

CHAPTER III

THE DYNAMICS OF INDONESIA'S SOUTH-SOUTH COOPERATION FOR AFRICAN COUNTRIES

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.

A. The Development of Indonesia's South-South Cooperation for African Countries

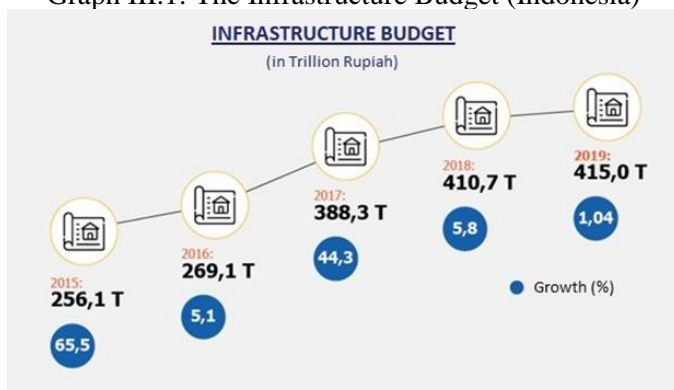
Africa is rich in natural resources. This continent with a population of 1.2 billion has 30% of the world's total mineral reserves such as cobalt, uranium, gems, gold, oil, and gas. However, Africa remains one of the poorest regions in the world. Half the population has an income of less than USD 1.25 a day. At that time, Africa was known as rich country but with poor populations. That is what happened in Africa. Poverty is an issue in Africa. When speaking about poverty, almost every issue in Africa always starts from the lack of infrastructure. Infrastructure is the main problem and the base of almost all problems. Low-quality infrastructure and high costs of infrastructure services have reduced African productivity by 40% and GDP has fallen by 2% a year.

The Infrastructure Consortium for Africa (ICA) notes that the lack of road, railroad, and port transportation facilities in Africa has caused the price of goods to rise by 30-40%. About 50% of the roads in Africa are not paved. Every year there is an infrastructure gap of USD 170 billion, which is the difference between the current situation and what is ideal or needed. Africa has a large population, which is 12% of the total world population, but Africa is only 1% of global GDP and 2% of world trade. Regarding infrastructure in Africa, there are three main issues of concern, namely the lack of

transportation facilities and services; lack of energy supply; and limited water resources. This problem is compounded by the lack of development funding sources and the limitations of technical expertise. To help overcome the various economic and infrastructure development problems faced by African countries, financial institutions, regional and international organizations such as the World Bank, African Development Bank, and African Union jointly helped develop Africa. It is also time for Indonesian financial institutions to participate, considering that Indonesia is a G-20 country.

Making the region rise and then establish close relations with Indonesia. This is evident from 53 countries on the African continent, 43 of which have opened diplomatic relations with Indonesia. The economic development of the African region must also be followed by economic cooperation and investment in Indonesia in the African region. During President Joko Widodo era, Africa and Indonesia has the similarities which highlight infrastructure as a focus for its program.

Graph III.1: The Infrastructure Budget (Indonesia)



Source: Ministry of Foreign Affairs (2019)

Indonesia's economic cooperation with African countries continues to experience significant progress and development. In 2017, the value of trade between Indonesia

and Africa was USD 8.84 billion, an increase of 15.25% from the previous year. Indonesia's investment in Africa also continues to grow. At present, in 2019, about 30 Indonesian companies are investing in Africa, including 16 in Nigeria and 5 in Ethiopia. Recent developments also show that more and more Indonesian companies are eyeing and want to increase economic cooperation with Africa. It is the task of Indonesian diplomacy, especially Indonesian representatives in Africa, to continue to encourage relevant parties of Indonesia and African countries to seek more opportunities and breakthroughs to increase economic cooperation. The government during the administration of President Joko Widodo was increasingly serious in opening opportunities for economic cooperation to new markets and potential countries, including to the African region.

"Indonesia is ready and very very happy to work with our brothers in Africa. And I want to be sure, Indonesia is a trusted friend, Indonesia is your true partner, your trusted friend," President Joko Widodo, at Indonesia-Africa Infrastructure Dialogue (IAID) 2019 in Nusa Dua, Bali.

