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# Indonesia's Foreign Policy Towards East Asia in the 21<sup>st</sup> Century:

Case Study on Indonesia – Republic of Korea
 Strategic Partnership (2006 – 2019) –

인도네시아의 21 세기 동아시아 외교정책: 인도네시아 - 대한민국 전력적 파트너십 사례연구 (2006 - 2019)

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# Indonesia's Foreign Policy Towards East Asia in the 21<sup>st</sup> Century:

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Abstract

The history of Indonesia's democracy has affected foreign countries'

relations, especially countries in the region. Due to its geographical location,

Indonesia views that it must have a significant role in the area. Since the early

2000s, Indonesia's foreign policy towards several other countries has evolved into

a strategic partnership. However, this change happened due to the change of

President in Indonesia and their strategy. In President Susilo Bambang

Yudhoyono's administration, he built and embraced Indonesia's image as a friendly

neighboring country. As President Yudhoyono's term ended, Jokowi as

Yudhoyono's successor dramatically changed Indonesia's foreign policy into a

more self-assertive and inclusive country. In the case of Indonesia's foreign policy

towards the Republic of Korea, Indonesia values the relationship that has been built

since the early 1980s. This paper will analyze the difference of Indonesia's foreign

policies due to the change of Presidency 2004 – 2019 that affected the relation

between Indonesia and the Republic of Korea.

Keyword: Indonesia, Republic of Korea, Strategic Partnership, Cooperation

**Student Number: 2018 - 21441** 

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### Chapter 1. Introduction

### 1.1. Background

Indonesia's territory and geographical location gave it many advantages. Located between two oceans, the Indian and the Pacific Ocean, it is a magnet for cooperation with countries all around the world. In its history, Indonesia was colonized by the Dutch for more than two hundred years and Japan for approximately three years. The Dutch exploited Indonesia's natural resources and exported them under the name of Dutch East Indies or VOC. While during Japan's occupation, Indonesian were forced not to speak in their own language and were heavily tortured. People of Indonesia were discriminated against and exploited. In time, the people of Indonesia grew tired of the Dutch and Japanese. This led the people of Indonesia to fight for Indonesia's independence and finally gained its own in 1945. The history of Indonesia's independence and journey to democracy has affected both domestic affairs and relations with countries around the world, more so towards countries in the region.

Indonesia is one of the biggest countries in the region, a country rich in natural resources, and due to its strategic geographical location, Indonesia views that it must have a big role in the region. Indonesia has founded many international forums and associations in the region and the world. Though many of them did not survive, it showed Indonesia's intention and vision to take part in the development in the region. This vision was started by the founding father of Indonesia, first President Ir. Soekarno. His strong leadership led to Indonesia's independence and his charisma also made him famous in the international community. President

Soekarno and his anti-imperialistic policies managed to raise Indonesia's image in the world. Soekarno's policies that are aggressive and assertive still remain as the foundation of Indonesia's foreign policy until today.

Indonesia's 21st-century policies are still based on the foundation that Soekarno made. Soekarno's ideology and vision will never be changed and will always be part of Indonesia's identity. This foundation also applies to current and also future domestic as well as foreign policies. As Indonesia grows to be a bigger nation, Indonesia will engage in cooperation with many other countries around the world. Indonesia's foreign policies will always be based on the foundation of what the founding father has laid upon.

Compared to the other two East Asian countries, China and Japan, Indonesia has just recently developed a more dynamic relationship with the Republic of Korea. Indonesia has had complex relations with both China and Japan since before its independence. There were several incidents that affected the relationship between Indonesia and the other two East Asian countries. The incidents that happened between China, Japan, and Indonesia did affect the relationship with Indonesia but over time it was resolved. However, the sentiment of the public towards China and Japan still remains negative for a long time.

Indonesia and the Republic of Korea gained their independence in a similar way. In both countries' history, Indonesia and the Republic of Korea were both invaded several times by other countries. It has suffered great pain from the exploitation and acts of its invaders. The pain that has grown to the bones of the people of both countries encouraged the people to gain their freedom. As time went by, Indonesia and the Republic of Korea grew as a nation. The relationship between

the Republic of Korea and Indonesia started from the exchange of presidential visits of respective countries by each President in the 1980s. These presidential visits laid the foundations of friendly relations between both countries which later then developed into a more dynamic and mutually beneficial relationship.

The topic of this thesis is important to be written because there is no other time in history that the relationship between Indonesia and the Republic of Korea grew significantly. Indonesia's journey in gaining its full democracy and increasing economic development changed Indonesia's image in the eyes of the world. During President Susilo Bambang Yudhoyono's and President Joko Widodo's presidential terms the development of Indonesia has significantly changed due to their efforts. This also impacted the relationship between Indonesia and the Republic of Korea. The relationship between Indonesia and the Republic of Korea grew stronger and developed into a strategic partnership in the term of President Susilo Bambang Yudhoyono and then evolved into a special strategic partnership in President Joko Widodo's term. This thesis will explain how Indonesia's foreign policy developed throughout the years and how it affected the relationship with East Asian countries, especially the Republic of Korea, to make a better understanding of Indonesia's vision towards the Republic of Korea.

### 1.2. Methodology

An analytical framework on a strategic partnership that was written by Thomas S. Wilkins on Russo – Chinese Strategic partnership will be the foundation of the methodology of this paper. This paper will elaborate on the definition and measures of strategic partnership. With this basis, this paper will then explain the

relationship between Indonesia and the Republic of Korea as well as the development. This paper will examine how the history of Indonesia and international geopolitics such as the ASEAN and East Asia affect the foreign policies of Indonesia and the Republic of Korea.

This paper will focus on the strategic partnership between Indonesia and the Republic of Korea that has been going on for approximately 14 years. This strategic partnership has been conducted through two eras of Indonesia's presidential era. These Presidential eras are two terms of Indonesia's sixth President, President Susilo Bambang Yudhoyono from 2006 – 2014, and Indonesia's seventh President, President Joko Widodo's first term. Different elements of the strategic partnership foreign policies of Indonesia in these two presidential terms will be evaluated and determine how the beliefs, motives, and leadership of a certain head of a government determines a country's polar foreign policies. This paper will not only be evaluated based on academic articles and books but also data collected by each country's known research centers and news articles from the embassy and local news.

### 1.3. Research Methodology

This thesis analyses how foreign policy between Indonesia and South Korea formed into a "Strategic Partnership" and how the strategic partnership has developed in the two presidential eras (President Susilo Bambang Yudhoyono in 2006 – 2013 and President Joko Widodo in 2014 – 2019). This paper will then evaluate how this partnership benefited or lost for both countries and describe how Indonesia conducts its foreign policy toward South Korea.

### 1.4. Literature Review

One of the papers that discusses the strategic partnership between Indonesia and foreign countries is made by Gatra Priyandita which discusses the Strategic partnership between Indonesia and China. The writer mentions three characteristics of strategic partnerships that would be the foundation of a relation between two countries. She mentioned that strategic partnerships must be goaldriven, the Strategic partnership must be a loose form of alignment which means that the partnership will have few incentives and in addition, the partnership must be multi-dimensional, and it determines the duration of the bilateral relationship visions. Whether the visions are short, medium, or long-term. This paper discusses the point of view of Indonesia towards a strategic partnership, the reasons for Indonesia to change its relationship with another country to become a special partnership, and how it is implemented.

Another paper that discusses Indonesia and its regional rule in ASEAN with an addition of some points about Indonesia's foreign policies is made by a well-known scholar named Amitav Acharya. Acharya describes Indonesia's position in ASEAN as *Primus inter pares*, which means that Indonesia positions itself as first among the equals. As one of the biggest countries in the region, Indonesia feels that it needs to leave the region and protect it from other countries' security threats. Easier to be said than done, Indonesia's foreign policies portray their ambition as the leader of the region. However, based on the actions portrayed in their defense white paper and other foreign policy documents Indonesia tends to be vague rather than rigid.

## Chapter 2. Indonesia's Foreign Policy and Partnerships with Regional Powers

### 2.1. Indonesia's Foreign Policies & Strategic Partnership History

Indonesia views itself as a legal entity, independent and active as a subject of international relations. This means that Indonesia has its own identity and thoughts upon its own elements such as geographic position, historical and cultural background. Since its independence in 1945, Indonesia has promoted itself and the region to be a region that does not side with any bloc, whether it is the United States or Russia. Indonesia believes that as part of a third world country, Indonesia and other countries the region should be able to cooperate and build the region together.

Over the years Indonesia foreign policy is known as vague and idealistic. Fuad Hassan in a book called Indonesia and Korea in the Year 2000 stated that, "In order to provide sufficient room for maneuver in coping with emerging international realities, principles are formulated, which in its execution are flexible and pragmatic rather than dogmatic and rigid." However, this is easier said than done. In reality, this principle creates ambiguity and clearless vision for the future of Indonesia. In 2018, Indonesia's Minister of Foreign Affairs Retno Marsudi explained, Indonesia's foreign policy concept is "open, transparent and inclusive, promoting the habit of dialogue, promoting cooperation and friendship, and

upholding international law" implementation of this principle is the hardest thing to do. It is up to Indonesia's policymakers to act on the principles and goals that were made.

Indonesia's foreign policy implements the concentric circle formula where it categorizes some countries into several groups of prioritizations based on geographic proximity. In general, Indonesia has three main circles. The first concentric circle would be the member countries of ASEAN as it is one of the foundations of Indonesia's foreign policy in its early days of independence. The second concentric circle of Indonesia is the neighboring countries in East Asia which also comprises the ASEAN +3 countries, which are China, Japan, and Korea. The third concentric circle is countries within the Asia Pacific region. This part of the paper will explain Indonesia's foreign policy differences in the 20th century and 21st century and how Indonesia develops its relations toward East Asia and the Pacific countries.

### 2.1.1. Indonesia's Foreign Policy in the 20<sup>th</sup> Century: The Rise and Fall of Indonesia's Glory

Indonesia's foreign policy in the 20th Century started from the struggle for Indonesia's independence until the end of the second President's authoritarian leadership. Indonesia's foreign policy was birthed through the pain that it had suffered from more than two hundred years of colonialism by the Dutch and

Anwar, Dewi Fortuna. 2013. "Reinvention of Indonesia Foreign Policy Strategy." *East Asia Forum Quarterly* 5 (4): 10–11.

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<sup>1</sup> Tham, Jansen. 2018. "What's in Indonesia's Indo-Pacific Cooperation Concept?" Thediplomat.Com. 2018. https://thediplomat.com/2018/05/whats-in-indonesias-indo-pacific-cooperation-concept/.

Japanese. It was the first strategy to gain attention from other countries and get their approval for Indonesia's independence. After Indonesia gained its independence in 1945, Indonesia's Prime Minister, Mohammad Hatta, declared Indonesia's first foreign policy as "politik bebas aktif" or "Free and Active" foreign policy in 1948. This Cold War terminology was rooted in Indonesia's belief that foreign policy should reflect Indonesia's ideologies <sup>3</sup>, commonly known in Indonesia as Pancasila. <sup>4</sup> The meaning of "Free" in this policy can also be translated as an independent. This terminology meant that Indonesia desired to be an independent country, a nation free from any colonialism and not taking any side of the two blocks. While "Active" meant that Indonesia will encourage peace and stability, both internally, in the region, and also take part in world peace. However, this policy had seemed to be misused by Indonesia's first president, President Soekarno. President Soekarno led many confrontational actions both in domestic and international matters. These actions led him to the end of his lifetime Presidency.

With President Soekarno's Guided Democracy, President Soekarno took this Free and Active policy to a new level. He believed that international and domestic policies are parallel. With this view, Soekarno's foreign policy put too much emphasis on anti-colonialism and believed that the opponent of this vision, international imperialism, colonialism, and capitalism, must be fought and ended. With the spirit of his vision, Soekarno started many international opposition

<sup>&</sup>lt;sup>3</sup> Sukma, Rizal. 1995. "The Evolution of Indonesia's Foreign Policy: An Indonesian View." *University of California Press: Asian Survey* 35 (3): 304–15.

