

# CHAPTER I INTRODUCTION

## A. Background

Indonesia's role in the Global South is not new. Developing countries those are located in the Southern Hemisphere known with the term "South" or "Global South". The Global South refers to Asia (except for Japan, Hong Kong, Macau, Singapore, South Korea, and Taiwan), Central America, South America, Mexico, Africa, and the Middle East (except for Israel) (UNOSSC, 2017).

Since initiating the Asian-African Conference in 1955, Indonesia has committed to its high spirit of solidarity among the Global South. Since its inception, the Asian African Conference was established not only to produce a declaration that emphasizes political support for the independence and sovereignty of developing countries in the Asia-Africa region but also promotes the spirit of economic development which is expected to help developing countries to be independent in sustainable independence and prosperity (Alatas, 2016).

Not all countries in the world have developed status, some of them are developing and even less developed. Therefore, the international community builds a passion to realize mutual prosperity throughout the world by developing the concept of development cooperation. Developed countries like the United States, Australia, and other big countries have enormous moral responsibilities for developing and less developed countries. Development cooperation has been part of their foreign policy for a long time. The assistance provided was not only focused on training, but also in other fields such as educational scholarships, technology transfer, and infrastructure development. In its application in assisting, difficulties have been found to reach optimal results. This is the basis of South-South Development Cooperation or known as South-South Cooperation (SSC). Where, the presence of the SSC is not a substitute of cooperation between developed and developing countries but as a complementary.

The benefits felt by developing countries are considered more effective, and also the techniques provided are considered to be more applicable because they are based on historical experience, geographical conditions, capacities, and challenges faced by among developing countries, making interaction in the process of sharing knowledge more easily (Fitriani, 2018).

Since 1981, Indonesia has been very active in implementing the SSC program, this was marked by the launch of the Technical Cooperation among Developing Countries (TCDC) program. Indonesia has been successfully promoted as a prospective development partner who actively provides technical assistance to fellow Southern Countries. Supporting factors behind this are an increase in the political status and economic status of Indonesia as a middle-income country and also Indonesia is projected to be in line with the fifth-largest economy in the world by 2030. The future of Indonesia's SSC is expected to be able to achieve national goals as long-term development vision of Indonesia, namely *"an independent, developed, just and prosperous Indonesia"* (Fikry Cassidy, 2016).

Indonesia's Foreign Minister, RetnoMarsudi said that although the links between Indonesia and African countries had begun since the Asian-African Conference was held 63 years ago, the economic ties had not been well established. In line with the Indo-Pacific policy concept, Indonesia sees the importance of playing a greater role in the Pacific region and further collaborating with Africa as non traditional market. From the program, Indonesia also highlighted several issues in which was considered to have advantages, such as disaster management, fisheries, agriculture, training on good governance, maternal and child health, and the improvement of SME capabilities (The Government of Indonesia & JICA, 2017).

## **B. Research Question**

Based on the background above, the research question of this research is formulated as follows: *Why did Indonesia's South-South Cooperation Prioritize Africa?*

## **C. Theoretical Framework**

### **1. Economic Diplomacy Concept**

Over two thousand years ago, states have practiced international cooperation since well before Thucydides discussed diplomacy, treaties, and alliances. Yet the study of international cooperation is surprisingly young (I. William Zartman, 2010). The concept of cooperation, as we currently understand it, crystallized in the early 1980s (Taylor 1976; Axelrod 1981, 1984) as the coordinated behavior of independent and possibly selfish actors that benefits them all.

Forms of cooperation between countries vary, starting economic cooperation, trade, and others. The term international economic cooperation is not the same as international trade. International economic cooperation has a wider scope than international trade. Thus, international economic cooperation is the relationship between a country and other countries in the economic field through certain agreements, by holding the principle of justice and mutual benefit.(Supriyatno, 2014).

