICS seek to challenge existing institutions and reshape global economic governance. For Indonesia, a country with a long-standing *bebas aktif* foreign policy, participation in BRICS raises critical questions about balancing domestic development imperatives with external commitments, managing relations with established powers, and leveraging South-South cooperation to advance national objectives. Against this backdrop, understanding Indonesia's evolving role within BRICS requires careful analysis of the strategic, economic, and diplomatic dimensions that underpin its engagement, as well as the broader implications for its position in regional and global affairs.

The objective of this research is to examine Indonesia's strategic policy options toward BRICS through the application of Two-Level Game Theory, to identify how Indonesia can balance external bargaining opportunities within a shifting multipolar order against domestic political, economic, and institutional constraints, in order to formulate a pragmatic foreign policy that safeguards national autonomy, enhances economic diversification, and maintains domestic legitimacy.

LITERATURE REVIEW

Two-Level Game Theory, first introduced by Putnam (1988), provides a framework for understanding the intersection of international and domestic politics in shaping foreign policy. In this model, leaders negotiate simultaneously at two levels: Level I (international bargaining) and Level II (domestic ratification). The success of foreign policy outcomes depends on the overlap of win-sets, defined as the range of agreements acceptable both internationally and domestically. A large win-set increases the chance of reaching an agreement but may weaken a negotiator's hand abroad, while a small win-set strengthens bargaining leverage but risks domestic rejection.

Subsequent studies refined this framework by emphasizing institutional and political dynamics. Mo (1995) highlighted the role of veto players in narrowing or widening win-sets, while Milner and Rosendorff (1996) demonstrated how domestic ratification rules shape international bargaining outcomes. Similarly, Trumbore (1998) and Trumbore and Boyer (2000) analyzed how public opinion and leader approval ratings influence negotiators' strategies, showing that domestic legitimacy is integral to international success. These works underline the importance of aligning international strategies with domestic political realities.

Applied to Indonesia, this literature highlights the continuing relevance of the *bebas aktif* (independent and active) foreign policy doctrine. Shekhar (2022) describes Indonesia as a "middle power" that seeks to balance assertiveness and accommodation in the Indo-Pacific, emphasizing strategic autonomy while maintaining cooperative ties with major powers. This resonates with Putnam's framework, where Indonesia must expand its win-set externally without undermining domestic legitimacy. Domestic opinion further constrains foreign policy choices. According to the Bland et al. (2021), Indonesians prioritize economic growth, job creation, and protection of sovereignty over closer alignment with any single great power. Public attitudes toward China are ambivalent: while economic engagement is generally welcomed, concerns about maritime sovereignty remain strong. These findings suggest that Indonesia's win-set is broader for policies that maintain balance and avoid overt alignment, while narrower for strategies that risk economic or sovereignty costs.

In this sense, Two-Level Game Theory provides a valuable lens for analyzing Indonesia's engagement with BRICS. Jakarta's foreign policy decisions must be evaluated in terms of both

international bargaining opportunities and domestic acceptance. Strategic hedging—extracting economic benefits from BRICS while preserving relations with the United States and ASEAN—aligns most closely with Indonesia’s win-set as defined by both elite strategy and public sentiment.

RESEARCH METHOD

Data collection in this study is derived from both primary and secondary sources. Primary data are obtained through in-depth interviews with stakeholders, including the Ministry of Foreign Affairs and think tanks such as the Center for Indonesian Policy Studies (CIPS), as well as official policy documents and reports issued by Indonesia and BRICS members. Secondary data are drawn from journal articles, books, reports from international organizations, and other academic publications that discuss issues relevant to Indonesia’s strategic policy within the BRICS framework.

Data analysis employed a qualitative, exploratory, and descriptive approach, as explained by [Creswell & Creswell \(2022\)](#). The data analysis process follows [Miles et al. \(2020\)](#)'s interactive model, which consists of data condensation, data display, and conclusion drawing. In addition, the study employs Two-Level Game Theory, as presented by [Carbone \(2022\)](#), as an analytical lens to examine how domestic political constraints and international bargaining dynamics interact in shaping Indonesia’s strategic decisions within BRICS. This combined approach enables a deeper understanding of the complex interplay between national interests and multilateral negotiations.

