

TITLE PAGE

**THE POLITICAL ECONOMY OF JAKARTA-
BANDUNG HIGH-SPEED RAIL PROJECT'S
PROPOSAL IN 2015-2016**

UNDERGRADUATE THESIS



**Written by:
HAFIZ AMIN ZAMZAM**

20140510144

**Advisor:
Grace Lestariana W., S.IP., M.Si.**

**INTERNATIONAL PROGRAM OF INTERNATIONAL
RELATIONS
FACULTY OF SOCIAL AND POLITICAL SCIENCES
UNIVERSITAS MUHAMMADIYAH YOGYAKARTA
2018**

ENDORSEMENT PAGE

**THE POLITICAL ECONOMY OF JAKARTA-
BANDUNG HIGH-SPEED RAIL PROJECT'S
PROPOSAL IN 2015-2016**



HAFIZ AMIN ZAMZAM

20140510078

This undergraduate thesis has been examined and endorsed by the board of examiners from the Department of International Relations, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta

Day / Date : Thursday, April 19th 2018
Time : 08.00 WIB
Venue : R. Dosen HI Timur

Examiner Board

Grace Lestariana W., S.IP., M.Si.
Chief of Examiner Board/Advisor

Ade Marup W., S.IP., M.A.
Examiner I

Sidiq Ahmadi, S.IP., M.A.
Examiner II

STATEMENT OF ORIGINALITY

This is to certify that to the best of my knowledge, the content of this thesis and research is my own work. This thesis has not been submitted for any degree or other purposes.

I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Yogyakarta, April 19th 2018

Hafiz Amin Zamzam
20140510078

ACKNOWLEDGEMENT

The highest praise and gratitude dedicated to Allah *subhanahu wa ta'ala* who always give His endless kindness and bless that make the writer possible to complete this undergraduate thesis entitled: “The Political Economy of Jakarta-Bandung High-Speed Rail Project’s Proposal in 2015-2016”. This undergraduate thesis is submitted in order to fulfill the requirement for achieving S-1 Degree of International Relations Department, Faculty of Social and Political Science, Universitas Muhammadiyah Yogyakarta as well as the application of the theories and knowledge that the writer had already obtained during the undergraduate study.

The writer also would like to express his sincere gratitude to all those who have contributed in the process of writing this undergraduate thesis especially for the advisor of this undergraduate thesis, Grace Lestariana W, S.IP., M.Si., also to all of the board of examiners, Ade Marup W., S.IP., M.A., and Sidiq Ahmadi, S.IP., M.A. The writer realizes that there are still rooms for improvement for this undergraduate thesis. The writer hopes that this undergraduate thesis could be useful for international relations study.

Yogyakarta, April 19th 2018

Hafiz Amin Zamzam

EXTENDED GRATITUDE

Praise and Gratitude again dedicated to Allah *subhanahu wa ta'ala* because of His blessings, I could finish this undergraduate thesis. Also, there were many people who have helped and motivated me in finishing and presenting this undergraduate thesis I would like to thank:

1. My family, especially for my mother, Eha Sulaeha, and my father, M. Yani Zamzam, thank you for all of the, *dua*, supports, advices, and guide me until I finished my undergraduate thesis
2. All lecturers and staffs in International Relations Department, Universitas Muhammadiyah Yogyakarta
3. All of my classmate from IC-A, Harits, Vega, Rafyoga, Tahta, Gin Gin, Aziz, Abi, Jundi, Zaki, Haryo, Dimas, Rangga, Azmi, Ndaru, Nadya, Mitha, Safina, Melati, Mong, Widya, AW, Nana, Masmay, and Najma, thank you for all your laughs, tears, angers, supports, advices, critics and also some memories from the beginning of the class until today.
4. All IPIREL 2014, friend of mine that I could not mention the names, thank you for all the support and may you reach your success in the future.
5. All Batch of IPIREL UMY (2013-2017), Kak Zanuar, Meinar, Teh Erlin, Kak Rina, Kak Zazan, and other friends that I could not mention the names, and also every creatures which always come to Study Hall and always give good atmosphere around me.
6. All Friends and Members which in Student English Activity (SEA UMY) especially from Media and Literature (MLt) Ministry.

TABLE OF CONTENTS

TITLE PAGE	i
ENDORSEMENT PAGE	ii
STATEMENT OF ORIGINALITY	iii
ACKNOWLEDGEMENT	iv
EXTENDED GRATITUDE	v
TABLE OF CONTENTS.....	vi
LIST OF DIAGRAM	viii
LIST OF TABLES	viii
ABSTRACT	ix
CHAPTER I INTRODUCTION.....	1
A. Background.....	1
B. Research Question	5
C. Theoretical Framework: Political System by David Easton.....	5
D. Hypothesis	10
E. Range of Research	10
F. Research Method	11
G. System of Writing.....	11
CHAPTER II INDONESIA’S INFRASTRUCTURE DEVELOPMENT UNDER JOKO WIDODO ERA	13
A. Indonesia Transportation System.....	13
1. Current Condition of Indonesia Transportation.....	13
2. Challenges of Indonesia’s Transportation System..	15
B. Development of Train Network	17
1. The necessity of Train as an effective transportation modes in Java	17
2. Improvement in PT. Kereta Api Indonesia (Persero)	18
3. Current Train Network.....	20
4. On-going Train Network	23
C. High-Speed Rail Project	25
1. Procurement Ideas	25

2.	Japan Feasibility Study Report on HSR in Indonesia	25
3.	Initiation and Progress of the HSR Project	27
CHAPTER III INDONESIA BILATERAL RELATIONS		
WITH JAPAN AND CHINA		
	A. Indonesia Relations with Japan	31
1.	Indonesia-Japan Bilateral Relations in General	31
2.	Japan FDI in Indonesia	35
	B. Indonesia Relations with China	37
1.	Indonesia-China Bilateral Relations in General	37
2.	China FDI in Indonesia.....	41
CHAPTER IV SUPPORTS AND DEMANDS FROM		
ACTORS AND POLITICAL INFLUENCERS IN HIGH-		
SPEED RAIL PROJECT		
	A. Support and Demands from Domestic Actors and	
	Influencers	46
1.	President of Indonesia Joko Widodo as Decision	
	Makers.....	46
2.	Joko Widodo's Government Officials as Political	
	Influencers	47
3.	Society Role on Influencing the Decision Makers	48
	B. Support and Demands from International Context	51
1.	China Capacity on Creating High-Speed Rail	51
2.	Japan Capacity on Creating High-Speed Rail.....	55
3.	China's OBOR Initiatives as Investment	
	Consideration	60
CHAPTER V CONCLUSION		
63		
REFERENCES.....		
67		
APPENDIX		
x		

LIST OF DIAGRAM

Diagram 1 1.1 David Easton Political System	6
---------------------------------------------------	---

LIST OF TABLES

Table 1 2.1 PT. Kereta Api Indonesia (Persero) Assets Table	19
Table 2 2.2 PT. KAI Subsidiary Companies	20
Table 3 2.3 Executive Class Train Sequences.....	21
Table 4 3.1 Japan's ODA Disbursements to Indonesia by Fiscal Year	33
Table 5 3.2 Top 5 Countries Investment Realization in Indonesia 2017	42