<sup>&</sup>lt;sup>4</sup> Indonesia's five main ideologies: 1) Belief in the Almighty God; 2) Just and civilised humanity; 3) Indonesia's Unity; 4) Citizens led by collective representations full of wisdom; 5) Equity for all Indonesians

movements with an iron fist. Following the anointment of Malaysia as a nonpermanent member of the UN Security Council, Soekarno withdrew Indonesia as a
UN member and determined to make an opposition alliance against the UN. He
then promoted a new world order and established the Conference of the New
Emerging Forces (CONEFO) as a move against the United Nation. In addition, he
also established the Jakarta - Phnom Penh - Beijing - Pyongyang alignment that he
believed could fight colonialism and neocolonialism as an alliance of new
emerging forces. These policies however fell short as Soekarno had to step down
from his lifetime Presidency due to a coup d'etat by his own military general,
Suharto.

Suharto's coup d'etat was strongly motivated to return Indonesia back to its track in conducting the Free and Active policy that is based upon *Pancasila*<sup>5</sup> and *UUD 1945*<sup>6</sup>. General Suharto rejected Sukarno's radical foreign policies and was determined to reinstate Indonesia's status as leader of the Third World. Suharto's foreign policy in Indonesia's New Order tends to lean towards capitalist development and preferred peace and stability to preserve national security. Suharto that came from a military background preferred the militaristic view and security-oriented on world politics which was called *Catur Dharma Eka Karma* (CADEK) and combined with *dwifungsi*. The combination of CADEK and *dwifungsi* made a new approach on Indonesia's foreign policy from Sukarno's anticolonialism to Suharto's national stability.<sup>7</sup>

<sup>&</sup>lt;sup>5</sup> Pancasila is the five philosophical foundations of Indonesia made by Soekarno

<sup>&</sup>lt;sup>6</sup> UUD 1945 is Indonesia's Constitution and basis of all laws in Indonesia

<sup>&</sup>lt;sup>7</sup> Umar, Ahmad Rizky Mardhatillah. 2019. "Why Is It Really Hard to Move On? Explaining Indonesia's Limited Foreign Policy Reform After Soeharto." In *Continuity and Change after Indonesia's Reforms: Contributions to an Ongoing Assessment*, edited by Max Lane, 195–212. Singapore: ISEAS Publishing.

Since Suharto took over the presidency by coup d'etat, he had to reassure the international forum that he will restore Indonesia's status. With Suharto as President, Indonesia gained back its confidence. Suharto started by revoking Indonesia's confrontations with Malaysia, mended the relations between the two countries and his efforts in enhancing relations with the West. In addition, General Suharto also made efforts in building back Indonesia's confidence through several international forums such as the Asia-Africa Conference in Bandung<sup>8</sup> and claimed back the chairmanship of the Non-Alignment Movement (NAM) in 1985. <sup>9</sup> Although Suharto increased Indonesia's image abroad, his dictatorship in domestic affairs led him to his final days as President. Due to corruption and human rights violations as well as the Asian Financial Crisis, demonstrations by university students paralyzed the capital city. Suharto finally resigned as Indonesia's President in 1998 after 32 years of authoritarian leadership.

### 2.1.2. Indonesia's Foreign Policy in the 21<sup>th</sup> Century: The Journey to Democratization and Economic Stability

International relation scholars believe that democratic countries tend to not engage in war with one another.<sup>10</sup> However, several other scholars also stated that within the democratization process of a certain country, it has also become vulnerable to the possibility of domestic conflicts.<sup>11</sup> After Suharto stepped down

<sup>&</sup>lt;sup>8</sup> Commonly known as the Bandung Conference 1955. This conference resulted to the start of Third World movement towards self-determination and sovereignty.

<sup>&</sup>lt;sup>9</sup> Ghoshal, Baladas. 1986. "Indonesia in 1985: A Year of Trials." *Southeast Asian Affairs* 1986 (1): 99–121.

<sup>&</sup>lt;sup>10</sup> Doyle, Michael. 1986. *Liberalism and World Politics*. The American Political Science Review, Vol. 80, No. 4 (Dec., 1986), pp. 1151-1169

<sup>&</sup>lt;sup>11</sup> Snyder, Edward Mansfield And. 1995. "Democratization and the Danger of War." *International Security* 20 (1): 5–38.

from his 32 years of presidency, Indonesia was faced with great uncertainty and instability. The three presidents that served following Suharto had difficult challenges in domestic affairs that also affected Indonesia's credibility abroad. There were five issues that highlighted Indonesia's change in foreign policies during the three presidential terms, which are: 1) the separation of East Timor from Indonesia under President Habibie; 2) anti-Chinese riots under President Habibie; 3) President Wahid's focus on Asia; 4) President Megawati's policies towards Aceh belligerents and lastly 5) the Sipadan Ligitan dispute.

#### President Habibie's Strategy Towards China and East Timor

The Asian Financial Crisis in 1997 did not only bring down Suharto from his 32 years of presidency, but it also destroyed Indonesian political and economic stability. The president that took over Suharto was Bacharuddin Jusuf Habibie or commonly known as B.J. Habibie. President Habibie was not an elected President but as Suharto's vice president, Habibie became the successor. Eventually, Habibie only served as President for 1 year and 5 months. Throughout his one-year presidency, he tried to please both domestic and international subjects.

Habibie's succession was not welcomed both domestically and internationally. Domestically Habibie's political legitimacy was questioned as the people of Indonesia do not trust him as he was part of Suharto's regime. While internationally, the International Monetary Fund (IMF) forced Habibie to have a stable and functional government before the IMF could give the \$1 billion loan.<sup>12</sup> In response to these challenges, Habibie granted freedom of the press, released

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<sup>&</sup>lt;sup>12</sup> "Economic Crisis in Asia: Indonesia and IMF Reach Agreement on Economic Reforms; Debate in U.S. Shifts to IMF Funding." 2009. *Foreign Policy Bulletin* 9 (2): 84–107.

Suharto's political prisoners, introduced decentralization to regional governments, and proposed a special autonomy status for East Timor.

East Timor had previously declared its independence on 28 November 1975. However, Suharto sent Indonesian military soldiers to invade East Timor in 1975 and insisted that East Timor is still part of Indonesia. Until Suharto's resignation in 1998, no decision was agreed upon the issue. The policy in East Timor shocked the international community. On June 8, 1998, Habibie submitted a proposal on East Timor's special autonomy excluding matters such as defense and foreign affairs. This upset Portugal as the former colony and demanded Indonesia to grant East Timor's independence.

There were great international pressures given to President Habibie, including the US's postponement of economic support and a personal letter sent by Australian Prime Minister, John Howard, to President Habibie. In addition, the UN Secretary-General, Koffi Anan made an ultimatum to Indonesia that the UN will send peacekeepers if Indonesia does not let East Timor go. In response to these international pressures, President Habibie made a decision that the people of East Timor may vote to separate from or stay in Indonesia. The voting result in August 1999 finally showed that 78.5% of people of East Timor wanted to leave Indonesia. These international interventions clearly hurt Indonesia's pride and sovereignty.

Suharto's authoritarian leadership also affected President Habibie's policy towards China. In 1965, President Suharto believed that China had interfered with Indonesia's domestic affairs. Suharto believed that China had helped the communist party, PKI, which resulted in the suspension of diplomatic ties between the two countries and a nationwide massacre of Chinese – Indonesian. Within a

year, half a million Chinese descendants and locals who gave aid to Chinese – Indonesians were brutally killed. <sup>13</sup> This fundamental regime change and the question of regime legitimacy are the reasons for diplomatic suspension between Indonesia-China<sup>14</sup>. The relation between Indonesia-China did not normalize until 1985.

#### President Wahid's Asia-minded Policies

President Abdurrahman Wahid has made a lot of pronouncements about Indonesia's foreign policy direction. This is attributed to Abdurrahman's activism in the Third World – such as attempts to strengthen ties with China and India – or current rumors about a visit to Iraq. Following the new system, the Department of Foreign Affairs of Indonesia was initially subservient to the Military, and all decisions were made by the Military. President Wahid's government has declared that it intends to reverse this tendency, allowing more civilians to serve in these types of roles. The Department of Foreign Affairs is currently in the position of having to serve policymakers who are (a) from various political parties and (b) non-experts in the portfolio. President Wahid's government has declared that it intends to reverse this tendency, allowing more civilians to serve in these types of roles. The Department of Foreign Affairs was in the position of having to serve policymakers who are (a) from various political parties and (b) non-experts in the portfolio.

The 4th President declared that he travelled to 26 countries in the four

<sup>&</sup>lt;sup>13</sup> Cribb, Robert. 2001. "How Many Deaths? Problems in the Statistics of Massacre in Indonesia (1965-1966) and East Timor (1975-1980)." In *Violence in Indonesia*, edited by Ingrid Wessel And Wimhofer, 82–98. Hamburg.

<sup>&</sup>lt;sup>14</sup> Sukma, Rizal. 1999. *Indonesia and China: The Politics of a Troubled Relationship*. 1st ed. London, England: Routledge.

months after taking office, for the reason to "rebuild Indonesia's excellent image in the eyes of the international community." Wahid's strategy to visit countries was to publicly promote commonalities such as liberal democratic norms with western countries, Asian identity with Asian countries, and an Islamic identity with Muslim nations. He emphasized the ancient trading, cultural, and linguistic ties between China and India, and he revealed that he had Cambodian heritage and felt a connection to the country. These traits indicate a leader who believes that he can connect multiple realms, a role he has endeavored to play in domestic politics in Indonesia. It also appears that Wahid's Administration is seeking to place a greater focus on the navy and air force, rather than the army (then TNI's commander, Admiral Widodo, was chosen from the navy). 15 Wahid has often stated to the world that he is entirely dedicated to the preservation of the secular state, dismissing any suggestion that Islamic law will be implemented 16 or the establishment of an overtly Islamic Foreign policy. At the very least, this is part of the President's multi-ethnic and multi-religious vision for Indonesia that he presents to the international community. Wahid met with Wan Azizah, the wife of Malaysian opposition leader Anwar Ibrahim, in May 2000, prior to the latter's conviction. The fact that a number of Indonesian journalists were allowed to openly question Wan Aziza at a press conference and report on her comments reflects the changing nature of Indonesian society and the potential consequences for international ties. Indonesia's relations with Singapore have significantly improved under Wahid's administration, as he recognizes Singapore's role in any export-led economic

<sup>&</sup>lt;sup>15</sup> Asia-Pacific Defence Reporter. 2000. "Indonesia," July 2000. pp.46-47

<sup>&</sup>lt;sup>16</sup> Lee, Kong Chian. 1999. "Islam and State Will Remain Separate." *Strait Times*, November 7, 1999.

revival.

Wahid's announcement of a "Look to Asia" policy shortly after taking office, sparked alarm. This proposition, which would include some type of strengthened connectivity between Indonesia, India, and China, sparked a flurry of accusations that it was intended to fight Western influence, including the alarmist claim that it was similar to Soekarno style of reinvention. Wahid also proposed a trade bloc made up of Indonesia, India, Russia, and China, aided by Japan and Singapore, in February 2000, which one thinks would be a marriage of huge domestic markets and money. The first fear was that this signaled a shift in Indonesia's foreign policy, possibly leading to anti-Western policy consequences. In a more concrete sense, the most significant development has been the strengthening of ties with China. Wahid's first official travel to China was a very symbolic gesture of improved relations on the fiftieth anniversary of diplomatic relations, Indonesia and China signed a Memorandum of Understanding in May 2000 to promote better cooperation in politics, economy, tourism, research, and technology, despite the fact that relations had been halted between 1965 and 1990. Wahid's April announcement of a public debate on legalizing the Indonesian Communist Party—a move passionately opposed by many in the People's Consultative Assembly—has been viewed by the international press as a foreign policy move that will help relations with China. Gus Dur appears to want to lift one of the few remaining restrictions on the politicization of Indonesian society, and it's possible that this is part of his desire to heal the wounds of the 1965-66 atrocities. There are also indicators of increased contact between China's and Indonesia's respective military establishments. The Indonesian Air Force (TNI-AU) contacted peers in the

People's Republic of China (PRC) to discuss aircraft maintenance. Wahid's administration was forging tighter ties with the PRC; however this should be considered as a supplement rather than a replacement for existing bilateral relationships.

