

CHAPTER II

SOUTH-SOUTH COOPERATION

In this chapter, the author explain 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.

A. The History of South-South Cooperation

After the Asian-African Conference was held in Bandung in 1955, several approaches were reached by developing countries as a result of their efforts to become an independent state (self-reliance). One of the efforts to do this is by engaging in international forums.

South-South Cooperation (KSS) is defined as developing countries that work together to find solutions to the challenges faced by fellow developing countries, especially regarding joint development. Because of the similarity of the problems faced, Southern countries are becoming increasingly active in sharing knowledge, exchanging technology and also in forming a common agenda, especially through collective action. The agenda in South-South Cooperation is determined by the South countries themselves with full respect for national sovereignty, national ownership, independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit.

The United Nations Office for South-South Cooperation (UNOSSC) was formed and supported in the United Nations development program through the General Assembly of the United Nations, in resolution 3251 (XXIX) in 1974. This office was formed to promote technical cooperation, especially among developing countries. Besides, this formation is also to increase local capacity in developing countries by taking into account local capabilities, institutions, expertise, and human resources and national systems. This is

considered as a national development priority needed by developing countries (UNOSSC, 2017).

In 1967, the Buenos Aires Plan of Action, known as BAPA on Technical Cooperation among Developing Countries, became a developing country action plan for the first time. This collaboration becomes the basic foundation of the importance of conducting technical cooperation among developing countries. The awareness to believe that progress can be made by all countries, and the provision of assistance can not only be done by developed countries, but this is also driving the formation of another framework of South-South Cooperation, namely cooperation that is formed based on the principle of "collective self-reliance". Coordination forums are also held as a means for coordination and consultation, for example, the formation of a Group of 15 or known as the G-15 in 1989.

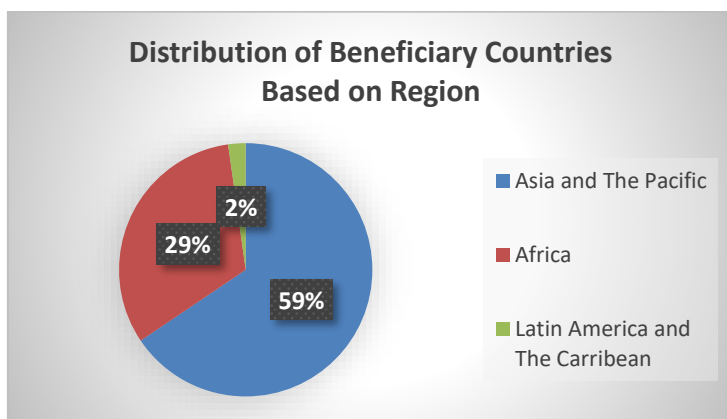
Since 1981, Indonesia has taken a major role and contribution to the implementation of Technical Cooperation through South-South Cooperation. The issuance of UN Resolution No.58 / 220 in 2003 concerning the establishment of the High-level Committee on South-South Cooperation, and from then on it was determined that December 19 as "UN Day for South-South Cooperation". During its journey, one of the historical points for South-South Cooperation was the First South Summit in Havana, Cuba 2000, the 2003 Marrakech Declaration, and the UN Conference on South-South Cooperation in Nairobi, Kenya, in 2009.

Technical cooperation was undertaken by Indonesia through South-South Cooperation which includes training programs that participated by participants from developing countries; the dispatch of Indonesian experts to Cambodia, Gambia, and several other developing countries; agricultural equipment assistance to several countries in Africa; scholarship and cultural exchange.

Based on the Ministry of Foreign Affairs' records, the number of participants from developing countries who took part in training programs in agriculture from 1980 to 2008

reached 1,630 people and came from around 70 countries in Asia (including East Asia), Africa, the Pacific, and Latin America. The increasing role of Indonesia through South-South Cooperation made in 2017 itself, in the Ministry of Foreign Affairs annual report, there were a total of 1030 participants from 54 countries with a total of 59 programs.

