CHAPTER V

CONCLUSION

Economic growth in developing countries such as Indonesia is often constrained by the problem of financial capital and investment. Indonesia still relies on foreign capital investment to support economic activities. Global economic developments impact significantly on the economy of Indonesia. Therefore, Indonesian government tried to solve the problem by international cooperation. So that Indonesia has joined economic regional forum such as ASEAN, AFTA, APEC, etc.

Indonesia has not had enough with these organizations. Indonesia then tried to join the economic cooperation, namely the Trans-Pacific Partnership. Trans-Pacific Partnership was offered by US President Obama at the APEC Summit 19th at the Trump Hotel Waikiki, Honolulu, United States on November 12 to 13, 2011.

Trans-Pacific Partnership Agreement is a concept of free trade in the goods, services and investment, and makes the Pacific Ocean as the trade turnover. The partnership is defined as a friend or colleague, which means each member country to join the Trans-Pacific Partnership works together in the concept of free trade governed by the Trans-Pacific Partnership.

Trans-Pacific Partnership is a trade negotiation that began with a special trade agreement called the Trans-Pacific Strategic Economic Partnership (TPSEP). The Trans-Pacific Strategic Economic Partnership was initially conceived in 2003

by Singapore, New Zealand, and Chile as a path to trade liberalization in the Asia-Pacific region.

Then, Brunei joined negotiations in 2005, and the Trans-Pacific Partnership came into force in 2006. In March 2008, the United States joined the negotiations to conclude the investment and financial services provisions. The United States already has Free Trade Agreements (FTA) with Trans-Pacific Partnership members Singapore and Chile and with potential Trans-Pacific Partnership partners, Australia and Peru. President Bush notified Congress of his intention to negotiate with the existing Trans-Pacific Partnership members on September 22, 2008, and with other potential members, Australia, Peru, and Vietnam on December 30, 2008. It is now expected that this group of eight countries will define an agreement to which other states can sign on. Also in the year of 2012, Canada and Mexico joined Trans-Pacific Partnership and the last in year of 2013, Japan joined.

The most appropriate alternative to join Trans-Pacific Partnership as a decision is government bureaucracy by giving the facility for investor with the result a good investment mechanism. Indonesia as a developing country needs investment in an effort to increase the rate of the national economy. The advantage is not only obtained by the investor but also very beneficial to the country and society in which investors invest their capital. In order to create a conducive investment, the government formulate such strategies in the field of investment policy.

Finally, the efforts or actions in the set of Indonesian foreign policy making process on Joining Trans-Pacific Partnership in Joko Widodo era after those

decision are (1) Joko Widodo try to influence additional members into the group, who will support his decision. After Joko Widodo statement that Indonesia will join the Trans-Pacific Partnership, when it appeared the support from Vice President of Indonesia, Jusuf Kalla and the Ministry of Commerce, Thomas Lembong. Jusuf Kalla said that if Indonesia really join the Trans-Pacific Partnership, then this is the way of Indonesia to improve the efficiency of the national economy. While, Thomas said that the desire of Indonesia joining the Trans-Pacific Partnership is inseparable from the threat of Vietnam as Indonesian competitors in the field of footwear and textiles, then the Vietnam products will be more competitive in the Indonesian market and; (2) Joko Widodo make an integrative solution tactic, to prepare and support his decision. The desire of President Joko Widodo, Indonesia became a member of the Trans-Pacific Partnership is to maintain the balance of Indonesian diplomacy system.