### President Megawati's Policies towards Aceh Belligerents (Gerakan Aceh Merdeka)

The failure of the final round of talks between the Indonesian government and GAM in May 2003 brought an end to a process that began with the fall of President Soeharto's authoritarian administration in May 1998 and the following election of Abdurrahman Wahid to the Indonesian presidency in October 1999. These incidents paved the door for talks between President Abdurrahman's government and the GAM's exiled leadership in Sweden. A cease-fire deal was negotiated in May 2000, but it quickly fell apart. However, contact between the two sides was not completely broken, and after Abdurrahman was replaced by Megawati Sukarnoputri in July 2001, a new round of discussions began, finally leading to an agreement to cease all hostilities in December 2002. This agreement was warmly received not only in Aceh but around the world, despite the fact that all sides recognized it as merely a first step toward a comprehensive resolution of the conflict. GAM's rejection of the ultimatum elicited an immediate and clear response from the government. President Megawati Sukarnoputri issued an order declaring martial law within hours. General Endriartono Sutarto, the military commander in chief, authorized the province's tens of thousands of troops to undertake a "Security Restoration Operation" aimed at killing the GAM forces to

the core of its organization.<sup>17</sup>

The declaration of martial law brought to a close a procedure that began in early 2000. Since then, cease-fire agreements have given Aceh months of relative tranquility, only to be followed by the resumption of military actions. Although both sides made important tactical concessions, neither the Indonesian government nor GAM had been willing to compromise on what both saw as the fundamental issue: would Aceh become an independent nation, or would it remain an Indonesian province?

B.J. Habibie introduced the term "special autonomy", part of the persuasive-repressive strategy, <sup>18</sup> and it was also enacted by parliament under President Abdurrahman Wahid and signed into law by President Megawati. This autonomy was the core of the government's strategy. Special autonomy boosted provincial and district government revenue, which could be used to improve the people of Aceh's well-being. When Megawati was elected as President, this did not inspire optimism for a quick restart of peace talks. Her vow to pursue legal action for human rights breaches outside the warfield appeared to suggest amnesty for violations committed during military operations. Although Megawati and other senior officials, including the newly appointed foreign minister Hassan Wirajuda, stated that the government remained committed to dialogue as the primary means of resolving the conflict, other ministers, including the minister of home affairs, Lieutenant General (ret.) Hari Sabarno, stated that dialogue with GAM was no

<sup>&</sup>lt;sup>17</sup> Kementerian Pertahanan Republik Indonesia. 2003. *Mempertahankan Tanah Air Memasuki Abad 21*. Jakarta: Dirjen Strahan Kemhan.

<sup>&</sup>lt;sup>18</sup> Miller, Michelle Ann. 2010. *Rebellion and Reform in Indonesia: Jakarta's Security and Autonomy Polices in Aceh*. 1st ed. London, England: Routledge.

longer possible.

President Megawati has ordered the TNI and the Police in Aceh to prepare for "security operations." At the same time, the government convened a meeting of the Joint Council formed under the COHA agreement as a last resort. Bambang Yudhoyono, a member of the Joint Council from Indonesia, made two unavoidable demands: GAM acknowledge autonomy as the eventual goal of the peace process, and store its weapons. The military emergency proclamation, which began at midnight on May 18, was signed the next day by President Megawati. The TNI's strength in Aceh had been expanded to around 30.000 soldiers and 12.000 police officers in recent weeks. Some of the civilian governor's responsibilities were handed to the new Aceh army commander, Major General Djali Jusuf, during the military emergency. Military actions started practically right away. The declaration of a military emergency and the commencement of military operations got DPR officials' approval in Jakarta, as well as widespread backing from the media and public.

#### Sipadan - Ligitan Islands Conflict

The case of Sipadan – Ligitan is one of the worst and shameful events of Indonesia's diplomacy history. Sipadan and Ligitan islands were islands located in the Celebes Sea and known for its tourism spots such as diving, and a sanctuary for many species of avifauna. Though there were countless efforts of negotiation tried by both Indonesia and Malaysia, but none were successful. Both countries then brought the case before the International Court of Justice in 2002.

Both countries' claims were based on complex historical backgrounds. First Indonesia claims that the islands are under their territory based on the 1891 Convention between Great Britain and the Netherlands. The Court concluded that the context of the convention was not about establishing the lines determining sovereignty over the islands on the south of the territory subjected to the convention but of to the East. This interpretation was the base of the rejection of Indonesia's claim. The Court then turned to the claims of succession over the two islands. However, the parties could not provide a written legal agreement of the succession on the two islands.

The last claim was to prove actions to exercise authority by either parties that is sufficient to claim a territory, or effectivités. Malaysia gave evidence on measures done by the Northern Borneo authorities in controlling and preserving turtle sanctuary in the islands under Turtle Preservation Ordinance of 1917. Though Indonesia's claims and evidence towards the disputed islands has a better international legal basis compared to Malaysia, the court concluded that Malaysia has sovereignty over the islands of Sipadan and Ligitan on the basis of effectivités. This loss proves that Indonesia has poor bilateral negotiations and underperforming diplomatic staff. Megawati who was then the President of Indonesia did not want to be blamed because the conflict started before her presidential term. She has exhausted all her efforts in retrieving back the islands to Indonesia's territory but the ICJ's decisions were not in her favor.

<sup>&</sup>lt;sup>19</sup> Merrills, J. 2003. "IV. Sovereignty over Pulau Ligitan and Pulau Sipadan (Indonesia v Malaysia), Merits, Judgment of 17 December 2002." *The International and Comparative Law Quarterly* 52 (3): 797–802.

<sup>&</sup>lt;sup>20</sup> Taufiqurrohman. 2016. "Megawati Bongkar Kisah Sengketa Sipadan-Ligitan." Liputan6. May 25, 2016. https://www.liputan6.com/global/read/2515283/megawati-bongkar-kisah-sengketa-sipadan-ligitan.

### 2.1.3. Strategic Partnership and Indonesia's Strategic Partnership History

Before we dive more into Indonesia's strategic partnership, it is crucial to understand the nature of strategic partnership itself. To understand the nature of its cooperation, it is essential to understand first what strategic partnership is. This passage will discuss more on what strategic partnership is and how to evaluate the cooperation between the parties.

There is no legal definition to what a strategic partnership is and there is no certain agreement among scholars on how strategic partnership must be conducted. However, there are several aspects and ways to measure whether the partnership can be concluded as beneficial for all the parties. Several scholars also have the opinion that strategic partnership is similar to a strategic alliance due to the similar elements of the two practices, which are a mutual set of goals and involving two or more organizations.<sup>21</sup> This paper shall evaluate the strategic partnership between two countries using Thomas Wilkin's method. Wilkins has developed a way to evaluate strategic partnership through three aspects, which are evolution, scope, and challenges that the parties have faced throughout the period of agreement.

States are able to exchange their knowledge and capabilities which then result in mutual benefits only when a legal agreement is signed on a white paper. Strategic partnership is a term that has long been used but there is no exact legal term that defines it. Even though there are no legal terms, the essence of strategic

<sup>&</sup>lt;sup>21</sup> Bergquist, William H., Juli Betwee, and David Meuel. 1995. *Building Strategic Relationships: How to Extend Your Organization's Reach through Partnerships, Alliances, and Joint Ventures*. London, England: Jossey-Bass. (note 21), p. xi.

partnership is said to be an inter-state cooperation to achieve mutual objectives.<sup>22</sup> To reach the goals however, the involvement of government executives greatly affects the partnership's success.<sup>23</sup>

After the formation of a legal binding document has been agreed upon, the implementation of the signed document requires the commitment of both governments. The cooperation does not only stop at the governmental level but also other stakeholders. Berguist stated that there is a complex structure which involves non-hierarchical, collaboration-based culture, and a reasonable distribution of power and authority among the stakeholders.<sup>24</sup> The structure of the partnership defines the scope of the cooperation as well as the duties of each party. Wilkins drew a figure (Figure 1) that explains the scope and duties can be drawn into a figure of X and Y axes that is based on an economic concept. Using this figure, we can evaluate the relations of the parties into three categories: loose, moderate, or tight.<sup>25</sup>

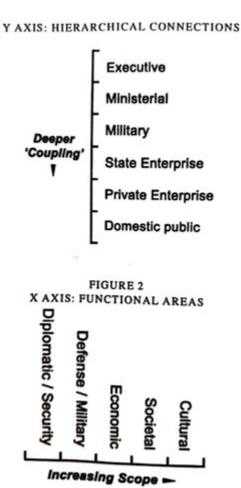
<sup>&</sup>lt;sup>22</sup> Etzioni, Amitai. 1964. *Modern Organization*. London, England: Prentice-Hall. p.3.

<sup>&</sup>lt;sup>23</sup> James E Austin. 2010. *The Collaboration Challenge: How Nonprofits and Businesses Succeed through Strategic Alliances*. London, England: Jossey-Bass. (note 34), p.53.

<sup>&</sup>lt;sup>24</sup> Berguist et.al., op Cit (note 21), p.35

<sup>&</sup>lt;sup>25</sup> Wallace, Robert L. 2004. *Strategic Partnerships: An Entrepreneur's Guide to Joint Ventures & Alliances*. Chicago, IL: Kaplan Trade. p.10

Figure 1. Strategic Partnership Concept in Economics



After determining the value of formation and implementation of the partnership, we can evaluate whether the cooperation is effective by looking at the State's common interest<sup>26</sup>, their determination to fulfill the goal<sup>27</sup> and maintain mutual trust<sup>28</sup>. This framework will be used to measure the strategic partnership between the Republic of Indonesia and Republic of Korea from 2006 - 2019.

<sup>&</sup>lt;sup>26</sup> Berguist et.al., op cit (note 21), p.70

<sup>&</sup>lt;sup>27</sup> Hall, Richard H. 2001. *Organizations: Structures, Processes, and Outcomes*. 8th ed. Upper Saddle River, NJ: Pearson. (note33), p. 251.

<sup>&</sup>lt;sup>28</sup> Steward, Chris. 1999. *Developing Strategic Partnerships: How to Leverage More Business from Major Customers*. London, England: Gower Publishing. p.36.

After the colonialism era ended and Indonesia gained its independence, the founding father, Soekarno, started the non-alignment. Since then, Indonesia does not side with any block, either it is the United States or the Soviet Union. With this non-alignment and the addition of Indonesia's "Free and Active" policy, Indonesia will never join any alliance. Indonesia tends to cooperate with other countries in terms of economy, society, and culture. With regard to security, Indonesia limits the terms only to cooperation such as joint training and production of military weapons.

Looking back to the history of Indonesia's cooperation with other countries, Indonesia has had cooperation with other countries under treaties or agreements such as the Bilateral Investment Treaty, trilateral cooperation agreements and other multilateral agreements. In the early 2000's, Indonesia started to use the term of strategic partnerships in having cooperation with several countries. This change was initiated by Indonesia's Foreign Minister Nur Hassan Wirajuda who served in 2001 - 2009.<sup>29</sup> Listed below are the strategic partnerships that Indonesia has had since the early 2000's.<sup>30</sup> Indonesia shall continue having strategic partnerships with other countries that are seen to be aligned with Indonesia's visions.

Table 1. Indonesia's List of Strategic Partnerships

Comprehensive Partnership	Strategic Partnership	Special Strategic Partnership	Comprehensive Strategic Partnership
Vietnam	Russia	Republic of Korea	China
Australia	China		India

<sup>&</sup>lt;sup>29</sup> Shekhar, Vibhanshu. 2020. *Indonesia's Foreign Policy and Grand Strategy in the 21st Century: Rise of an Indo-Pacific Power*. 1st ed. London, England: Routledge.

<sup>30</sup> Table 1.

