

## CHAPTER V CONCLUSION

In this modern era, the needs for sufficient transportation modes in order to make it easier to travel and mobilize easily. Indonesian government initiated a wide-areas project which is known as the mass transportation project. This project has been called as High-Speed Rail Project (HSR). HSR Project was firstly planned in 2008 by the president of Indonesia, Susilo Bambang Yudhoyono. This project has been suddenly postponed for few years. On the next administration under Joko Widodo, wants to run this project for the second time (Associated Press, 2016). The route of the HSR Project is divided into two phases. The first phase is Jakarta-Bandung route which length around 150 km. The second phase will be building Jakarta-Surabaya route which length around 700 km.

The most problematic HSR project was Jakarta-Bandung section. In this section, Both China and Japan wanted to influence this project. Both countries already submitted their HSR proposal. The decision was leading into China as the partner of Jakarta-Bandung HSR Project with Indonesia.

In order to make a sufficient and prominent technology exchange with another countries. There are some parameters towards it such as analyze the relations between countries and compare both countries. It is also happening when you face two choices, you would chose the most valuable one and cheap with no guarantee. In this case, both Japan and China should be analyze their current situation on how they established their HSR capacity.

For capacity on creating HSR, Japanese has long history of their *Shinkansen*. The first *Shinkansen* in Japan was launched on 1964. While Chinese is considerable still new in creating HSR. The price of both countries HSR are different, Japanese *Shinkansen* more expensive than Chinese HSR. The technology mostly the same that both using EMU. The other differences

also in the material uses of HSR. Japan is expensive because they use compatible material for each floor. Japan also calculate each possibility when disaster hit Japan. *Shinkansen* was noted that never had a train accident before. On the other hand, although China HSR had experienced a train accident. It is because China was developing a standard material for HSR in order to decrease the price.

In order to answer the research question through hypothesis that would lead into some facts related into political economic relations between two countries. According to David Easton, there are many elements that influence the capability of the involving actors on decision of political system. He created a model to emphasize the process of political system on decision making. Environment become one of main issue that will needed in the “black box”. Environment can generate the new inputs to be processed and also environment can give feedback of the outputs towards the result. The prominent factors is on the inputs which contain two necessities; demands and supports (Easton, 1957).

The domestic supports and demands are first, based on the condition of several lines of railroad in Java are in inappropriate condition and need of restoration to functionalize the railroad and also upgrade into double-rail track. (PT. Kereta Api Indonesia (Persero), 2016). Second, the needs of new fast train, some routes that currently happen still need more than hours to spend. If could Java’s railroad transportation modes have an upgrade quality in speed, and it will cut the estimated arrival time into several hours or less than an hour. Third, the reason of choosing Jakarta and Bandung as the route of new HSR is to build up surrounding areas Jakarta and Bandung. This routes pass several peripheral cities such as Bekasi, Cikarang, and Karawang that will predict in future these region will boost the economy up (Novalius, 2017). Related into first point, last condition of three main lines of railroad transportation (North Lines, Bandung Line, South Line) was overloaded, the capacity of lines were not sufficient to handle all the routes anymore (Supriyanto, 2017).

From government officials, there are also some supportive form in procurement of Jakarta-Bandung HSR Project. Some government officials opened their statement on HSR Project. The Transportation Director on Ministry National Development Planning/Bappenas, Bambang Prihartono, said that the HSR should increase economic national growth into 5-6% according to National Midterm Development Plan (RPJMN) (2015-2019). Teten Masduki, as a chief presidency staff, said that HSR project is one of the important and massive transportation projects in Indonesia. HSR was claimed to boost up Indonesia economic growth, and open new lines to another country and also will create new economic region (Akuntono, 2016).

The most prominent data appointed mostly from the initiative from both leaders from Indonesia and China which have pretty similar to each other. China is focusing on its initiative on 21<sup>st</sup> Century Maritime Silk Road and One Belt One Road (OBOR) policy. While Indonesia is implementing the Global Maritime Fulcrum. As already explain that this two initiative programs was created to strengthen trade, investment, and economic development.

Before Indonesia has HSR project, the quantity of investment realization of China considerably low. The investment realization in 2014 was laid on US\$231,12 Million and 128 cooperation projects. Years after the procurement of HSR project and become one of projects in OBOR initiative, China investment realization in Indonesia significantly increase from previous yearbooks. Indonesia government try to seek the opportunity towards the OBOR initiative to bring more infrastructure projects to be put on this initiatives.

All of the factors and another influencers create political system which lead on decision making for this project. The factors that Indonesia need new HSR as transportation mode which more efficient and can help people to mobilize easily. The criteria of HSR that would fulfill the requirements should be cheaper, and the contract should not include national budget and have not any guarantee for Indonesia government. Final

decision of Indonesia for HSR project was choosing China's proposal which suitable on Indonesia's requirements.

The involvement OBOR initiative become one of influencing factors of choosing China's proposal. Indonesia was seeking more benefits on this initiatives. Indonesia needs more investments for development on every sectors such as on transportation, energy, and other infrastructures. By joining the 21<sup>st</sup> Maritime Silk Road Forum, Indonesia would have all the benefits that provided by China.