Graph II.1: Distribution of Beneficiary Countries Based on Region



Source: Ministry of Foreign Affairs (2017)

Assistance in the field of agriculture includes assistance in the form of hand tractor, hoe, sickle, water pump, power thresher, and rice milling assistance to several countries in Africa, the Pacific, and Asia. Besides, Indonesia is also committed to disaster management in particular because of Indonesia's geographical location on the equator, it has great potential for natural disasters such as volcanoes or tsunamis. This role has been carried out by Indonesia in an annual program organized by the Directorate of Technical Cooperation of the Indonesian Ministry of Foreign Affairs through a forum called the Global Platform for Disaster Risk Reduction.

The rapid and dynamic development of the world order in recent years requires anticipation of the various implications that will be faced by Indonesia. In Law No.17 of 2007 concerning the Long-Term Development Plan (RPJP) 2005-2025, it is mentioned regarding Indonesia's foreign relations mission:

"Realizing Indonesia to plays an important role in international relations is to strengthen Indonesia's diplomacy in the context of fighting for national interests; continue Indonesia's commitment to building identity and strengthening international and regional integration; and encourage international, regional and bilateral cooperation between communities, between groups and between institutions in various fields. "

Specifically, South-South Cooperation has also been set out in the 2010-2014 National Medium-Term Development Plan (RPJMN). In this RPJMN it is explained that Indonesia as a developing country that has the potential of natural resources, human resources, and international economic and political excellence has become an important part of South-South Cooperation. Furthermore, South-South Cooperation is also an alternative form of development cooperation, especially for developing countries. On this basis, Indonesia's commitment to play a role in South-South Cooperation was also demonstrated by the inclusion of the topic of South-South Cooperation in the Jakarta Commitment Aid for Development Effectiveness, which was signed by the Government of Indonesia and all development partners in early 2009.

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 developing countries, making interaction in the process of sharing knowledge more easily.

Through the SSC, developing countries are expected to help each other and reduce dependence on developed countries in catching up. The economic assistance of

developed countries towards developing countries tends to experience fatigue (aid fatigue). Aid Fatigue is a consequence of the end of the Cold War and the bipolar system, redistribution of economic power among developed countries, difficulty of the balance of payment and domestic disagreement. That makes foreign aid no longer a top priority for developed countries. This refers to slowness to act from developed countries or other donor agencies in responding to developing country difficulties. Also besides that explained in the theory of dependency, that the assistance of developed countries for developing countries is not entirely profitable (Aid for Development Effectiveness Secretariat & JICA, 2010). Two points that can be a big point of aid dependency between developed and developing countries can be described as follows.

The first point, the world possesses finite resources, some states to be rich, others must be poor. All states cannot be economically developed at the same time. Some states occupy the world's industrially developed core, the developing areas are periphery which revolves around the world's industrial nucleus, providing it with raw materials and buying its finished products.

Second, the states of the industrial core act to prevent the economic development of the states of the periphery. With these challenges both internal and external, as well as the large opportunities in South-South Cooperation, it is required to have greater seriousness in policy formulation, institutional aspects, implementation, and funding (Aid for Development Effectiveness Secretariat & JICA, 2010).

1. Legal Basis

The legal basis of Indonesia for the implementation of Indonesia's role to be actively involved in South-South Cooperation is generally supported in the Law, Development Plan, and also the Presidential Decree. Law No. 37 of 1999 concerning Foreign Relations provides the basis for Indonesia that foreign policy is carried out to support the realization of

national objectives as stated in the Preamble of the 1945 Constitution. Southern cooperation cannot be separated from the goals and mission of national development. One of the national development missions contained in Law no.17 of 2007 concerning the Long-Term Development Plan 2005-2025 is to realize Indonesia which can play an important role in international relations by strengthening diplomacy in the context of fighting for national interests. In addition, South-South Cooperation has also been included in the 2010-2014 Medium-Term Development Plan, so that the foundation for Indonesia to play a greater role in South-South Cooperation will be stronger. Regarding the implementation of technical cooperation in South-South Cooperation, Indonesia already has Presidential Decree No. 60 / M of 1981 which regulates the Overseas Technical Cooperation Coordination Committee (PKKTLN). Although in general the implementation of the South-South Cooperation of Indonesia has received support from the existing Laws, Presidential Decrees, and Policies, but a specific legal basis for regulating the implementation of South-South Cooperation is needed to be the basis of every activity carried out, to know the priority scale of the implementation of activities, coordination mechanisms between agencies, funding mechanisms, monitoring, and evaluation mechanisms.