Netherlands	India	Australia
United States	Japan	
Papua New Guinea	Republic of Korea	
European Union	South Africa	
	Brazil	
	France	
	Vietnam	
	Gulf Cooperation Council	

### 2.2. Indonesia in ASEAN Centrality

In 1967, the relationship between countries of Southeast Asia changed from lack of trust into a strategic trust. The initial goal was to have a region free from security threats of the two blocs and create an area of cooperation and goodwill. In the midst of great powers' conflict between the United States and China, where they and its allies avoid conflicts using balance of force, Indonesia and the other nine members of ASEAN want to build a region where no country is dominant and none are excluded.<sup>31</sup> In 2011, Indonesia's then Foreign Minister Marty Natalegawa, created a term to describe Indonesia's position in the region. This term is called "dynamic equilibrium" and it is meant to make Indonesia the center in the region and is responsible to maintain peace in the region. This

<sup>&</sup>lt;sup>31</sup> CSIS. 2013. "Dynamic Equilibrium: Indonesia's Blueprint for a 21st Century Asia Pacific." Csis.Org. March 8, 2013. <a href="https://www.csis.org/analysis/dynamic-equilibrium-indonesia%E2%80%99s-blueprint-21st-century-asia-pacific">https://www.csis.org/analysis/dynamic-equilibrium-indonesia%E2%80%99s-blueprint-21st-century-asia-pacific</a>.

dynamic equilibrium aims to create mutual trust between all parties that are involved in the relationship. Indonesia started to practice this system into ASEAN organization and its main cooperation, such as: East Asia Summit, ASEAN Defense Minister' Meeting Plus, and the Expanded ASEAN Maritime Forum.

Creating trust between two parties is hard, while Indonesia wanted to build this mutual trust between all ten members of AEAN and its partners. This seems to be an impossible task but Indonesia has hope. Indonesia wanted to make a region where no country is dominant and none are excluded, creating a mutual benefit relationship among the member countries and its partners. This is the reason why Indonesia pushed for the idea of India, Australia and New Zealand for the ASEAN Defense Minister' Meeting Plus, later this action was put down as it was against China.

This new system is challenged by the presence of China. The South China Sea conflict is an example test of this system. China is in a conflict because ASEAN is in fact a good market but this mechanism with the on-going dispute of the South China Sea made it hard for China to abide by this mechanism. The 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea is a non-binding agreement between parties of the South China Sea dispute which China actually signed.<sup>32</sup> The action of China where they signed this agreement is a sign of hope in the eyes of Indonesia and the parties of the conflict.

The position of the United in this dynamic equilibrium is seen as more passive. The United States did not want to take a big part in this area of Asia Pacific as it had a bigger interest in another. The United States somehow gave way

<sup>&</sup>lt;sup>32</sup> Buszynski, Leszek. 2003. "ASEAN, the Declaration on Conduct, and the South China Sea." *Contemporary Southeast Asia* 25 (3): 343–62.

for the middle powers of ASEAN and its other partners to create this system. The United States knew that they did not want to challenge China in this part of the world. The United States seems to be on the side and be a commentator in this area. This should be a sign for Indonesia to take action with its dynamic equilibrium and create a peaceful region.

### 2.3. East Asia - Indonesia Partnerships

### 2.3.1. China

The relationship between Indonesia and China did not go smoothly since the start. The problems that both countries need to face have rooted deeply in the society and it may not be able to be resolved quickly. Even before Indonesia gained its independence and was still colonized by the Dutch, the so-called "China Threat" already existed. This segregation has made Chinese Indonesians suffer three long decades of institutionalized legal discrimination even after Indonesia gained its independence. There were many challenges and struggles that had to be faced between the two countries to create a fruitful relationship. There are three main issues that needed to be addressed: political and security tensions, regional leadership diplomacy, and economic dependency.

From afar the political and security tensions rooted from the ideological differences of both countries. Indonesia claims to be a democratic country with *Pancasila* as the main ideology, China is a communist country. However, the facts suggest that there are plenty of collaborations and events held by the two countries in terms of security and defense. In terms of security and defense partnership, both

countries held their first event in 2006 called "Indonesia-China Defense Security Consultation". This is the mark where Indonesia and China started their defense collaboration. Following this event, there were several other occasions where both countries had collaborations namely the Joint Production Plan for military vehicles and aircraft in 2008; establishment of TNI-PLA Cooperation Committee also in 2008; the joint training of jet fighters in China in 2010; and the 2011 military joint training of Indonesia's Special Force and Chinese People Liberation Army in Indonesia.

Indonesia always has a struggle in being Southeast Asia's regional leader. Over the years, Indonesia's strategy in leading the region has not been effective. When the South China Sea dispute rose, many scholars criticized Indonesia's lack of action. It became more apparent when Indonesia took the lead as ASEAN's chair in 2011. Policymakers started to doubt whether Indonesia has the capability to lead ASEAN due to the negligence towards the conflict. Marty Natalegawa, Indonesia's Foreign Minister, stressed that the agreement for all parties on the Code of Conduct on the conflict of the South China Sea will be Indonesia's priority in making progress. This is seen as a challenge to China's position towards the conflict since until now, there is no progress on the Code of Conduct. Indonesia has been and will always put ASEAN's interests first above others and wanted to put ASEAN centrality as the core.

China can be seen as a big competitor in terms of economics towards Indonesia as there were many frictions throughout the years. The decision to make China a friend or a foe is in the hands of policymakers in Indonesia. In 2007, Chinese products such as cosmetics, food and milk were banned by the Indonesia Food and Drug Agency due to the substantial toxic chemicals found in those products.<sup>33</sup> In response to this action, China retaliated by banning marine products from Indonesia claiming that heavy metals and drug residues were found inside the marine products.<sup>34</sup>

Another case that made relations tricky between the two countries was the ASEAN-China Free Trade Area (ACFTA). In 2010, the debate heated between the Minister of Trade and Minister of Industry versus the public. The reasoning of this debate was because the public saw that domestic industry was not ready to be flooded and competed against cheap chinese products. Chinese products gained more popularity because of the cheap price, thus allowing consumers to save money and clearly gains the purchasing power. <sup>35</sup> There were many Indonesian small businesses that went bankrupt, and demonstrations occurred pointing out the Ministry of Trade and Ministry of Industry to be on the side of China, not Indonesia. Moreover, the public was even more angry because there were 32,209 Chinese workers that came to Indonesia in 2018. <sup>36</sup> Indonesia's government policies in dealing with China's growing economic power is crucial. <sup>37</sup>

<sup>33</sup> Media, Kompas Cyber. 2008. "China Tak Permasalahkan Indonesia Tolak Susu Impor." Kompas.Com. September 24, 2008. https://money.kompas.com/read/2008/09/24/13164015/NaN.

<sup>&</sup>lt;sup>34</sup> Administrator. 2007. "Cina Larang Impor Seafood Asal Indonesia." KORAN.TEMPO.CO. August 5, 2007. https://koran.tempo.co/read/ekonomi-dan-bisnis/108003/cina-larang-impor-seafood-asal-indonesia.

<sup>&</sup>lt;sup>35</sup> Djumena, Erlangga. 2011. "Perdagangan Indonesia-China." Kompas.Com. February 2, 2011. <a href="https://money.kompas.com/read/2011/02/02/1153057/Perdagangan.Indonesia-China.">https://money.kompas.com/read/2011/02/02/1153057/Perdagangan.Indonesia-China.</a>

<sup>&</sup>lt;sup>36</sup> Hamdani, Trio. 2019. "Tenaga Kerja China Paling Banyak Di RI, Ada 32.209 Orang." Detikcom. February 27, 2019. <a href="https://finance.detik.com/berita-ekonomi-bisnis/d-4445835/tenaga-kerja-china-paling-banyak-di-ri-ada-32209-orang">https://finance.detik.com/berita-ekonomi-bisnis/d-4445835/tenaga-kerja-china-paling-banyak-di-ri-ada-32209-orang</a>.

<sup>&</sup>lt;sup>37</sup> Tjhin, Christine Susanna. 2012. "Indonesia's Relations with China: Productive and

### 2.3.2. Japan

The reasons for the Japan and Indonesia partnership are historical, economic and political. In the midst of World War II, Japan invaded Indonesia when the Dutch were in absence. This made it very easy for Japan to come into Indonesia with the help of Indonesia's famous public figures like Soekarno who believed that Japan would help Indonesia break free from the Dutch.<sup>38</sup> The public were enthusiastic about the arrival of Japan but soon was devastated by their true intentions. After the war ended, Japan became Indonesia's major trading partner and the largest ODA donor country.<sup>39</sup> In 2006, President SBY declared that Indonesia and Japan relations will continue to a new chapter as "strategic partnership" aiming to create a profitable future.<sup>40</sup> The cooperation between Indonesia and Japan was closely managed by Japan - Indonesia Cooperation Agency (JICA).

JICA's more than 30-year support for South - South Triangular Cooperation, as well as Indonesia's more than 50-year development, demonstrate four values, (A) Capacity Development at the provider side; (B) Scale-up at the beneficiary side; (C) Development experiences in beneficiary country; and the last

Pragmatic, but Not yet a Strategic Partnership." *China Report (New Delhi, India)* 48 (3): 303–15.

<sup>&</sup>lt;sup>38</sup> Toer, Pramoedya Ananta. 1975. The Mute's Soliloquy, trans. Willem Samuals (New York: Penguin, 1998), pp. 74 - 106 (St. Lucia: University of Queensland Press, 1975)

<sup>&</sup>lt;sup>39</sup> JICA. Country profile: Indonesia. Accessed through: <a href="https://www.jica.go.jp/indonesia/english/index.html">https://www.jica.go.jp/indonesia/english/index.html</a>

<sup>&</sup>lt;sup>40</sup> Ministry of Foreign Affairs Japan. 2006. Japan - Indonesia Joint Statement "Strategic Partnership for Peaceful and Prosporous Future". Accessed through: <a href="https://www.mofa.go.jp/region/asia-paci/indonesia/joint0611.html">https://www.mofa.go.jp/region/asia-paci/indonesia/joint0611.html</a>

one (D) Pioneering role to trigger innovation. 41 Through the Japan-Indonesia Partnership Program (JIPP), a high-level agreement aimed at extending collaborative SSTC to other developing nations, a framework to support this process was established in Indonesia and Japan.

The kind of partnership between Indonesia and donor countries may be seen clearly in the relationship between the Indonesian government and the Japanese government. The importance of Japan's engagement with Indonesia in South-South Cooperation cannot be overstated. Because Indonesia is the recipient of the greatest Japanese aid, it is expected to play a significant role in South-South Cooperation. Indonesia's status as a tropical country, according to JICA, is particularly favorable since it can help other tropical countries. Furthermore, collaborating with Indonesia, which is extremely favorable to Japan, would be an efficient approach to increase pro-Japanese sentiment in Asia and emerging countries in general.<sup>42</sup>

Indonesia's participation in working with JICA is highlighted by the concept of South-South Technical Cooperation (SSTC). Since 1969, the Japan International Cooperation Agency (JICA) has been actively involved in giving aid to Indonesia. The Third Country Training Program (TCTP) and the Third Country Expert Program (TCEP) are two ways in which JICA's SSTC is implemented (TCE). The TCTP program is a training program that sends participants from various developing nations to Indonesia for training. More than 700 TCTP

<sup>&</sup>lt;sup>41</sup> Japan - Indonesia Cooperation Agency. 2012.Indonesia-Japan: Dynamic Development for Prosperity, Practices of South - South and Triangular Cooperation (SSTC)

<sup>&</sup>lt;sup>42</sup> Sato, Yuri. 2008. "Socioeconomic Study for Assisting Formulation of New JICA's County Assistance Strategy for Indonesia." Jica.Go.Jp. May 2008. <a href="https://openjicareport.jica.go.jp/pdf/11882719.pdf">https://openjicareport.jica.go.jp/pdf/11882719.pdf</a>. p. 31

participants from 51 countries in Asia, Africa, the Middle East, and the Asia-Pacific region visited Indonesia between 2003 and 2007. Meanwhile, Indonesian experts are sent to other developing nations as part of the TCE program to assist with the implementation of the JICA Technical Cooperation Project. Fifty Indonesian experts were dispatched to Cambodia, Vietnam, the Philippines, Nepal, Tanzania, Madagascar, and Papua New Guinea between 1994 and 2007. <sup>43</sup> Indonesia, according to the Japanese government, has the potential to play a larger role in the development of South-South Cooperation in the future while Indonesia is the largest economy in the ASEAN area, in addition to being the only Southeast Asian country to be a member of the G-20.