The holding of the 2018 Indonesia Africa Forum (IAF) in Bali from 10 to 11 April 2018 is evidence of this commitment. In the forum which was attended by more than 500 participants from 53 countries in Africa, a Business Agreement was signed worth USD 586.56 million. Besides, a business announcement of US \$ 1.3 billion was also announced. Vice President Jusuf Kalla said that Africa had been a good friend to Indonesia for a long time. The Asia-Africa Conference (KAA) in 1955 which became an important milestone for this collaboration, continued (in) 2005 with the launching of the new KAA Partnership, and now the real commitment is realized by organizing the 2018 Indonesia Africa Forum. The Indonesia Africa Forum is a place to explore the potential of Indonesian businesses to potential countries in Africa, which have not been explored optimally. The G to G (Government to Government) dual-track scheme is still needed to protect the B to B (Business to Business) relationship that is being developed to Africa. The task of the

government is to facilitate economic cooperation, trade, and investment so that all runs smoothly and develops well.

According to Retno Marsudi as Minister of Foreign Affairs, strategies to improve economic relations and cooperation with Africa, first, renew trade infrastructure to reduce tariffs through preferential trade agreements (PTA) with many African countries. Second, it can be achieved by increasing diplomacy through infrastructure cooperation. Third, increase business activities, including signing agreements, panel discussions including PTA, and exhibitions as will also happen with IAID. Indonesia held the "Indonesia-Africa Infrastructure Dialogue" (IAID) on 20-21 August 2019 at the Bali Nusa Dua Convention Center, Nusa Dua, Bali, Indonesia, to ensure collaboration in such sectors can be further strengthened and produce mutually beneficial results. The dialogue shall be attended by 700 participants from Indonesia and all African countries in the two-day event. The Dialogue highlighted the progress of cooperation and business deals signed at the IAF, April 2018 and feature the signing of business deals in infrastructure cooperation and other strategic industries between Indonesia and African countries.

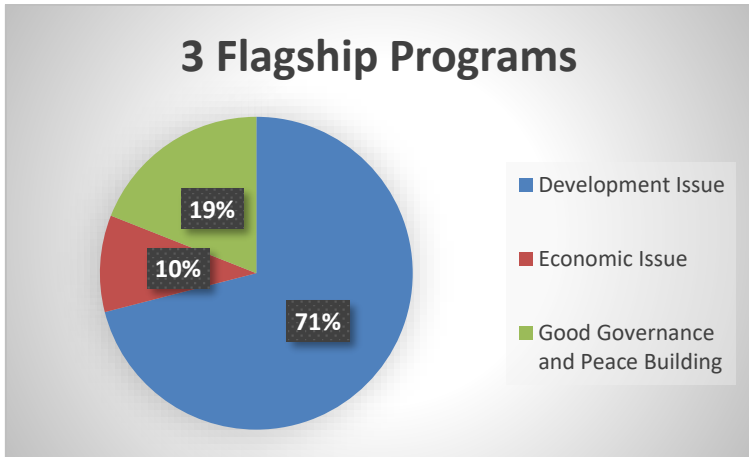
In the Preamble to 1945 Constitution Paragraph IV said that the Indonesian nation participated in carrying out world order based on independence, eternal peace, and social justice. The sentence is the basis of Active Free foreign policy. Free means Indonesia does not side with one of the blocks (super power country). Whereas Active means that the Indonesian nation tries its best to maintain world peace in accordance with the ideals of the United Nations. One proof of Indonesia's role in creating world peace is initiating and holding Asian-African Conference (KAA) (Amin, 2016). Indonesia's position as a neutral player in the global arena provides added value in establishing cooperation with other southern countries.

On its journey, South-South cooperation focused on agriculture and maritime affairs. Cooperation in the agricultural sector is the most-demanded because most SSC

member-states are developing countries and agriculture is the mainstay and the basis of life for most of the world's population. The problem of the food crisis also makes cooperation in agriculture important and the strength of the basis of food production.

From 2016 to 2019, cooperation from Indonesia for countries in Africa has changed focus significantly. Considering that the 3 main flagship South-South Cooperation is about development issues, good governance and peace building, Indonesia feels the need to increase its role in the economic field. This was proven as President Joko Widodo's visit to South Africa to develop economic cooperation, which emphasized that focusing on economic issues for Indonesia was an urgent matter to do.