2. The Institution

The institutions governing South-South Cooperation in Indonesia were initially governed by four ministries. That is:

- a) The Ministry of State Secretariat related to the facilitation function and has long experience in coordinating the implementation of Indonesia's SSC;
- b) The Ministry of National Development Planning / Bappenas related to the tasks and functions of development planning, determining priorities and national development policies, development cooperation, and funding;

- c) The Ministry of Foreign Affairs deals with the function of handling policies related to foreign diplomacy;
- d) Ministry of Finance related to budget allocation functions.

The implementation of South-South Cooperation which is regulated by four ministries has a weakness that is the lack of integration of the programs implemented, and each ministry tends to focus on its respective programs. Thus, other scenarios are needed to achieve optimal results from the implementation of South-South Cooperation in the future:

1) Empowerment and strengthening of the existing South-South Cooperation institutions

Through the revitalization of the coordination mechanism which includes the State Secretariat, Bappenas, the Ministry of Finance, and the Ministry of Foreign Affairs by issuing a new Presidential Decree in place of Presidential Decree No. 60 / M of 1981 concerning the Overseas Technical Cooperation Coordination Committee (PKKTLN).

2) Establishment of the South-South Cooperation Committee

The Committee aims to strengthen South-South Cooperation which includes the fields of technical cooperation and the field of economic cooperation. The Committee's membership consists of the State Secretariat, the Ministry of Foreign Affairs, the Ministry of Finance, Bappenas, the Ministry of Trade, the Ministry of Industry, Indonesian Chamber of Commerce and Industry (Kadin), and representations from non-governmental organizations.

3) Form a body/institution with two choices:

a. Located in one of the institutions: the State Secretariat, the Ministry of Foreign Affairs, or Bappenas;

b. Located outside the State Secretariat, Ministry of Foreign Affairs, and Bappenas.

From the three scenarios that have been prepared, the decision to be taken can be calculated by looking at the strengths and weaknesses of each scenario:

Table II.1: First Institutional Framework Scenarios for Future South-South Cooperation:

Institutional Design	Opportunity	Challenge
<p>Empowerment and strengthening of the existing South-South Cooperation institutions.</p> <p>Revitalization of the coordination mechanism which includes the State Secretariat, Bappenas, the Ministry of Finance and the Ministry of Foreign Affairs (Keppres No. 60 / M 1981) through adjustments to the new Presidential Decree.</p>	<ul style="list-style-type: none"> • There is no need for a new mechanism but it strengthens existing mechanisms with regular meetings and includes an agenda: <ol style="list-style-type: none"> 1) Determination of policy direction; 2) Selection and determination program; 3) Selection and determination of countries or regions; 4) Determination of budget allocations • Administration The South-South Cooperation uses the mechanism that has been carried out so far. • South-South Cooperation activities can be more integrated to avoid policy dualism and South-South Cooperation implementation 	<ul style="list-style-type: none"> • Amendment of Presidential Decree No. 60 / M of 1981 requires in-depth research because it involves various aspects and adjustments to current conditions. • Ministries/institutions that are currently conducting South-South Cooperation activities need to make adjustments that have an impact on the organization and main duties and functions of each ministry/ institution.

Table II.2: Second Institutional Framework Scenarios for Future South-South Cooperation:

Institutional Design	Opportunity	Challenge
<p>Establishment of the South-South Cooperation Committee</p> <p>The committee was established through a Presidential Decree to strengthen South-South Cooperation which includes the field of technical cooperation and the field of economic cooperation.</p> <p>Committees may consist of:</p> <ol style="list-style-type: none"> 1. State Secretariat 2. Ministry of Foreign Affairs 3. Ministry of Finance 4. Bappenas 5. Ministry of Trade 6. Ministry of Industry 7. Chamber of Commerce and Industry (Kadin) 8. Representations from non-governmental organizations 	<ul style="list-style-type: none"> • Can gather and harmonize various South-South Cooperation activities (technical cooperation and economic cooperation) under the RPJMN and Strategic Plan (Renstra) of each ministry/institution • More integrated program funding sources nationally 	<ul style="list-style-type: none"> • Coordination among committee members • Limited budget allocation and management in each ministry/institution