The validity and reliability of the findings were ensured through the use of triangulation techniques ([Rachman et al., 2024](#)). This involved source triangulation, technique triangulation, and time triangulation, allowing cross-verification of information obtained from interviews, literature studies, and official documents. Through this process, the convergence of evidence was strengthened, thereby enhancing the credibility of the analysis on the intersection of domestic and international politics in Indonesia’s foreign policy formulation.

The data analysis process was conducted inductively through several stages. First, data reduction was carried out to filter and retain only the most relevant information related to Indonesia’s strategic position in BRICS. Second, categorization and coding were applied to group data into themes and emerging policy patterns. Third, interpretation was undertaken by linking findings to the broader context of diplomacy, economics, and Indonesia’s strategic interests, while also assessing them through the perspective of Two-Level Game Theory. Finally, synthesis and conclusion drawing were performed to organize the data into coherent patterns and decision frameworks. The conclusions were continuously verified throughout the research process, resulting in a decision matrix that reflects Indonesia’s strategic interests within BRICS.

FINDINGS AND DISCUSSION

This research applies [Putnam’s \(1988\)](#) Two-Level Game Theory to analyze Indonesia’s strategic positioning in relation to BRICS and the wider global order. Within this framework, Level I represents international bargaining, while Level II captures domestic ratification shaped by public opinion, elite consensus, and institutional structures.

Indonesia’s Strategic Interests

Analysis of historical and current policy shows that Indonesia’s foreign policy priorities can be arranged hierarchically. At Level I (international), the top priorities are:

1. Preserve Strategic Autonomy in Great-Power Rivalry ([Setiawan, 2025](#))– Indonesia must avoid being locked into either the U.S.-led order or a China/BRICS-centric bloc. Maintaining flexibility enables Indonesia to maximize its bargaining power and reduce its vulnerability to coercion.
2. Secure Economic Diversification and Financing ([Putra et al., 2025](#)) – Engagement with BRICS

(New Development Bank, South-South trade) provides alternative financing to Western institutions. At the same time, Indonesia needs continued access to U.S., EU, and Japanese markets, as well as technology. The core interest is diversification, not replacement.

3. Safeguard Sovereignty and Maritime Security ([Djarja & Seniwati, 2024](#))– Tensions in the South China Sea, especially with China’s expansive claims, directly threaten Indonesia’s EEZ around Natuna. A key interest is ensuring BRICS cooperation does not undermine territorial integrity or freedom of navigation.
4. Shape Multipolar Rules Without Antagonizing Major Powers – Indonesia benefits from a multipolar order that reduces Western dominance ([Pandito, 2025](#)), but not from an overt anti-dollar or anti-U.S. coalition. The goal is to extract influence within institutions (G20, BRICS+, ASEAN) while keeping neutrality intact.

At Level II (domestic), strategic interests reflect developmental and political needs:

1. Economic Transformation – moving beyond resource extraction toward higher-value industries ([Kementerian Pendidikan Tinggi, Sains, dan Teknologi, 2025](#)).
2. Food, Energy, and Technology Sovereignty – ensuring resilience against global shocks ([Office of Assistant to Deputy Cabinet Secretary for State Documents & Translation, 2025](#)).
3. Social Cohesion – preserving pluralism and stability amid diversity ([Danisworo, 2023](#)).
4. Institutional Resilience – ensuring democratic governance, bureaucratic strength ([Prasojo, 2024](#)), and military professionalism.

Survey data reinforces these priorities. According to the [Bland et al. \(2021\)](#), Indonesians place the highest importance on economic growth, jobs, and protection of sovereignty, while showing ambivalence toward closer ties with any single great power. Public opinion thus narrows the domestic win-set for overt alignment strategies and broadens it for balanced approaches.

Decision Matrix

To operationalize Level II priorities, four strategic interests are identified as scoring criteria: (1) Economic Transformation, (2) Food, Energy, and Technology Sovereignty, (3) Social Cohesion, and (4) Institutional Resilience. Each interest counts as one point, giving a maximum possible win-set score of 4.