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<sup>&</sup>lt;sup>43</sup> Indonesia." Jica.Go.Jp. May 2008. <a href="https://openjicareport.jica.go.jp/pdf/11882719.pdf">https://openjicareport.jica.go.jp/pdf/11882719.pdf</a>.

## Chapter 3. Indonesia's Strategic Partnership Policy Towards the Republic of Korea

In this chapter, this paper will discuss the second aspect of strategic partnership which is the scope. The partnership progress between the two countries for approximately 13 years will be discussed in this chapter. The internal government changes in Indonesia which are the Presidential changes affected the relationship between the two countries and how both President's political interests made the partnership become more effective will be examined.

Indonesia started building its relations with Korea from the start of consular relations on the eve of August 1966. With the signing of a bilateral agreement between the two countries, Indonesia and Korea officially become partners. Over the past several decades, this relation has developed stronger. The exchanges of Presidential visits to each country, investments, market, and even aid has been exchanged between the two nations. In President Susilo Bambang Yudhoyono's first term the cooperation between Indonesia and Korea was changed into a strategic partnership status. Following the growth of this relationship, in 2017 Indonesia's seventh President, Joko Widodo, strengthened the strategic partnership and revised the status into a special strategic partnership. The reasons for these changes as well as the details on how the strategic partnerships developed in 2006 - 2019 will be explained in the following subsections below.

# 3.1. Susilo Bambang Yudhoyono Presidency (2004 – 2014): Strategic Partnership

#### Ideology and Background

Susilo Bambang Yudhoyono, hereinafter referred to as SBY, presidential era was a first for many in Indonesia. SBY was the first president that was elected directly by public voters in Indonesia. He is the first directly elected president that also served two consecutive presidential terms. SBY who was a former four-star general of the Indonesian military raised to the political field of Indonesia as the Minister of Energy during Abdurrahman Wahid's presidential term. SBY then ran for president along with Jusuf Kalla during the 2004 Presidential election. Starting from this moment, Indonesia saw the true characteristics of SBY which was well known to be an emotional person<sup>44</sup> that is always in doubt and slow at decision making.<sup>45</sup>

As SBY became president, he was left with the image of Indonesia as a country that has a weak presence in the international forum. <sup>46</sup> SBY's decision making process can be seen as a mirror of his personal character as emotional and indecisive. Though some scholars see it as a negative and stagnant rather than

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<sup>&</sup>lt;sup>44</sup> Fitriani, Evi. 2015. "Yudhoyono's Foreign Policy: Is Indonesia a Rising Power." In *The Yudhoyono Presidency: Indonesia's Decade of Stability and Stagnation*, edited by Edward Apinall Marcus Mietzner Tomsa. Singapore: Institute of Southeast Asian Studies.

<sup>&</sup>lt;sup>45</sup>Takwin, N. L. Karim And. 2004. "Susilo Bambang Yudhoyono-Jusuf Kalla: Paduan Kehati-Hatian Dan Kecepatan Memanfaatkan Kesempatan." In *Sang Kandidat: Analisis Psikologi Politik Lima Kandidat Presiden Dan Wakil Presiden RI Pemilu 2004*, edited by Kompas. Jakarta: Kompas.; See also: Ikhbal, A.M. (2014). *Soal kenaikan BBM, JK kritik SBY ragu-ragu*. Republika Online. Accessed on 23 December 2020 from <a href="https://www.republika.co.id/berita/nasional/politik/14/08/28/nb08nn-soal-kenaikan-bbm-jk-kritik-sbyraguragu">https://www.republika.co.id/berita/nasional/politik/14/08/28/nb08nn-soal-kenaikan-bbm-jk-kritik-sbyraguragu</a>; See also: Raharjo, Y., & Sukmawati, N.E. (2014). *Gerindra: SBY Ragu-ragu, tak perlu ditunggu*. Viva.co.id. Accessed on 23 December 2020 from <a href="https://www.viva.co.id/arsip/505907-gerindra-sby-ragu-ragu-tak-perlu-ditunggu">https://www.viva.co.id/arsip/505907-gerindra-sby-ragu-ragu-tak-perlu-ditunggu</a>; See also: Adinugroho, I., Muhamad, R., & Susianto, H. (2016). *The President's Expression: Analyzing the Psychological Aspects of Susilo Bambang Yudhoyono's Lyrics*. Makara Human Behavior Studies in Asia, 20(1), 15. <a href="https://doi.org/10.7454/mssh.v20i1.3483">https://doi.org/10.7454/mssh.v20i1.3483</a>

progress<sup>47</sup> SBY proved that his decisions are based on the reasons to improve Indonesia's image. SBY had also achieved several international recognitions and awards towards his policies. By the end of his second term, SBY maintained Indonesia's democracy and improved Indonesia's international image.<sup>48</sup>

#### **Domestic Affairs**

The start of President Susilo Bambang Yudhoyono's presidential era was far from easy. President Susilo Bambang Yudhoyono is the first elected Indonesian President to serve two full terms in Indonesia's history. There are four key challenges that Indonesia faced in SBY's Presidential era that became the reason for SBY seeking international forum attention and support. First, the Indonesian government was constrained due to the economic crisis in 2008 that resulted in many social and political conflicts across the archipelago. Second, due to these conflicts and acts of terrorism in Indonesia, the government felt the need to prevent misperception towards Indonesia in the eyes of foreign countries. Third, Indonesia's internal position in ASEAN needed to be strengthened. Fourth, unstable domestic affairs may cause diplomatic efforts to fail. These internal affairs were the rationale for SBY's internationalist outlook.

Within SBY's presidency, Indonesia has already shown signs of normality from the Asian Financial Crisis and moving towards growth. Indonesia's economic

<sup>&</sup>lt;sup>47</sup>Tomsa, Dirk. 2010. "Indonesian Politics in 2010: The Perils of Stagnation." *Bulletin of Indonesian Economic Studies* 46 (3): 309–28; See also: Fealy,G. 2011. *Indonesian Politics in 2011: democratic regression and Yudhoyono's regal incumbency*. Bulletin of Indonesian Economic Studies, 47(3):333-53; See also: Mietzner, M. 2012. *Indonesia's democratic stagnation: anti reformist elites and resilient civil society, Democratization*, 19(2):209-29; See also: McRae, D. 2013. *Indonesian politics in 2013: the emergence of new leadership?*. Bulletin of Indonesian Economic Studies, 49(3): 289-304

<sup>&</sup>lt;sup>48</sup> Fitriani, Evi. 2015. *op cit.* p.82

<sup>&</sup>lt;sup>49</sup> Inayati, Ratna Shofi. 2005. "Pemerintahan Susilo Bambang Yudhoyono Dan Politik Luar Negeri Indonesia." *Jurnal Penelitian Politik* 2 (1): 35–49.

growth was on average 5.9% within the period of 2009 - 2013 and even reached 6.5% in 2011.<sup>50</sup> Indonesia can be seen slowly improving its international image, economically and politically stable from within. That is the reason why SBY can move forward with his internationalist outlook.

In his inaugural speech in 2009, SBY Indonesia's foreign policy concept under President Susilo Bambang Yudhoyono is "a thousand friends and zero enemies". SBY's internationalist outlook consisted of Indonesia's membership in various international organizations and memberships as well as global issues such as global climate change. SBY played a role to make Indonesia known as a friendly country and attract people to come to Indonesia. However, this move is not always politically correct or has significance. SBY continues to make international agreements without meeting its goals and left his predecessor to continue his legacy.

#### Strategic Partnership Policies Towards Korea

The Republic of Korea is a significant partner of Indonesia. The bilateral ties of both countries started in the early 1960's. This relationship has grown even stronger throughout the years. Even more so because among the three East Asian countries, Indonesia does not have any historical conflict with Korea. On 4 December 2006, President Susilo Bambang Yudhoyono met Korea's President, Roh Moohyun and signed a *Joint Statement on Strategic Partnership to Promote* 

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<sup>&</sup>lt;sup>50</sup> Indonesia Investments. 2014. "Official GDP Growth Rate: Indonesia's Economic Growth Slowed to 5.78% in 2013." Indonesia-Investments.Com. February 5, 2014. <a href="https://www.indonesia-investments.com/id/news/todays-headlines/official-gdp-growth-rate-indonesias-economic-growth-slowed-to-5.78-in-2013/item1609">https://www.indonesia-investments.com/id/news/todays-headlines/official-gdp-growth-rate-indonesias-economic-growth-slowed-to-5.78-in-2013/item1609</a>.

 <sup>&</sup>lt;sup>51</sup> Chen, Jonathan, Andrea Gleason, Greta Nabbs-Keller, Natalie Sambhi, Kyle Springer,
 and Danau Tanu. n.d. "Understanding Australia's Closest Asian Neighbour." Edu.Au.
 Accessed April

https://perthusasia.edu.au/PerthUSAsia/media/Perth\_USAsia/Publications/New-Perspectives-on-Indonesia-Understanding-Australias-Closest-Neighbour.pdf.

Friendship and Cooperation in the 21st Century in Jakarta. This strategic partnership joint statement listed three main pillars of the cooperation which are partnerships in political and security, economic development, trade and investment and sociocultural development. In July 2007, SBY made a presidential visit to Korea with the agenda to sign several other documents in lieu of the Joint Statement. With the signing of these documents, both countries agreed to work together in building peace, security and development as well as emphasizing the values of democracy and visions of an open and competitive economy.<sup>52</sup>

A Joint Task Force on Economic Cooperation was established to monitor the progress of both countries in trying to achieve the goals of the partnership. Listed below are the related  $task^{53}$ 

- 1. Increase the value of trade and investment;
- 2. Promote tourism by increasing tourist volume;
- 3. Promote the active participation of the private sector in infrastructure development in Indonesia;
- 4. Increase cooperation in renewable energy;
- 5. Increase energy security and promote bilateral cooperation in the field of exploration and exploitation especially in oil and gas;
- 6. Showing commitment in implementing projects in forestry, forest industry, joint research program, biotechnology, capacity building, and bioenergy investment as well as the pilot project Afforestation/Reforestation and Clean Development Mechanism (A/R CDM);
- 7. Expanding the cooperation in security defense cooperation including joint production as strengthening bilateral cooperation in the defense sector:
- 8. Promote cooperation in the placement of Indonesian workers under the Employment mechanism Permit System (EPS);
- 9. Supports the Indonesian National Disaster Early project;
- 10. Promote bilateral cooperation for use of advanced technology, information, and collaboration in communication including e-

 $<sup>^{52}\,</sup>$  Ministry of Foreign Affairs and Trade Republic of Korea. 2008. "2008 Diplomatic White Paper."

<sup>&</sup>lt;sup>53</sup> Republic of Korea and Republic of Indonesia. 2006. "Joint Statement on Strategic Partnership to Promote Friendship and Cooperation in the 21st Century."

government, e-business, and vocational training in the fields of information and communication technology (ICT).

The task force was then revitalized and renamed into the *Working Level Task* Force Meeting in 2011. With these guidelines, this paper will further dive deeper into the three main pillars and how Indonesia has made efforts in pursuing the success of the partnership.

## 3.1.1. Strategic Partnership with Korea: Political and Security

Southeast Asia is rapidly arming itself and that includes Indonesia. Military spending in the region climbed by over 5% on average in 2015, according to data published by the Stockholm International Peace Research Institute (SIPRI). Between 2005 and 2015, Vietnam, Indonesia, and Cambodia more than doubled their military spending in absolute terms (in constant 2014 US dollars). In lieu of decreasing dependency from the West, Indonesia chose Korea as a trade partner in terms of military weaponry. Indonesia became Korea's largest customer in terms of military weapons armament since the start of the strategic partnership in 2006. Shown in the image below, Indonesia spent more than \$45 million dollars in 2012 in military armament.

Graph 1. Weaponry Export Korea – Indonesia (2006 – 2014)



Source: Korea International Trade Association

Indonesia has purchased various weaponry machines and vehicles for Indonesia's military. In 2010, the South Korean government invited Indonesia to collaborate on the development of fighter aircraft with technical specifications ranging from the fourth to fifth generations. The Indonesian Fighter Experiment/Korean Fighter Experiment (KFX/IFX) is the name of the fighter aircraft project, costing approximately \$8 Billion dollars.<sup>54</sup> This collaboration is carried out in three stages, namely the Technology Development Phase (TDP), Engineering and Manufacturing Development Phase (EMDP), and the Production

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<sup>&</sup>lt;sup>54</sup> He-rim, Jo. 2019. "Indonesia Seeks Reduction in Share of Expenses in Joint Fighter Jet Project." The Korea Herald. July 22, 2019. http://www.koreaherald.com/view.php?ud=20190722000809.