Table II.3: Third Institutional Framework Scenarios for Future South-South Cooperation:

Institutional Design	Opportunity	Challenge
<p>Form a body / institution (with two choices):</p> <p>a. Located in one of the institutions: State Secretariat, Ministry of Foreign Affairs, or Bappenas</p> <p>b. Located outside the State Secretariat, Ministry of Foreign Affairs, and Bappenas</p>	<ul style="list-style-type: none"> • Utilize existing facilities and resources at the agency • The mechanism can work because it has carried out South-South Cooperation activities • More integrated program funding sources nationally • The preparation and alignment of the South-South Cooperation program can be optimized • Facilitate the preparation and alignment of Cooperation South-South of various ministries/institutions, non-governmental organizations, and the private sector • Utilization of funding sources both at inside and outside of the country can be more optimal • Convenient facilities with various ministries/institutions • Ease of facilitating implementation involving ministries/institutions and the process of South-South Cooperation at the regional and international levels 	<ul style="list-style-type: none"> • Resources and coordination mechanisms need to be strengthened • The sensitivity of authority in organizing South-South Cooperation • Institutional formation requires a long process and substantial funding (facilities and human resources).

3. Funding

In addition to the basic legal issues and institutional framework, the implementation of South-South Cooperation has not yet been pursued with an adequate funding mechanism, so that the ongoing activities can be said to be very dependent on funding from the state/donor agency. This is due to the Draft State budget (APBN) allocation that has not given space specifically to fund South-South Cooperation activities, although several ministries/agencies have allocated budgets for technical cooperation activities and provide matching funds in the implementation of technical cooperation. Therefore, to further optimize Indonesia's role in South-South Cooperation, an effective funding mechanism is needed in the form of integration of national program funding sources.

Flexibility in terms of program funding:

- a. Have a separate work unit (satker);
- b. Continuous (Multi years);
- c. Not bound by certain budget items (goods expenditure, capital expenditure, etc.);
- d. The process of planning and budgeting can be done quickly;
- e. Budget availability guaranteed;
- f. It can receive and use funds from other sources, such as from the private sector and the community;
- g. Can channel the budget to be used by K / L, or other parties.

Table II.4 Indonesian SSTC Funding Sources

No	Funding Sources
1	State budget (APBN)
2	Triangular mechanism with development partner
3	Cost-sharing with the recipient country
4	Trust-fund for example:South-South Facility World Bank
5	Partnership with private parties

Source: Exposure Material Ministry of Finance PKRB Head, "KSST Budgeting and Funding Policy at the Ministry of Finance," in the Workshop "KSST Indonesia Single Agency Funding and Budgeting Mechanism," Bandung, 26-27 July 2016.

4. Implementation

Because of its nature which is still focused at the ministry level, South-South Cooperation is considered necessary to increase the involvement of the non-government sector and the private sector so that the implementation of South-South Cooperation can be more widely felt by the community/stakeholders in Indonesia. During this time, South-South Cooperation conducted by Indonesia for other developing countries is mostly carried out in the form of technical cooperation. The implementation of these activities tends to be a training of experts, cultural exchanges and education, technology transfer, and in agriculture. Compared to other countries, Indonesia has not optimally utilized economic opportunities from the technical cooperation undertaken.

5. Monitoring and Evaluation

Monitoring and Evaluation are needed so that the program implemented does not only stop after the event ends, but also is sustainable, and has great benefits after the event ends. Participants who have participated in the program in

Indonesia are expected to be able to apply in their respective countries what they have learned. In addition, monitoring and evaluation are needed to determine the extent to which the programs that have been implemented provide benefits to participating countries and gather constructive inputs for the implementation of these programs in the future. A complete and comprehensive picture of the level of acceptance and benefits for the participants as well as for the interests of Indonesia in related fields is expected to make a positive contribution to improving Indonesia's role in South-South Cooperation.