Four decision options are viable for Indonesia to take right now: (1) To align with the US and traditional allies, (2) To go all in with BRICS and an anti-US agenda, (3) Take a balanced hedging position, cooperating but avoiding making a full commitment, or (4) take a passive approach. The decision matrix for these decisions, along with the win-set, is shown in the table below.

Table 1. Indonesian Decision Matrix & Win-set

Decision Option	Economic Transformation	Food/Energy/Tech Sovereignty	Social Cohesion	Institutional Resilience	Total Win-Set Score (0–4)
U.S. Alignment	1	0	0	1	2
BRICS/China Alignment	1	0	0	0	1
Balanced Hedging	1	1	1	1	4
Isolationism	0	0	0	0	0

Table 2. Comparative Fit of Policy Options Against Win-Set

Level I Option	Level II Fit (Domestic Winset)	Benefits (Payoff)	Risks / Constraints	Overall Feasibility
Full U.S. Alignment	Moderate– Low	Access to U.S. tech, markets, security guarantees; deterrent vs. China	Loss of autonomy; possible backlash from China; contradicts <i>bebas aktif</i> principle	Weak fit
Full BRICS/China Alignment	Low– Moderate	Access to BRICS financing & markets; political leverage vs. West	Domestic suspicion of China; maritime sovereignty risk; vulnerable to China’s slowdown	Weak fit
Balanced Hedging (Non- Aligned, Dual- Track)	High	Matches “independent & active” policy; maximizes trade; avoids antagonizing blocs; sovereignty defense credible	Requires skilled diplomacy; risk of being perceived unreliable by great powers	Strongest fit
Isolationist / Low Engagement	Very Low	Avoids entanglement in rivalries	Sacrifices trade, growth, global influence; unacceptable to public prioritizing economy/jobs	Outside winset

Findings

The results show that balanced hedging is the dominant strategy, as it satisfies all domestic priorities while providing high external payoffs. U.S. alignment and BRICS alignment offer partial gains but are constrained by concerns over domestic legitimacy and sovereignty. Isolationism falls entirely outside the domestic win-set and yields negligible external benefits. The implication is that Indonesia’s foreign policy toward BRICS should remain pragmatic, selective, and issue-based, leveraging opportunities such as infrastructure financing while avoiding entanglement in de-dollarization or overt anti-U.S. agendas.

CONCLUSIONS

This study demonstrates that Indonesia’s engagement with BRICS and the broader global order can be best understood through Two-Level Game Theory. At the international level (Level I), Indonesia negotiates in a multipolar environment where opportunities and risks emerge from the rise of BRICS, the continuing influence of the United States, and the ambivalent role of the European Union. At the domestic level (Level II), political legitimacy is shaped by economic transformation, concerns over sovereignty, social stability, and institutional resilience.

The analysis of payoffs shows that balanced hedging is Indonesia’s most viable foreign policy strategy. It produces the highest composite score by meeting all domestic strategic interests while also delivering significant international benefits. In contrast, alignment with the United States or BRICS alone provides only partial advantages and faces substantial domestic and sovereignty-related constraints. Isolationism is entirely outside Indonesia’s domestic win-set and is unsustainable in the long term.

The implication for policymakers is that BRICS should be approached pragmatically and selectively. Indonesia can benefit from issue-based cooperation, particularly in infrastructure financing, trade diversification, and South-South partnerships, while avoiding commitments that would compromise autonomy or provoke unnecessary confrontation with other powers. Balanced hedging enables Jakarta to maintain flexibility, resilience, and independence, in line with the long-standing doctrine of *bebas aktif*.

LIMITATIONS & FURTHER RESEARCH

This study is limited by its reliance on theoretical modeling and secondary data, which may not fully capture the evolving dynamics of Indonesia's foreign policy decision-making or the internal complexities within BRICS. The application of Two-Level Game Theory offers a structured framework. However, it simplifies certain variables, such as elite bargaining, shifting public opinion, and the informal nature of Indonesia's diplomatic practices. Further research should incorporate empirical methods, such as interviews with policymakers or case studies of specific negotiations, to deepen the analysis. Scenario-based modeling could also be applied to test Indonesia's strategies under potential shocks, such as U.S. policy shifts, China's economic slowdown, or fragmentation within BRICS, thereby enhancing the robustness of future findings.

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