Graph III.2: Three Main Flagship Programs of Indonesia's SSC



Source: Ministry of Foreign Affairs (2017)

According to a report by PricewaterhouseCoopers (PwC) economic experts, developing countries like Indonesia will continue to be the drivers of global economic growth. South-South Cooperation in the economic predictions will contribute to the economic growth of 57 percent of world GDP

in 2030. Indonesia is among the group of developing countries along with Brazil, China, India, Mexico, Russia, and Turkey. By 2050, E7 countries can increase their GDP contribution from around 35 percent to almost 50 percent. Based on GDP based on PPP, China is projected to become the largest country in the world, followed by India and Indonesia being the fourth largest country.

In line with Indonesia's increasing position as a middle-income country, Indonesia's active role in the global forum and international development cooperation, including the SSC, must be further enhanced. Increasing Indonesia's active role in the SSC is very important because it is considered to provide benefits for development, both in terms of political, economic and social culture. In August 2019, it became a new point for Indonesia's economic cooperation with African countries. Through the Indonesia-Africa Infrastructure Dialogue (IAID), it was attended by many large companies and began to invest in both parties.

From the results of Indonesia-Africa Infrastructure Dialogue, the African Union explained its desire for greater involvement from Indonesia in the economic sector, amidst the efforts of the Black Continent countries to accelerate development and economic growth. Raila Odinga, African Union's High Representative for Infrastructure Development said, Africa, has 1.2 billion people who could be a very potential market for a variety of products. According to Raila, the industry in Africa is not yet well developed, so the existing market potential cannot be maximized. In addition to increasing trade with Indonesia, Africa also expects investment from Indonesia, especially in the manufacturing and infrastructure sectors.

Africa has abundant natural resources, but natural resources have not been well utilized as an economic product. For this reason, Indonesia is expected to be able to import more African raw products. With the purpose, in the future the product can be processed in Indonesia and exported back to other countries, including to Africa. Raw African products

include cotton, mineral products, chemical raw materials and other plantation products that are deemed suitable for the industry in Indonesia. In addition to his desire to increase imports of raw goods, Indonesia is also considered to have potential in the field of providing transportation infrastructure that can be developed in Africa. Given the limited modes of transportation and road infrastructure in a number of African countries and make it as an obstacle in connectivity between regions.

In its development, economic aspects can also be seen and utilize the geographical conditions of each country involved. As an example, Africa also has an interest in tropical fruits from Indonesia. These products are expected to be marketable in Africa (DP, Indonesia Diminta Tingkatkan Peran dalam Pembangunan Ekonomi Afrika, 2019).

B. The Agenda of Indonesia's South-South Cooperation for African Countries (2016 – August 2019)

After the agreement was made that South-South Cooperation was handled by the Ministry of Foreign Affairs, the Directorate of Technical Cooperation under the Directorate of Information and Public Diplomacy became the main focus in the implementation of South-South Cooperation. Within the Directorate of Technical Cooperation, three sub directorates are focused according to the Region, namely the Asia Pacific, America, and Europe, and Africa and the Middle East. The South-South Cooperation implementation activities are still at the level of the Minister, experts, or government employees. It is expected that this can become a huge potential so that the transfer of knowledge carried out by Indonesia can have an impact starting from the highest coverage of a country.

These activities are based on applicable law:

1. Law Number 37 of 1999 concerning Foreign Relations (State Gazette of the Republic of Indonesia of 2000 Number 156, Supplement to State Gazette 3882);

2. Law Number 17 of 2003 concerning State Finances (State Gazette of the Republic of Indonesia Number 47, Supplement to State Gazette Number 4286);
3. Law Number 1 of 2004 concerning State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to State Gazette Number 4355);
4. Republic of Indonesia Government Regulation Number 45 of 2013 concerning Procedures for Implementing the State Revenue and Expenditure Budget;
5. Republic of Indonesia's Minister of Foreign Affairs Regulation Number 2 of 2016 concerning Organization and Work Procedure of the Ministry of Foreign Affairs;
6. Regulation of the Minister of Finance of the Republic of Indonesia Number 32 / PMK.02 / 2018 concerning Standard Input Costs for Fiscal Year 2019

