

## ABSTRACT

The development of Indonesia's foreign policy with the identity of "Free and Active" has a different form in each period of Indonesian presidential governance. Development of Indonesia's foreign policy with the identity of "Non-Active" has a different form in each period of Indonesian presidential governance. Various issues such as the economy, security and peace, human rights, employment, border issues, a major concern of Indonesian foreign policy. This study focuses on the direction of foreign policy under the leadership of Indonesia Susilo Bambang Yudhoyono (SBY). SBY look at Indonesia's foreign policy should be able to create opportunities to achieve strategic national interest of Indonesia. In his government, SBY attempted to continue and enhance the economic development with the goal to achieve growth of 7 percent or more in the year 2014. Various economic policy measures taken by SBY in Indonesia rests on the idea of economic neoliberalism. The purpose of this study is to understand and describe the influence of neoliberalism to the direction of Indonesia's foreign policy in the era of President Susilo Bambang Yudhoyono. The research design is based on study of literature as a source of support valid the research results, the researcher uses a theoretical foundation in the form of "foreign policy" and "neoliberalism". In this theoretical framework was later discovered that the research results refers to the participation of Indonesian foreign policy. Indonesian foreign policy under the influence of neoliberalism gives special attention to economic diplomacy (Economic-Based Foreign Policy). Indonesia is more often initiated and followed the economic forum, which is oriented to the rules of neoliberalism, such as free trade agreements and foreign investment in the scale of bilateral, multilateral and international scope wider. In the style of "*Million friend, Zero Enemy*", SBY tried to campaign for Indonesia as the vast land of foreign investment and a huge market for international free trade activities. Indonesia in the era of President SBY, free trade and investment by neoliberalism is believed to be a very important factor for the progress or performance of the economy of a country.

Keywords: Neoliberalism, Foreign Policy, Economic Diplomacy, Free Trade, Foreign Investment