

INDONESIA'S RATIONAL CHOICE IN REJOINING THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES (OPEC) 2008-2015

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Abstract:

Indonesia was an oil producing country and a member state of an international organization for oil producing countries, OPEC, since 1962. However, its oil production gradually decreased since 1999 to the point that it became an oil importer in 2004. As a result, Indonesia withdrew from OPEC membership in 2008 and stated its plan to rejoin if Indonesia is an oil exporting country again. However, Indonesia surprisingly announced its plan to rejoin OPEC membership in 2015 although Indonesia was still an oil importing country at that time.

The objective of this research is to analyze the reasons why Indonesia decided to rejoin OPEC in 2015. The method used by the writer was qualitative method by using secondary data such as books, journals, e-books, articles, and other literary sources. The research shows that there are several factors that became the considerations of Indonesia to take the decision. The conclusion of this research is that Indonesia decided to rejoin OPEC in 2015 because Indonesia believed that rejoining OPEC would bring more benefits and costs.

Keywords: Indonesia, OPEC, rational choice, oil, national interest, benefit and cost.