Table.III.1 The List of Agenda

No	Name of Agenda	Place	Date
1	Agriculture Rural Farmers Training Center	Jenoi, the Gambia	19 – 27 July 2016
2	Indonesia-African Countries Dialogue on Accountable Governance: Responding Challenges and Building Cooperation	Addis Ababa (Ethiopia), Jakarta (Indonesia)	22 Sep 2016 - 01 Oct 2016
3	International Workshop on Sustainable Marine Fishery Product Development for African Countries	Banyuwangi, Bali	21 – 31 May 2016
4	International Training on Agriculture Sector for African Countries	Gambia and Lembang (Indonesia)	20 Mar 2016 - 12 Apr 2016
5	Workshop on Protocol and International Conference Organizing	Antananarivo, Madagascar	30 May 2016 - 2 Jun 2016
6	International Training on Fisheries for African and Middle East Countries	Ambon, Maluku	16 – 24 July 2017
7	International Training on Agriculture for African Countries	Kuningan, West Java	14th March - 1st May 2017
8	Dispatch of Expert on Protocol and International Management for the Gambia	Banjul, the Gambia	4 – 6 December 2017
9	International Training on Agriculture for African Countries	Mkindo-Morogoro, Tanzania	2 – 16 Mei 2017
10	International Training on Fisheries for Asia Pacific Countries & on Aquaculture for African Countries	Banyuwangi, East Java	15 – 21 July 2018
11	International Training on processing technology of Agricultural and Animal Husbandry Product for African Countries	Malang & Batu	1 – 10 September 2018
12	Workshop on International Conference Management for Gambia: Partnership in Achieving SDGs 2018	Banjul, the Gambia	27 – 30 November 2018
13	International FISHFORCE Academy of Indonesia Regional Training for Investigators and Prosecutors for African Countries	Jakarta	22 – 28 July 2019
14	Workshop in Integrated Fish Farming to Support National Food Security and Build Climate Aquaculture Resilience for African Countries	Sukabumi, West Java	22 – 28 July 2019

Source: Arranged by the writer based on the data from Directorate of Technical Cooperation, Ministry of Foreign Affairs by August 2019

The activities in the South-South Cooperation for Africa from Indonesia initially focused more on the development of agriculture and the transfer of technological knowledge, then peacebuilding and good governance, concerning sea and maritime security, and infrastructure. With the start of cooperation in the field of Infrastructure, this increases the opportunity for economic cooperation between Indonesia and countries in Africa. One example, in accordance with the duties of the Directorate of Technical Cooperation in providing technical assistance to developing countries, activities need to be held to support international cooperation, particularly in the field of technical cooperation assistance in order to realize the commitment of the Government of Indonesia at the Africa Maritime Dialogue meeting (IAMD) in Bali in 2018 to assist Capacity Building for countries in the African region in the field of fisheries and maritime security.

Indonesia already has a cooperative capital with Africa with a focus on political diplomacy. Economic globalization has "forced" many countries to study their foreign policy so that it can continue to advance the economic life of its people. International economic and trade relations of a country play an important role in foreign relations. Contemporary international relations show the necessity of foreign policy (necessity of foreign policy). This is to change traditional diplomacy towards multisector and multi-level diplomacy (multilevel diplomacy).

Economic globalization that continues to hit the world is increasingly making the role of economic diplomacy as one of the important instruments in foreign policy. In this context, economic relations between countries can be the glue of political relations. Thus, economic relations can play a role as an influential factor in political relations (Wanto, 2019).