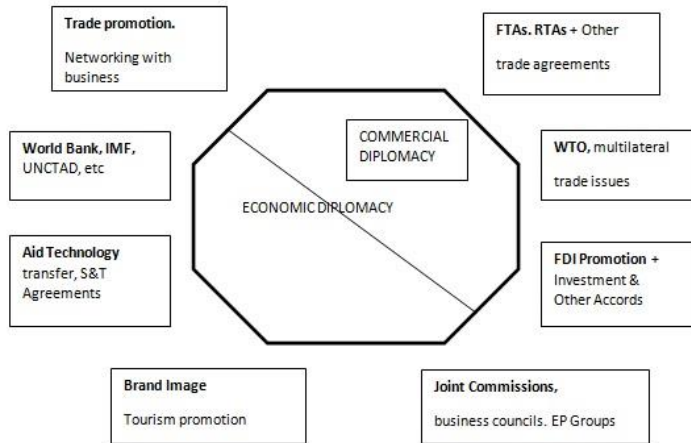
Besides countries which make cooperation, there are countries which compete each other on economic, for the example trade war between the United States and China. Economists have said the impact from the ongoing trade war between China and the United States is not only imposing sanctions and tariffs on each other, but also has caused a slump in Southeast Asian exports. Moreover, Africa has been largely ignored in the US China trade war. Seeing from this issue, President Joko Widodo said Indonesia is ready to cooperate with African countries in the face of the global trade war. The cooperation also to boosting trade on the continent as Indonesia seeks new opportunities to expand its trade and

investment portfolio in nontraditional markets (Pramudyani Y. D., 2019).

Africa is the second largest continent in the world and the second most populous after Asia (Jatmika, Hubungan Internasional di Kawasan Afrika, 2016). Retno Marsudi as the Minister of Foreign Affairs, said in recent years the diplomatic relationship between Indonesia and African countries is not only focuses on foreign policy, but also economic diplomacy (Nugraha, 2019). Besides sharing experiences and help to build infrastructure, in carrying out economic diplomacy, the Ministry of Foreign Affairs also trying to involve technical ministries and even state-owned enterprises in a comprehensive mission (Septiari, 2019). Even, Indonesia make economic issue as main flagship program for African countries. Besides development issues, and good governance and peace building (The Government of Indonesia & JICA, 2017).

Rana (2007) defines economic diplomacy as the process through which countries tackle the outside world, to maximize their national gain in all the fields of activity including trade, investment and other forms of economically beneficial exchanges, where they enjoy comparative advantage. It has bilateral, regional and multilateral dimensions, each of which is important.

Graph I.1: Economic and Commercial Diplomacy



Source: Rana (2007)

The cooperation formed by Indonesia with Africa in the aim of developing certain sectors. Asian-African Conference (KAA) as a starting point for the rise of third world countries to work together towards independence. The active role of Indonesia in building cooperation with countries in Africa is not only through bilateral cooperation, but also in other collaborations where the Government of Indonesia makes the countries of Africa the focus of its programs. It is stated in Nawa Cita #1 that President Joko Widodo sets the SSC as one of the priorities of his administration. And Indonesia realize the importance of playing a great role in Africa as new non traditional market after Pacific (Pemerintah Republik Indonesia & JICA, 2016).

According to Luhut Pandjaitan as Coordinating Minister for Maritime Affairs, Indonesia and African countries recorded dozens of business deals valued at US\$822 million on infrastructure, textiles, pharmaceuticals, manufacturing, financing, mining, transportation and commodity trading on 2019, a significant increase from last year's deals worth US\$586 million.