B. The Aim of South-South Cooperation

An organization is formed and an activity is held, must have a purpose so that its impact and effectiveness can be known and evaluated. The purpose of establishing South-South Cooperation is to encourage developing countries to become independent in finding solutions to development problems through the exchange of experience, the use of technical resources, and capacity development. In addition, South-South Cooperation is expected to strengthen the capacity of developing countries to identify and analyze key development issues and strategies to overcome them. Furthermore, developing countries through South-South Cooperation can also increase the quantity and quality of international development cooperation through the unification of existing capacities, creating and strengthening existing technological capacities, improving communication between developing countries in dealing with problems development, recognizing and responding to problems from developing countries that are seriously affected, such as natural disasters and other crises.

Indonesia is also benefited greatly from the implementation of the South-South Cooperation. The benefits obtained in the form of benefits in the fields of politics, economics, market penetration, and social culture.

Benefits in politics include enhancing the image of Indonesia in the eyes of the world. By having a good image, Indonesia will be trusted to be in important positions in international institutions. In addition by helping other countries, Indonesia can maintain the sovereignty of the nation and state. For example when Indonesia provided assistance to the South Pacific country. With this cooperative relationship, the South Pacific nation has a good view of Indonesia, thereby reducing its support for the Free Papua Organization to separate from Indonesia.

In the economic sector, Indonesia benefits from market penetration. A concrete example when Indonesia provides hand tractor assistance to the country of Vanuatu to increase agricultural productivity. The tractor provided is a domestic-made tractor. When agricultural productivity in Vanuatu increases due to the use of tractors made in Indonesia, the Vanuatu government will buy tractors from Indonesia. The demand for Indonesian tractor products will open up jobs for the community in producing tractors so as to make Indonesia's economy better.

In the socio-cultural sector, Indonesia provides assistance to other developing countries, one of which is through scholarships or training in one of the institutions in Indonesia. When citizens receive help implementing scholarships or training in Indonesia, they can get to know and learn more about Indonesian social and culture. After they return to their home country, they can tell how socio-culture in Indonesia. This will attract the attention of foreigner to do vacation in Indonesia.

However, these benefits are not all obtained in the short term, most of the benefits can be obtained after 5 to 10 years at long term (Amalia Adhasara, 2016).

C. The Role of South-South Cooperation

The advantage that can be obtained for actors who are actively involved in South-South cooperation is recognition on the ability to overcome the challenges of development in

Southern countries. It is also emphasized on shared values based on shared interests and understanding. South-south cooperation emphasizes horizontal relations facilities built by countries with equal conditions.

Through South-South Cooperation, the countries involved can undergo a participatory process that promotes the creation of functional development solutions under similar cultural and social conditions, with links to convergent political and strategic interests by utilizing available local capacities and assets.

South-South Cooperation is not a substitute for carrying out the role of donor countries for recipient countries, but as a complement to make development in developing countries more effective. It can be achieved by paying attention to the similarity of geographical conditions, historical backgrounds, and economic conditions. With this capital, it is expected to overcome the structural challenges of development in certain fields. For example: in agriculture and disaster management.

South-South Cooperation has a role to promote the independence of a country, also to promote the independence of developing countries collectively. Because of the context, challenges, and difficulties possessed by the southern states are similar in many cases. Southern countries are open to cooperating in sharing knowledge, technology exchange activities, implementing general technical training programs, and taking collective action.

South-South Cooperation has a role as a facilitator in various fields, as one of the functions of an international cooperation. The role of South-South Cooperation is not only focused on agriculture and technology but also covers things that are broader and detailed. Examples are institutional strengthening, health, gender equality, climate change, food security, scientific and technological innovation, infrastructure, trade, finance, investment, and regional integration.

South-South Cooperation is flexible to manage and implement projects on-demand based on shared responsibility. This is also a form of promotion of horizontal governance mechanisms. The aim is that developing countries can play an active role in international policy and decision-making processes in supporting the achievement of sustainable development.

Besides being flexible, South-South Cooperation is also more effective than other cooperative modalities. It is hoped that this will become a road or bridge for developing countries so that they can support each other to develop their potential so that they can have a large impact, without the need to use large amounts of resources. Seeing from its comparative advantage, South-South cooperation brings new impetus and innovative ideas for cooperation between developing countries because it facilitates the mobilization of alternative financial resources (United Nation, 2018).