

TABLE OF CONTENTS

BAB I Introduction	1
A. Background	1
B. Scope of research.....	8
C. Research question.....	9
D. Theoretical Framework.....	9
1. National Interest.....	9
2. International Cooperation.....	11
3. The theory of international cooperation.....	16
4. International Trade.....	16
E. Hypothesis	23
F. Purpose of Writing.....	23
G. Methods of research.....	24
H. The Writing Systematic	25
BAB II ASEAN Economic Community (AEC)	26
A. AEC background	26
B. AEC Making Process.....	28
C. ASEAN Economic Community (AEC) Blueprint.....	31
D. AEC Development Level.....	33
BAB III Opportunities and Challenges Indonesia Facing the AEC.....	37
A. Indonesia's Opportunities Facing AEC	37
1. Large Population means Big Market Share.....	38
2. The Increasing of the middle class	40
3. Indonesia Demographic Bonus.....	43
4. Great Natural and Cultural Resources	45
5. Bureaucratic Reform (Institutional and Governance)	49
6. Resilience of Indonesian Economy	51

7. Massive Infrastructure Development	53
8. Indonesia Economic Policy Package Volume 1 - 13	57
9. The potential of UMKM sector is very big	61
10. Potential as an Investment Destination Country	62
B. Indonesia's Challenges Facing AEC.....	64
1. Improving the Quality of Human Resources.....	65
2. Increasing competitiveness	67
3. Improving the Quality and Competitiveness of MSMEs	71
4. Increasing Stability of Business Climate and Investment in Indonesia	77
5. Improved Effectiveness of Central and Regional Government Institutions.....	79
BAB IV Indonesia's Strategy in Facing the AEC.....	83
A. Increased Economic Competitiveness	88
B. Improved Bureaucratic Reform and Regulation	94
C. Improvement of MSMEs Empowerment	96
BAB V Conclusion	102
A. Conclusions.....	102
BIBLIOGRAPHY	105

TABLE LIST

Tabel 3.1. State of ASEAN Population	39
Tabel 3.2 Fish Production Ranking in the World	47
Tabel 3.3. Level of Economic Growth in ASEAN Countries.....	52
Tabel 3.4. Economic Policy Package Volume 1-13.....	57
Tabel 3. 5. Asia Pacific Investment Destination Ranking Table	63
Tabel 3.6. Unemployment Rate and ASEAN Unemployment Rate Year 2014.....	65
Tabel. 3.7. Human Development Index of ASEAN Countries.....	66
Tabel 3.8. ASEAN Competitiveness Table	68
Tabel 3.9. 5 big rank of Provincial Competitiveness	70
Tabel 3.10. Inflation Level of ASEAN Countries.....	78

PICTURE LIST

Gambar 3.1. Number of the middle class in Indonesia	41
Gambar 3.2. Population Structure Based on Age Group in Indonesia.....	44
Gambar 3.3. Indonesia Corruption Perceptions Index 2000-2015	50
Gambar 3.4. Infrastructure Development in Indonesia 2015 - 2019.....	54
Gambar 3.5. Category of Indonesia Infrastructure Development Area	55
Gambar 3.6. Countries with Infrastructure Contribution to GDP 2016	56
Gambar 3.7. Five Main Investors in Indonesia	64
Gambar 3.8. Performance Effectiveness Rating Government of Indonesia	80
Gambar 3.9. Convenience Rankings in Entrepreneurship in Indonesia	81