Development Phase (PDP). <sup>55</sup> In 2020, the first prototype of the fighter jet is expected. <sup>56</sup> The Indonesian Air Force is now expecting a diverse fleet of multirole and light attack fighter aircraft, including South Korean T-50i Golden Eagles. <sup>57</sup>

The Indonesian administration is prioritizing submarine purchases for the navy. It intends to expand its fleet to twelve submarines by 2024.<sup>58</sup> In 2012, the government purchased three South Korean submarines of type 209, one of which is anticipated to be built in Indonesia. The first two submarines were delivered to the Indonesian Navy by Daewoo Shipbuilding & Marine Engineering Co. in 2017 and 2018, and the main body of the last unit was shipped to Indonesia earlier for final assembly by local shipyard PT. PAL.<sup>59</sup> In 2019, Indonesia inked a new deal with South Korea to buy additional three submarines. However, there were financial problems that kept Indonesia from paying Korea on time.

#### 3.1.2. Economic Development, Trade, and Investment

The partnership between Indonesia and Korea has increased significantly due to the strategic partnership and the Korea-ASEAN FTA. Korea and Indonesia have their own competitive advantages in fields such as technology, capital goods and natural resources. As Korea develops high technology products and has capital

<sup>57</sup> Arif, Muhamad, and Tangguh Chairil. 2020. "Indonesia's Impulsive Arms Trade - Policy Forum." Policyforum.Net. August 28, 2020. <a href="https://www.policyforum.net/indonesias-impulsive-arms-trade/">https://www.policyforum.net/indonesias-impulsive-arms-trade/</a>.

<sup>&</sup>lt;sup>55</sup> "Indonesia, South Korea Sign \$1.3bn KF-X/IF-X Fighter Jet Development Deal." 2016. ANTARA. January 7, 2016. <a href="https://en.antaranews.com/news/102383/indonesia-south-9/20korea-sign-13bn-kf-xif-x-fighter-jet-development-deal">https://en.antaranews.com/news/102383/indonesia-south-9/20korea-sign-13bn-kf-xif-x-fighter-jet-development-deal</a>.

<sup>&</sup>lt;sup>56</sup> *Ibid*.

<sup>&</sup>lt;sup>58</sup> The International Institute of Strategic Studies, (IISS). 2016. *The Military Balance 2016*. London, England: Europa Publications. pp. 213.

<sup>&</sup>lt;sup>59</sup> 최수향. 2017. "Daewoo Shipbuilding Hands over Submarine to Indonesian Navy." Yna.Co.Kr. 최수향. August 2, 2017. https://en.yna.co.kr/view/AEN20170802009300320.

abundance, Indonesia supplies natural resources. Within the term of President SBY, the Indonesia - Korea relations powered by the strategic partnership created a positive economic growth.

◆ 인도네시아 1,500 1,318 1,299 투자금액(단위:백만불) 1,000 984 726 677 548 678 500 457 2010 2011 2013 2018 2015

Graph 2. Korea - Indonesia Investment Status (2006 - 2019)

Source: Export-Import Bank of Korea

Foreign direct investment from Korea towards Indonesia increased since the start of the strategic partnership. Shown in the graph above, there has been an increasing flow of investment from Korea to Indonesia. Upto 2010, Indonesia was ranked as the seventh biggest foreign direct investment country for Korea as it reached 3.5% percent of Korea's total outward FDI. The industries that Korea is interested to invest in in Indonesia are retail and wholesale, electricity, gas, steam and water supply, agriculture, forestry and fishing, real estate as well as rent and

Graph 3. Korea – Indonesia Trade Status (2006 – 2014)



Source: Korea International Trade Association

In terms of bilateral trade in goods from 2006 - 2014, we can see that there was also an increase of value. The total trade volume grew from \$4.8 Billion to \$11 Billion.<sup>61</sup> In 2010, Indonesia was Korea's 10th largest exporting market for Korea after China, Japan, Hong Kong, Singapore and India.<sup>62</sup> Indonesia was also the second fastest growing exporting country after Taiwan. Korea imports natural resources such as mineral fuels, mineral oils, and distilled products from Indonesia.

Kang, Dae-Chang. 2012. "The 40th Anniversary of Economic Relations between Korea and Indonesia." Keia.Org. 2012. <a href="https://keia.org/wp-content/uploads/2020/05/koreaseconomy\_2013\_chapter6.pdf">https://keia.org/wp-content/uploads/2020/05/koreaseconomy\_2013\_chapter6.pdf</a>.

<sup>61</sup> Korea Statistical Information Service

<sup>&</sup>lt;sup>62</sup> Korea International Trade Association.

#### 3.1.3. Social and Cultural Development

The exchange of human resources between the two countries can also be seen increasing significantly throughout the years. The trend of people exchanges can be seen to keep increasing due to the people's interest in the Korea culture such as drama, music, food, and others. There are three categories that can account for the exchange of people which are student, labor, and tourist.



Graph 4. Indonesian Students in Korea (2006 – 2014)

Source: Korea Tourism Organization

The increasing popularity of Korean culture around the globe boosted the interest of young Indonesians to study more about Korea's culture. From the graph above we can see a constant increase from 2006 with the total number of Indonesian

students in Korea only 272 people and in 2014 it rose significantly to 1,756 people. Students want to study in Korea not only because of the impact of the Korean culture wave but also because Korea itself provides highly competitive education that is well known around the world. Students can also apply for scholarships provided by the Korean Government or many other privately owned companies or universities across the Peninsula.<sup>63</sup>



Graph 5. Korea – Indonesia Tourist Status (2006 – 2014)

Source: Korea Tourism Organization

As the popularity of Korean culture spread around the world, we can also see the progress of tourists visiting Korea in 2006 - 2010 from Indonesia. Data from the Korea Tourism Organization shows that Indonesian tourists are very interested to come to Korea and see the culture where they previously saw in drama

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<sup>63 &</sup>quot;StudyinKorea." 2020. Studyinkorea.Go.Kr. 2020. https://www.studyinkorea.go.kr/en/main.do;jsessionid=m2xqgh1RgIst8czNtrTc\_TvnOP4\_HWtclq8ZRgoL.studyinkorea20.

or movies. In 2006, there were approximately sixty thousand tourists that came to Korea and in comparison, to the number of tourists in 2014 it reached two hundred thousand tourists. The Korean culture that spread around the world, or famously known as "Hallyu", encourages tourists especially young adults from Indonesia to travel and hunt for sites where their favorite actor or idols have filmed their drama or music videos.

The miracle rises of Korean economy since the 1980's and boosted by the Korean wave, more and more foreigners want to move and work in Korea, especially people originating from Southeast Asian countries like Indonesia. Indonesia sent a record breaking 10, 263 unskilled labors to Korea in 2013.<sup>64</sup>



Graph 6. Indonesian Unskilled Labor in Korea (2006 – 2014)

Source: Korea Statistical Information Service

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<sup>&</sup>lt;sup>64</sup> Korea Statistical Information Service.

There are many reasons why Indonesian's are interested in working in Korea. One of the main reasons why Indonesian labor workers are interested in working in Korea is because Korean minimum wage is significantly higher than Indonesia and there is not a significant difference of unskilled labor wage with white-collar workers. Another reason is the basic worker rights are better compared to Indonesia and it is well enacted.

# 3.2. Joko Widodo Presidency (2015 – 2019): Special Strategic Partnership

#### Ideology and Background

Indonesia's seventh President is Joko Widodo, commonly known as "Jokowi". Jokowi is the first President of Indonesia who did not come from a military or political background. Jokowi came from an entrepreneurial background where he owns his own furniture factory. Jokowi, who is a member of the Indonesian Democratic Party of Struggle, won the election of becoming the Surakarta mayor. His way of doing direct engagement with the public, effective policies to reduce crime and attract foreign tourists to the region gained national attention. In 2012, Jokowi gained international attention as he was compared with U.S. President Barack Obama. Not long after, he also won the election as Jakarta's Governor. Before he completed the period of being Jakarta's Governor, Jokowi was encouraged to run for President in 2014.

During the 2014 Presidential campaign, Jokowi and his running partner, Jusuf Kalla, promoted their infamous vision and mission called Nawa Cita. Nawa Cita is formulated in a document required for presidential candidates to show their vision and mission in their Presidential term. Jokowi and Jusuf Kalla's document is called "A Path of Change towards an Indonesia of Sovereignty and Character". Nawa Cita directly translates to nine goals or in this sense nine policies. Listed below are the nine policies:<sup>65</sup>

- 1. Ensuring that State can protect the entire nation and provide a sense of security to all citizens;
- 2. Ensuring government involvement by promoting clean, effective, democratic and trustworthy governance;
- 3. Building Indonesia from the borders by reinforcing regional villages as part of a unitary republic framework;
- 4. Turning back the weakening of the state by reforming the legal system and law enforcement practices, ensuring dignity, trustworthiness, and freedom from corruption;
- 5. Improving life quality in Indonesia through education and healthcare (Smart Indonesia Card and Healthy Indonesia Card);
- 6. Improving Productivity and competitiveness on the international market;
- 7. Ensuring economic independence by mobilizing strategic domestic economic sectors;
- 8. Promoting a revolution in the national character;
- 9. Strengthening diversity and promoting social restoration.

In summary, Jokowi and Jusuf Kalla's three main focuses are to solve threats upon the authority of the state, improving the national economy and eliminating intolerance crises within the people of Indonesia.<sup>66</sup>

#### **Domestic Affairs**

One of the first mandates that Jokowi has done in his early days in office was to put an end to SBY's foreign policy "a thousand friends, zero enemies". Jokowi declared that Indonesia should only have relations with countries that can give benefits to the country. In a press interview, Jokowi said:

"Indonesia's foreign policy is still free and active. Making friends with all

<sup>&</sup>lt;sup>65</sup> Kalla, Joko Widodo And. 2015. "A Path of Change Towards an Indonesia of Sovereignty and Character."

<sup>&</sup>lt;sup>66</sup> Sukmajati, Mada. 2019. "Ideologies of Joko Widodo and Indonesian Political Parties." In *Continuity and Change after Indonesia's Reforms*, edited by Max Lane, 44–77. Singapore: ISEAS Publishing. p.49

countries should have an impact on our citizens. What's the point of having friends but we only get the disadvantages? Many friends should bring many benefits."<sup>67</sup>
Since then, the Ministry of Foreign Affairs of Indonesia was mandated to review the Memorandum of Understandings and other legal documents regarding Indonesia's partnership with countries around the world and evaluate the partnership whether it is beneficial to Indonesia or not.

Jokowi's approach seemed to be steering away from the good relations that have been built by SBY with various countries and governments around the world during his two terms. However, this was not the intention. Although Jokowi's policy is more inclusive, his plan is to make the internal economy stronger and open Indonesia for foreign investments. one of Jokowi's plans is to develop national infrastructure, i.e.: building more than 1000km paved roads and sea tolls. Jokowi had 245 projects across 14 infrastructure sectors.<sup>68</sup> This plan can never be done by Indonesia alone. Jokowi intentionally used this occasion to open foreign investors to invest in Indonesia. This particular move developed into controversies among the political parties and the public because Jokowi seemed to be in favor of foreign investors and laborer compared to the Indonesian people.<sup>69</sup> Even though

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<sup>67</sup> Afrianti, Desy. 2014. "Jokowi: Indonesia Jangan Punya Banyak Teman Yang Merugikan!" Kompas, November 16, 2014. https://nasional.kompas.com/read/2014/11/16/21531171/Jokowi.Indonesia.Jangan.Punya.B anyak.Teman.yang.Merugikan. Jokowi stated on an interview in the Presidential plane, "Bebas aktif, berteman dengan semua negara, manfaat sebesar-besarnya harus dirasakan oleh rakyat. Jangan banyak teman tetapi dirugikan, ngapain? Banyak teman ya harus banyak untung," kata Jokowi di dalam pesawat kepresidenan, Minggu (16/11/2014).