The Indonesian delegation led by Caretaker Director of Director General of Information and Public Diplomacy, Ministry of Foreign Affairs presented the view of the government of Indonesia's on SSC strengthening, as follows:

1. SSC as one of the solutions to overcome the challenges of global development among developing countries, including achievement of SDGs 2030 Agenda and Paris Agreement.
  - Indonesia is a member of G20. G20 commitment is to promote sustainable economic development in the African region in accordance with 2063 Agenda. Indonesian delegation to the G20 Africa Partnership conference sought to identify opportunities to enhance economic, trade and investment cooperation in areas of priority for Africa and demonstrate the Government of Indonesia's commitment to advancing development in Africa (The Government of Indonesia & JICA, 2017).
2. The Government of Indonesia implements a one gate policy in the implementation of its SSC in order to strengthen mechanism and institutional capacity of Indonesia's SSC.
  - The Minister of Foreign Affairs of the Republic of Indonesia, Retno Marsudi, said that she hopes SSC would become an integral part of national strategy in foreign and domestic policy, and a tool for promoting Indonesia's standing before the international community and for boosting Indonesia's economy. SSC should be the instrument of the Government of Indonesia promoting international peace and strengthening relations with peoples of friendly countries (The Government of Indonesia & JICA, 2017).

3. Indonesia supports SSC strengthening through global partnerships and solidarity among developing countries.
  - The SSC program consists of several types of activities: Skills Training, Dispatch of Experts, Knowledge Sharing, Workshops, Internships, or a combination of some of these activities. The activity was intended to increase the knowledge and capacity of the Southern countries to develop their respective nations (Pemerintah Republik Indonesia & JICA, 2016).

## **2. National Interest Theory**

One of the oldest and universally acknowledged actors on the modern world is state. Actors are entities that participate in or promote international relations (Robert Jackson, 2009). The definition of a state itself is a type of polity that is an organized political community living under a single system of government. International Relations assumed as a series of actions that build interactions among states. At the modern era, there are many actors involved in what is regarded as International Relations. There are two types of actors: State and non-state actors. State actors have the role to represent a government, while non-state actors only have the role to represent themselves (UKessays, 2017).

In international relations, national interest is the key. National interests are things that must be fulfilled and secured. The foreign policy of a country, created because of national interests that must be achieved. This is the right of every country to do business in achieving their respective national interests, in any way. According to Morgenthau, national interests are defined as:

“The meaning of national interest is survival-the protection of physical, political and cultural identity against encroachments by other states”

And he also divided national interests into two components, namely vital and not vital. Vital components seek to achieve the survival of a nation and its identity. It is divided into three parts, namely physical, political, and cultural. The physical is an identity based on territoriality, politics is an identity based on political economy, and culture is a tribute to historical values that are highly valued by a nation as a relic of its ancestors. It's called vital because this component is very easily identified and examined. While non-vital is more difficult to identify and does not affect the survival of a nation (Dinesh, 2015).

Five methods are usually used by a country to achieve its national interest in international relations: Diplomacy, propaganda, economic facilities, alliances, and ways of coercion. In implementing economic diplomacy from Indonesia to Africa, Indonesia tends to use three methods.

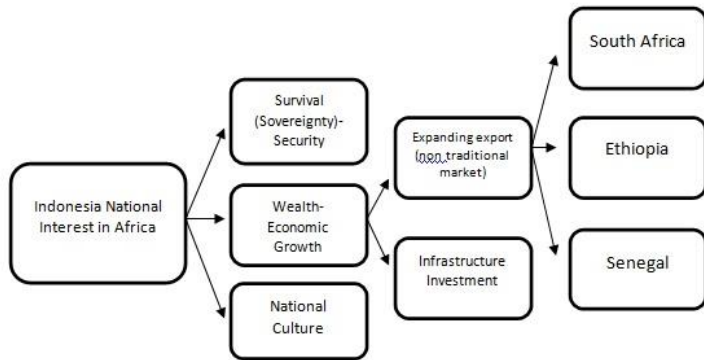
The first way is to use diplomacy. This is the most universal way to secure national interests. Through diplomacy, a country's foreign policy can be connected to other countries. Diplomats establish relationships with decision-makers and diplomats from other countries, also by negotiating to achieve the desired goals and objectives. Morgenthau considers diplomacy as the most important way.