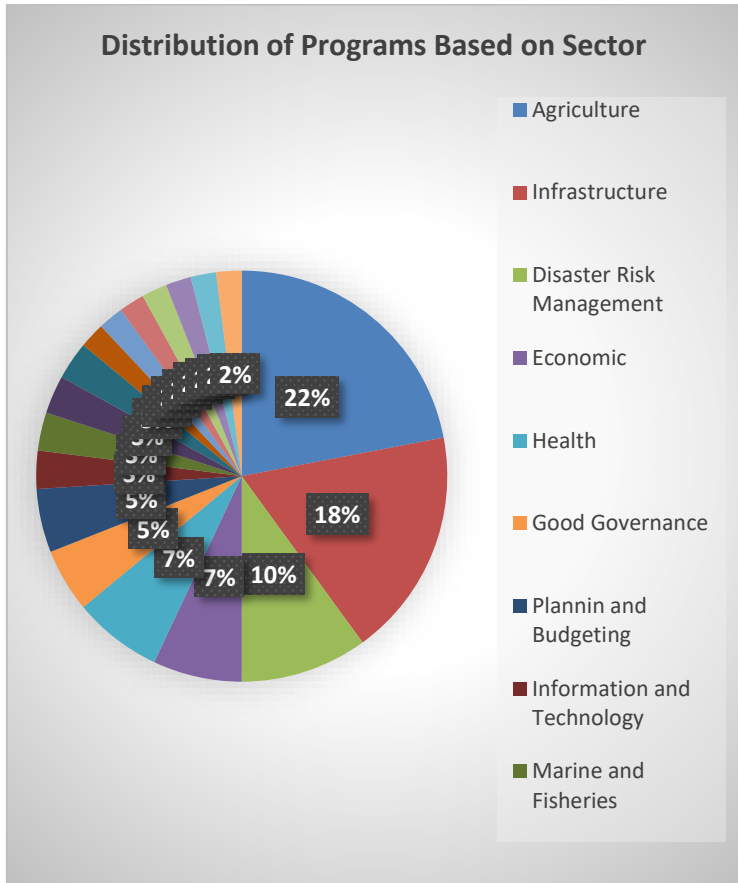
In the national, regional and global scope, ImronRosyadi, Chair of Commission I of the Republic of Indonesia DPR in 1992, said that there were two prominent aspects in the political approach namely prioritizing security or welfare. To date, there has not been an agreement among

the strategists on the matter. Apart from that problem, Indonesia has secretly demonstrated its success in economic development. If at first the security aspect that was highlighted at this time had been a shift in the aspect of equity. This is a model that other developing countries need to follow. With its involvement in South-South Cooperation, Indonesia is an example for other developing countries to continue to strengthen the security and sovereignty of the country so that it can eventually expand its focus to other fields including economy.

International relations at this time said Imron Rosyadi, economic dimensions are more favored, especially concerning commercial and trade ventures. In this case, the task of the government is to work on how we get to know other countries because trade relations can only be made if they already know each other. Because of the relationship between Indonesia and Africa that has existed since 1955, it is considered that the collaboration that has been carried out has also matured. The basis of political cooperation owned by Indonesia and Africa is very sufficient to further strengthen cooperation in other fields.

Imron Rosyadi explained that if the government had opened its doors, the private sector would then have to take the initiative to carry out cooperation in trade and industry. Furthermore, during the administration of President Joko Widodo in his remarks at the opening of the 2019 Indonesia-Africa Infrastructure Dialogue (IAID) forum which was held on 20 August 21, 2019, claims that private companies and state-owned enterprises (SOEs) in the infrastructure sector can work on a variety of projects. President Joko Widodo said the ability of infrastructure companies in Indonesia could not be separated from the focus of national development for the last five years in the sector (DP, Forum IAID: Presiden Jokowi Pamerkan Kemampuan Perusahaan Infrastruktur RI, 2019).

Graph III.3: Distribution of Programs Based on Sector



Source: Ministry of Foreign Affairs (2017)

In 2019 a dialogue was held in Bali which focused on the infrastructure sector known as the Indonesia-Africa Infrastructure Dialogue. Such dialogue is aimed at discussing the goals of cooperation between each country so that each activity has a direction and goals that can be achieved. The purpose of these pieces of training will be to realize

independence in carrying out sustainable development in the fisheries and marine sector, infrastructure, and related fields in African countries and to increase partnerships between countries.

The activity is also expected to be a media for exchanging information and experience, and creating a strong foundation for cooperation between Indonesia and participating countries. Besides, the assistance/cooperation is also intended to improve Indonesia's image in the international world especially in the Field of Cultivation, Agriculture, Maritime Security, and Infrastructure.