<sup>&</sup>lt;sup>68</sup> Chandra, Ardan Adhi. 2017. "Baru 26 Dari 245 Proyek Strategis Yang Rampung, Ini Penjelasan Pemerintah." Detikcom. December 20, 2017. <a href="https://finance.detik.com/infrastruktur/d-3778377/baru-26-dari-245-proyek-strategis-yang-rampung-ini-penjelasan-pemerintah">https://finance.detik.com/infrastruktur/d-3778377/baru-26-dari-245-proyek-strategis-yang-rampung-ini-penjelasan-pemerintah</a>.

Wiratno, Bambang. 2017. "Gerindra Kritik Prioritas Proyek Infrastruktur Jokowi." Partaigerindra.or.Id. Partai Gerindra. August 2, 2017.

Jokowi received much criticism, he followed through with his plans and seek for more foreign investors every year.

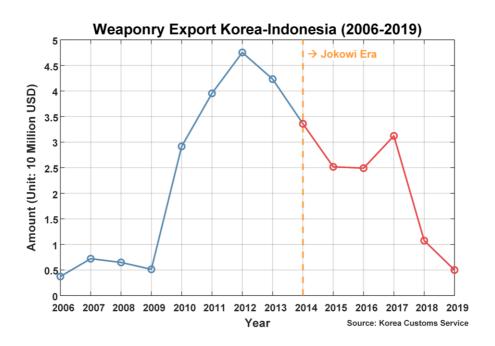
#### 3.2.1. Security and Foreign Affairs

In Jokowi's presidential term, we can see that there has been a constant drop, shown on the table below, on military weapon purchase by Indonesia. The main reason why there is a significant drop is because Jokowi's cabinet wants to start building a domestic military industry, but they still need to pay the previous purchases that were made by SBY's cabinet. The Indonesian government sets priorities for several defense equipment procurements that are produced by the national defense industry independently where in Article 38 paragraph 2 of Law Number 16 of 2012 states "in production activities the defense industry must prioritize the use of domestic raw materials, raw materials and components". Then Article 43 paragraph 5 letter (f) states "local content and/or offset as referred to in letter e is at least 35% (thirty five percent) with an increase of 10% (ten percent) every 5 years". The government in this case wants to produce the defense equipment independently, but in reality, the Indonesian government is not yet completely independent and has limited foreign exchange reserves.

The amount of the KFX Project itself is USD\$8 million and Indonesia had to plead for financial relief from Korea. Korea had to agree on an 80:20 agreement where 60% of the expenses are burdened to the Korean Government, 20% to the

http://partaigerindra.or.id/2017/08/02/gerindra-kritik-prioritas-proyek-infrastruktur-jokowi.html.

<sup>&</sup>lt;sup>70</sup> Indonesia Act no. 16 year 2012 on Defense Industry



Graph 7. Weaponry Export Korea – Indonesia (2006 – 2019)

In the Joint Engineering and Development Agreement of KFX/IFX signed in October 2014, the amount burdened for each party is already determined where Korea will spend USD \$7.9 Million and Indonesia will be burdened for USD \$1.5 Million. This Cost Sharing Agreement was signed in 2016 but there have been troubles caused by the Indonesian government since early 2017. Payments that should have been made twice a year by the Indonesian government were delayed.

There were also complaints by the PT. Dirgantara Indonesia that is

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Ali, Alman Helvas. 2021. "Mengurai Sengkarut Program KFX/IFX Antara Korsel & Indonesia." Cnbcindonesia.Com. April 9, 2021. <a href="https://www.cnbcindonesia.com/opini/20210405122936-14-235283/mengurai-sengkarut-program-kfx-ifx-antara-korsel-indonesia.">https://www.cnbcindonesia.com/opini/20210405122936-14-235283/mengurai-sengkarut-program-kfx-ifx-antara-korsel-indonesia.</a>

working alongside the Korea Aerospace Industries that they could not access information of the technology required for the KFX/IFX. This incident happened because Indonesia does not have an agreement with the United States in terms of the sensitive technologies used in the KFX. The sensitive technology used in the KFX such as the infrared search-and-track systems and the radio frequency jammers belonged to the United States. Indonesia needs to work on a special agreement with the United States to gain access to these technologies. Though there are a few problems, Indonesia will commit to this project as the government has invested a lot of capital under of the State Revenue and Expenditure Budget (APBN)<sup>72</sup> and resources and they understand that the result of this cooperation will not be easily seen and needs time.

#### 3.2.2. Bilateral Trade and Infrastructure Investment

Indonesia and Korea have had many projects together that required an extensive amount of cooperation. Both countries needed to invest time, capital, and human resources to build this trustful relation. These projects provide a foundation where the relationship between the two countries will continue and prosper. Moreover, the change of term in the strategic partnership between both countries into "special strategic partnership" in 2017, can enhance the relationship, especially the economic relationship.

Indonesia and Korea's trade status can be seen to slow down in 2015, however since the enactment of the New Southern Policy by President Moon JaeIn, trade relations between the two countries can be seen to increase for the better. One of the objectives of the Special Strategic Partnership is to achieve bilateral trade

<sup>&</sup>lt;sup>72</sup> *Ibid*.

volume to US\$30 billion by 2022. Since the agreement was signed, trade volume have increased up to USD\$19 billion in 2018.<sup>73</sup>

Table 2. Korea-Indonesia Trade Status

(Unit: 1000 USD)

Year	2013	2014	2015	2016	2017	2018
Export	11,568 (-17.1)	11,417 (-1.3)	7,872 (-30.7)	6,603 (-16.1)	8,404 (27.2)	8,833 (5.1)
Import	13,190 (-15.9)	12,271 (-7.0)	8,850 (-27.8)	8,281 (-6.4)	9,571 (15.5)	11,161 (16.6)
Profit	-1,608	-854	-978	-1,678	-1,167	-2,328
Total	24,744	23,688	16,722	14,884	17,974	19,994

Source: Korea International Trade Association

The special strategic partnership also encourages Korean companies to expand their business and investment in Indonesia. LG electronics has recently moved their factory from Korea to Indonesia. <sup>74</sup> Lotte Chemical Corporation has also expanded their business to Indonesia, and they are in search for at least one thousand Indonesian chemist. <sup>75</sup> Hyundai and LG are also in progress to establish a factory to produce batteries for electric cars in Indonesia. <sup>76</sup> In 2017, Korea has also

<sup>&</sup>lt;sup>73</sup> Korea International Trade Association

Antara News. 2020. LG Electronics Pindahkan 2 Lini Producksi TV dari Korea ke RI.
 Accessed through: <a href="https://www.antaranews.com/berita/1506340/lg-electronics-pindahkan-2-lini-produksi-tv-dari-korea-ke-ri">https://www.antaranews.com/berita/1506340/lg-electronics-pindahkan-2-lini-produksi-tv-dari-korea-ke-ri</a>
 Republic of Indonesia Embassy in Seoul. 2019. Perusahaan Korea Butuhkan Ribuan

<sup>&</sup>lt;sup>75</sup> Republic of Indonesia Embassy in Seoul. 2019. *Perusahaan Korea Butuhkan Ribuan Tenaga Kerja Terampil Indonesia*. Accessed through: <a href="https://www.antaranews.com/berita/1506340/lg-electronics-pindahkan-2-lini-produksi-tv-dari-korea-ke-ri">https://www.antaranews.com/berita/1506340/lg-electronics-pindahkan-2-lini-produksi-tv-dari-korea-ke-ri</a>

<sup>&</sup>lt;sup>76</sup> Kompas. 2020. *Hyundai dan LG mau bikin pabrik baterei di Indonesia*. Accessed through: <a href="https://otomotif.kompas.com/read/2020/06/23/151627915/hyundai-dan-lg-mau-bikin-pabrik-baterai-di-indonesia">https://otomotif.kompas.com/read/2020/06/23/151627915/hyundai-dan-lg-mau-bikin-pabrik-baterai-di-indonesia</a>

been involved in the development of Jakarta's Light Rail Transit (LRT), a mega project worth USD\$500 million.

1,500 1,299 1,318 1,800 1,800 1,000 1,299 726 699 663 678 984 726 699 663 678 191 315 385 457

Graph 8. Korea-Indonesia Investment Status (2006 - 2019)

Source: Export – Import Bank of Korea

Table 3. Korea – Indonesia Investment Status

(Unit: 1million USD)

Year		2014	2015	2016	2017	2018	Total
Republic of	Amount Declared	821	846	723	754	745	15,741
Indonesia	Registered	377	322	289	354	402	6,851
Republic of	Amount Declared	56	1	4	1,051	10	2,088
Korea	Registered	11	7	8	11	5	163

Source: Export-Import Bank of Korea, Ministry of Trade, Industry and Energy.

In 2019, President Jokowi finalized the Indonesia - Korea Comprehensive Economic Partnership Agreement. With the implementation of this comprehensive

economic agreement, Indonesia and Korea relation in terms of economy hopefully will also improve. Market access in trade should improve as the target would be tariff reduction and even the possibility of elimination of tariffs. As Jokowi will also focus on the investment for infrastructure in Indonesia, Korean investors will also want to participate in mega projects as it will benefit their trade business in Indonesia.

#### 3.2.3. Regional and Global Cooperation

In November 2017, President Jokowi and President Moon Jae-in met in Indonesia and exchanged a joint statement on the Indonesia and Korea Partnership. Both Presidents stated their intentions to strengthen the strategic partnership between Indonesia and Korea. They have decided to change the term of the strategic partnership into "Special Strategic Partnership". In terms of the regional and global cooperation they promised to strengthen relations between ASEAN and Korea, give more support towards the inter-Korean relations, create more peoplecentered policies and diplomacy, and deepen the cooperation in regional and international organizations and mechanisms such as UN, APEC, ASEAN+3, EAS, ARF, G20 and MIKTA, and last but not least, both leaders promised to have cooperation in combating terrorism, cybercrime and transnational organized crime.

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<sup>&</sup>lt;sup>77</sup> Indonesia – Korea Comprehensive Economic Partnership Agreement 2019

<sup>78</sup> 변덕근. 2017. "Full Text of a Joint Statement of Leaders of S. Korea, Indonesia." Yna.Co.Kr. 변덕근. November 9, 2017. https://en.yna.co.kr/view/AEN20171109012500315.

#### 3.2.4. People to People Exchanges

As part of the Special Strategic Partnership, Indonesia and Korea have been working together in creating more people-centered policies. There are many projects and programs that the two countries have worked together in terms of people centered policies, i.e.: inter-city and inter-province cooperation; promoting cultural and art; and the protection of labor workers. First, Indonesia and Korea have been actively engaged in knowledge and people exchange in the regional level. Since 1984 to 2018, there is a total of 24 sister cities and inter province programs. Although currently there are only 14 sister city and inter province programs that are active.