The second way is to use economic facilities. Through economic assistance and loans, rich and developed countries use this as a tool to secure their interests. The third way is the alliance and agreement. This method is usually used to achieve identical and complementary national interests. Usually, alliances are military or economic.

From the three methods above, it can be concluded that the steps taken by Indonesia for Africa today through South-South Cooperation are an effort to achieve its national interests. From economic diplomacy carried out and exploiting the potential of economic cooperation in Africa.



Graph I.2: Indonesia National Interest in Africa



Source: Morgenthau (1949)

From the concept of economic diplomacy and the theory of national interest, it can be explained as follows:

Table I.1: Translating Theoretical Framework

No	Theory of National Interest (Methods)	Two points of Economic Diplomacy Implementation by Rana	Implementation of South-South Cooperation by Indonesian Government
1	Economy	Trade Promotion	Indonesia sees that the population of working age and GDP growth in Africa is expected to increase rapidly in 2034, and it is as a good potential to cooperate in economic sector
2	Diplomatic	Build Networking by diplomatic approaches	Indonesia already has a modal of cooperation with Africa since 1955 (Asia-Africa Conference), and Indonesia identify opportunities to enhance investment cooperation in areas of priority for Africa

#### D. Hypothesis

Indonesia's South-South Cooperation Prioritize Africa because Indonesia has economic interest in Africa, that can described as follows:

1. Indonesia consider Africa has potential as a new market;
2. Indonesia ready to share investment insights with African nation.

## **E. Purpose of Writing**

The purpose of writing this thesis was to enrich the study of International Relations related to the title of the thesis, such as Indonesia's foreign policy, African Studies, New Markets, Economic Diplomacy, and International Cooperation.

## **F. Research Methodology**

### **1. Type of Research**

The type of research in this study is descriptive, by explaining how something happened or describing existing data accurately.

### **2. Type of Data**

The data sources used were secondary data. The materials were collected from a literature study. In this research, the material of literature study were obtained through books, libraries, journals, research paper, report of government or non-government institutions, websites/e-news, and documents related to Indonesia's South-South Cooperation for African Countries.

### **3. Data Collecting Methods**

In this research, the author used quantitative methods. The data that were successfully collected were then analyzed through a quantitative approach, which is adapted to concepts and theories that are known in international relations and also using the count number in the research. So, in the end, we can draw conclusions from the existing problems by explaining the data with quantitative methods.

## **F. Scope of Method**

In understanding this process of this research, this thesis placed focus on seeing the issues from Indonesia's perspectives in its role for African countries through South-South Cooperation. The time interval of this research starts from the beginning of their both diplomatic relations since 1955, including the ups and downs of its diplomatic relations from political until it comes to economic diplomacy today.

Furthermore, to deepen the analysis of this research, the writer used the data before or after the aforementioned time as long as the topics analyzed topics are still relevant to the issue of the thesis.

## **G. System of Writing**

**Chapter I** In this chapter the author writes an introduction that contains the background of the problem, the research question, the theoretical framework, the hypothesis, the purpose of writing, the research methods, the scope of research, and the systematic of writing.

**Chapter II** In this chapter the author presents the history of South-South Cooperation from Asian-Africa Conference 1955 with its challenges, the aim of South-South Cooperation and its benefit for Indonesia, also the role of South-South Cooperation and the advantage that can be obtained for actors who actively involved in South-South Cooperation.

**Chapter III** In this chapter the author explains the dynamics of Indonesia's South South Cooperation for African countries. The explanation will be started from the development of Indonesia's South-South Cooperation for African Countries and then explain about the agenda that already held by Indonesia for African countries through its South-South Cooperation since 2016 until August 2019.

**Chapter IV** In this chapter the author explains how Indonesia strengthens its presence in Africa through economic ties started with explain the potential of a new market in Africa, following by the explanation of the potential of infrastructure investment in Africa.

**Chapter V** In this chapter the author provides conclusions from the results of the research and also the final discussion or closing.