Table 4. Korea - Indonesia Sister City Cooperation

No	Indonesia	Korea	Year
1	Jakarta	Seoul	1984
2	Bali Province	Jeju Island	1989
3	Surabaya City, East Java Province	Busan	1994
4	East Java Province	South Gyeongsang Province	1996
5	Padang City, West Sumatra Province	Suyeong District, Busan	1997
6	Medan City, North Sumatra Province	Special Region Gwangju	1997
7	Bandung City, West Java Province	Suwon City, Gyeonggi Province	1997
8	West Java Province	South Jeolla Province	2001
9	South Sulawesi Province	Gyeonggi Province	2002
10	Yogyakarta Province	North Gyeongsang	2005

		Province	
11	Yogyakarta City, Yogyakarta Province	Gangbuk District, Seoul City	2005
12	Central Java Province	North Chungcheong Province	2005
13	West Nusa Tenggara Province	Hongseong County, South Chungcheong Province	2008
14	Banten Province	Incheon	2009
15	Yogyakarta Province	Gangwon Province	2009
16	Central Sulawesi Province	South Jeolla Province	2009
17	Batam City, Kepulauan Riau Province	Gimje City, North Jeolla Province	2013
18	Cilegon City, Banten Province	Gwangyang City, South Jeolla Province	2014
19	Kepulauan Riau Province	South Gyeongsang Province	2015
20	Bandung City, West Java Province	Seoul City	2016
21	South Tangerang City, Banten Province	Special Region Gwangju	2016
22	Subang Regency, West Java Province	Gimcheon City, North Gyeongsang Province	2016
23	Malang City, West Java	Nonsan City, South Chungcheong Province	2017
24	West Java Province	Gyeongsang Province	2018

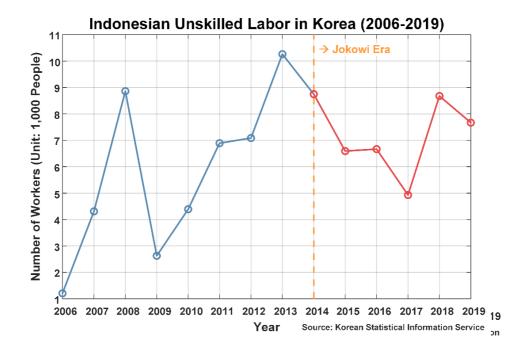
The Korean wave has spread all over the world. This has contributed to

many benefits of economic and cultural awareness for Korea. The Korean Wave has also reached Indonesia. Marketing strategies for goods in Korean dramas, reality shows and even idol promotion have made a great impact to Korean economy. Indonesia is one of the best markets for Korea due to the large market and consumerism culture among the young adults. This Korean wave has also impacted to the increasing number of tourists and students in Korea.

Korea-Indonesia Tourist Status (2006-2019) 450 → Jokowi Era Number of Tourists (Unit: 1,000 People) 400 350 300 250 200 150 to Korea 100 to Indonesia 50 2007 2008 2006 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 Year Source: Korea Tourism Organization

Graph 9. Korea Indonesia Tourist Status (2006 – 2019)

Graph 10. Indonesian Student in Korea (2006 – 2019)



In addition to the popularity of Korean wave Indonesia and Korea have made an agreement to ease Indonesian to get tourism visa since 2018. According to the data by the Korean Tourism Organization, shown on the graph above, the number of Indonesian tourists has been steadily increasing and reached it peaked in 2016 with a total of 295,461 tourist. The Korean wave has also impacted to the interest of Indonesian to study about Korea and its culture as well as to study in Korea. Shown in the graph below by the Korea Tourism Organization, in 2019 there are a total of 3,146 students from Indonesia in Korea.

Graph 11. Indonesian Unskilled Labor in Korea (2006 – 2019)

Korea is one of the famous countries to work for migrant workers and for Indonesian labor workers. The increasing number of migrant workers in Korea is also due to the decreasing interest of Koreans to do manual work and the society pressure to gain work as a white-collar worker. In a statement from Indonesia's Ambassador for Korea in 2019, Korea needs more labor workers from Indonesia that are able to speak Korean language and understands Korean working culture. Shown in the graph below, there has been a significant decline since 2014. This decline can be subject to the improving economy of Indonesia. However, there is also a factor that the treatments of employees towards migrant workers in Korea are horrible. There have been many cases where migrant workers were not given their rights. Therefore, Indonesia and Korea have made a renewal of their employment permits system scheme in the MoU on Indonesian migrants in Korea in 2019.<sup>79</sup>

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<sup>&</sup>lt;sup>79</sup> Sitorus, Ropesta. 2019. "Indonesia & Korea Selatan Perkuat Perlindungan Bagi Pekerja Migran." Bisnis.Com. November 14, 2019. <a href="https://ekonomi.bisnis.com/read/20191114/12/1170527/indonesia-korea-selatan-perkuat-perlindungan-bagi-pekerja-migran.">https://ekonomi.bisnis.com/read/20191114/12/1170527/indonesia-korea-selatan-perkuat-perlindungan-bagi-pekerja-migran.</a>

## Chapter 4. Analysis

# 4.1. Indonesia's 21<sup>st</sup> Century Foreign Policy: Implication of Soekarno's Ideology Towards Indonesia's Foreign Policy

Indonesia will never be an ally with any great power in the world but will always diversify the power. Indonesia's Free and Active policy has always been the core of its foreign policy. This policy enables Indonesia to steer its way in current and future global uncertainties and offer more benefit for Indonesia itself. As strategic partnerships characteristics are goal-driven, loose form of alignment and multidimensional, it is the perfect form of cooperation for Indonesia with specific countries.

With this policy as its basis, Indonesia conducts strategic partnerships with countries around the world including Rep. of Korea. Indonesia also increased the level of partnership into a special strategic partnership as both countries have common principles and democratic values, human rights, and open economy. Indonesia will continue to strengthen its relations with the Republic of Korea as President Jokowi's term continues until 2024.

# 4.2. Indonesia's Intention Towards the Republic of Korea

#### Wilkin's Strategic Partnership Framework Analysis

In this passage, this paper will evaluate the strategic partnership between the Republic of Indonesia and Republic of Korea using Wilkin's framework

analysis. Wilkin's framework consists of three elements of measurement which are evolution, scope and challenges. First, this passage will discuss the evolution or the formation of the partnership and mentions three elements to be evaluated which are the environment uncertainty, strategic fit between parties, and system principle.

The nature of environmental uncertainty relies on the regional and international changes in the 21st century where the rise of Asia, mainly China, is considered a threat for many countries, including Indonesia. However, Indonesia does not treat the rising power of China in a negative way. Indonesia prefers to balance the power between the West and the East in its own unique way. By having partnerships with many countries, Indonesia is diversifying power. The second element to the formation of the partnership is strategic fit. Indonesia and Korea have comparative advantages and can create a mutually benefiting relationship. Indonesia exports natural resources to Korea and in return Korea helps Indonesia with investment, capital and technologies. The third element to the formation of the partnership is system principle. Wilkins explained that the system means the State's leaders and their ideologies affect the partnership.

The two Presidential administrations that governed Indonesia in 2006 – 2019 have opposite approaches towards Indonesia's foreign policy. The foreign policy that defined President Susilo Bambang Yudhoyono's two presidential terms was international and outward-looking. With his foreign policy being "a thousand friends (then changed to million), zero enemies", President Susilo Bambang Yudhoyono set Indonesia to become known in the international forum. In his presidency, the relation between Indonesia and the Republic of Korea officially

became a "Strategic Partnership".

Table 5. Comparison of the SBY and Jokowi Presidential Era

Yudhoyono Reset	Jokowi Reset	
Outward oriented	Inward looking	
Global Overview	Pan-Indo pacific worldview	
Democratic Projection	Maritime projection	
Soft power projection	Hard power projection	
Multilateral Activism	Bilateralism	
Normative	Pragmatic and transactional	
Liberal-institutionalist approach	An interest-driven realist worldview	
Beginning of economic diplomacy	Economic diplomacy as a key foreign policy instrument	
Balance of interest	Balance of interest	
Equilateralism	Equilateralism	
Minimal force projection	Assertive force projection	
ASEAN-plus Focus	De-emphasis on ASEAN	
Middle power diplomacy	Negara Besar (Great power) approach	

As President Yudhoyono's second term ended, he was replaced by Joko Widodo. Joko Widodo or commonly known as Jokowi ended Yudhoyono's era of foreign policy that portrayed Indonesia as a friendly country. Jokowi's nationalist and pragmatic background changed Indonesia's foreign policy to an inclusive approach. Jokowi stated that Indonesia should only prioritize relations with countries that can benefit Indonesia. This is the foundation of Indonesia's strategic partnership with the Republic of Korea developed into a "Special Strategic Partnership". Jokowi believes that Indonesia and Korea can create a mutually benefiting relationship as each country has comparative advantages in different areas.

The next element that Wilkin's mentioned to evaluate is the scope or the implementation of the strategic partnership. President SBY and Jokowi have implemented their visions of the partnership with Korea. President SBY created three pillars to the partnership which are political and security; economic development, trade, and investment; and last is social and cultural development. In retrospect, President SBY's visions are a mirror to his internationalist outlook. He creates many partnerships with many countries in order to create a better image for Indonesia. However, his visions are ambiguous without any proper guidance.

In comparison, President Jokowi's visions are more rigid and there are clear goals to the partnership. Most of the visions that President SBY aimed for were done and enacted by President Jokowi. Jokowi's pillars in the special strategic partnership are security and foreign affairs; bilateral trade & infrastructure investments; regional & global cooperation and last people-to-people exchanges.

This is also a part of Jokowi's vision to make an inclusive region and country by only partnering with countries that can benefit Indonesia. Since the start already have certain goals for the partnership such as the realization of transfer of technology for fighter jet KFX/IFX, targeting trade value to increase up to USD \$30billion, establishment of IK-CEPA, participation on more regional and global cooperation (i.e.: ASEAN+3, MIKTA, ARF, APEC, EAS, ADMM+).

Like any type of relationship, the strategic partnership between Indonesia and Korea faces challenges. These challenges are the last element of Wilkin's evaluation. Indonesia and Korea have long established their relationship based on their shared common interest. Their mutually benefiting relationship in providing an exchange of goods, capital, human resources and technology. These shared interests keep on growing and developing to bigger goals because both countries are determined that they can improve their cooperation and get more out of the relationship especially with the help of a structured body that can monitor their activities. This role is taken by the Joint Task Force on Economic Cooperation which then changed into the Working Level Task Force.

An example of the challenges that both countries faced is the slow bureaucracy of the Indonesian government. This can be clearly seen through the late payments of the KFX/IFX fighter jet project. Indonesia committed to cover 20% of the 8.8 trillion won development costs, but the government stopped making payments in October 2020. This incident may have impacted their cooperation and decreased trust. However, Indonesia still has the commitment to make payments and rebuild Korea's trust as Korea is one of the biggest investors for Indonesia.

## Chapter 5. Conclusion

The change of Presidency in Indonesia did have an impact on the relations of Indonesia and many other countries. Jokowi's a foreign policy that seemed to be contrary to Yudhoyono's foreign policy meant Indonesia is re-evaluating the value of partnering countries. In terms of Indonesia's relation with the Republic of Korea, the terminology of strategic partnership changed into a special strategic partnership. Although this change does not seem to be a big difference, it portrays Indonesia's value towards the Republic of Korea. Jokowi clearly values the Republic of Korea as an important partner, especially in terms of investment.

The strategic partnership between Indonesia and Republic of Korea terminology that changed into a special strategic partnership is meant to deepen and strengthen the bilateral relations between the two countries. This change will strengthen both countries' relations as the written goals are more specific and detailed compared to the previous strategic partnership. This partnership also targets the development and cooperation of both countries in embracing the Fourth Industrial Revolution.

The excellent relationship between President Jokowi and Moon Jae-in has also strengthened the relationship between both countries. The two presidents have the same policy focus, which is people-centered policies. Though there were many troubles that faced by the two countries, this should not stop the partnership. Both countries have comparative advantages that can benefit one another throughout time. Thus, making this relationship worth continuing.

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#### Abstract in Korean

인도네시아 민주주의의 역사는 인도네시아와 다른 나라들, 특히 같은 지역에 있는 나라들 간의 관계에 영향을 끼쳤습니다. 인도네시아는 지리적 위치 때문에 이 지역에서 중요한 역할을 해야 한다고 여겨져왔습니다. 2000년대 초부터 인도네시아의 다른 여러 국가에 대한 대외정책은 전략적 동반자 관계로 발전해 왔습니다. 그러나 이러한 변화는 인도네시아의 대통령 교체와 그에 수반되는 새로운 전략으로 인해일어났습니다. 수실로 밤방 유도요노 대통령 행정부에서 그는 우호적인이웃 국가로서의 인도네시아의 이미지를 구축했습니다. 유도요노대통령의 임기가 끝나면서 후임 대통령으로 선출된 조코위 대통령은인도네시아의 외교 정책을 보다 자기 주장이 강하고 자주적인 국가로변화시켰습니다. 인도네시아의 대(對)한국 외교 정책의 경우,인도네시아는 1980년대 초부터 맺어진 관계를 중요시합니다. 본 논문은2004년에서 2019년의 기간 동안 대통령직의 변경으로 인한인도네시아의 대(對)한국 외교정책의 차이를 분석합니다.

키워드: 인도네시아, 대한민국, 전략적 파트너십, 협력

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