

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND

This study is examining the role of Indonesian Foreign Policy as its political strategic to the fulfillment of its national interest in terms of economy during the Presidency of Susilo Bambang Yudhoyono. Based on the experiences done by Indonesia started from year of 2009-2012, under commands of Susilo Bambang Yudhoyono as the president, Indonesia has done several efforts to boost their economy. One of the way to create prosperous Indonesia is through the continuity of Indonesian leadership in ASEAN as the only regional institutions in Southeast Asia. However, in the completion to fulfill the interests, there was always several challenges and obstacles found on its way (whether domestic or the international ones)–and that was the task given to Susilo Bambang Yudhoyono as President of Indonesia to complete the duty by giving the best solution in the matters.

Foreign policy has always been important, especially on these day when the world becomes borderless. It was created in the first place in order to dictate how a country will act with respect to other countries politically, socially, economically and militarily, and to a somewhat lesser extent, how it behaves towards non-state actors.¹ It can also be known as international relations policy or

¹ <http://www.wisegeek.com/what-is-foreign-policy.htm>; retrieved on September 9th, 2012

simply as diplomacy. Foreign policies are also understood as the strategies governments use to guide their action in the international arena.² Indonesia, does have its own foreign policy. It was made long time ago in order to give a guidance for Indonesian future leader in mantaining its relation with the international community. Free and Active is what Indonesia has believed in, for more than 67 years since 1945 and that is also the identity of Indonesian Foreign Policy that President Yudhoyono still hold on until now.

However, to understand better the relations between the role of Indonesian Foreign Policy towards the progressiveness of cooperation in ASEAN, there are several aspect that must be analyzed carefully. Firstly, we should take a look on what interest does Indonesia have in its political framework.

Started from 2009, it was the time from President Yudhoyono to continue- once again- all the dedication that he has given like before in his first periode (2004-2009). For He has won the second re-election, then, President Yudhoyono surely has to create an innovative and effective policy in order to manage the economy, social and political life of Republic of Indonesia. As President Yudhoyono has experienced lot of things from the last period of his, then He also has chosen the right strategy to fulfill the interest of Indonesia by committing to the National Medium-Term Development Plan (RPJMN) 2010-2014³. Pro

² Joshua S. Goldstein and Jon C. Pevehouse.2008. *International Relations (Eight edition)*, US: Pearson International Edition.

³ Kementerian Luar Negeri, <http://www.kemlu.go.id/Pages/Polugri.aspx?IDP=1&l=id>; retrieved on September 14th, 2012

growth⁴, is what President Yudhoyono wanted to encourage all of his cabinet to achieve so that all the sector in Indonesia can be strengthened, and one of the sectors that he has focused on surely will be the economic ones. In doing so, Indonesia must not only focus on its domestic issues, but also how to maintain relations with other countries that may strengthen the investment flows coming from outside to Indonesia. To maintain its relationship internationally, it is important to count on the role and performance of Indonesian Ministry of Foreign Affairs. Because, it can't be forgotten that the action made by state in the international arena is also the result from individual human choices—by its citizenry, its political leaders, its diplomats and bureaucrats.⁵ They are also the players in exercising Indonesia's foreign policy. That is why, the principle of diplomacy should be strongly held by Ministry of Foreign Affairs in doing their job, because it can be a strong tool in winning the bargaining position with other countries whether in economy or political aspect.

On his last interview with the ASIA INC. (2006)⁶, President Yudhoyono did mention the goal that he has for Indonesia. He said that he wants to continue Indonesian reforms, democratization, and economic rebuilding efforts—and how he will implement all those three into Indonesia's foreign policy. Although this statement was made in the middle first period of his presidency, but President Yudhoyono knew that this goal can't be achieved easily only until at the end of

⁴Presiden Republik Indonesia Official Website, <http://www.presidensby.info/index.php/wawancara/2012/02/21/161.html>; retrieved on September 14th, 2012

⁵ Joshua S. Goldstein and Jon C. Pevehouse. 2008. *International Relations (Eight edition)*, US: Pearson International Edition.

⁶Dino Patti Djalal. 2012. *Indonesia On The Move (Vol.2)*, Indonesia: Red & White Publishing.

his presidency in 2009. Yet, He realized that this goal must be continued in the next periode and still must be prioritized as the greatest interest held by Indonesia. Without a goal that reflected from its leader, a nation would have no vision to accomplish—but the role of President Yudhoyono has made it as a significant beginning for Indonesia to start its movement. “Indonesia on the move” is what the hope of President Yudhoyono for international community to start talking about Indonesia, because He believes that it’s the time for Indonesia to rise and shine in international arena.

ASEAN, on the other hands, is also considered as one of the regional institutions in Southeast-Asia that has received lot of attention from Indonesia during the second period of President Yudhoyono. It is also becoming one of the biggest interest that Indonesia has, especially as the target to run their foreign policy. As one of the ASEAN founding countries, Indonesia feels the need to continue its leadership in ASEAN, since it was the idea of Indonesia to establish such regional institutions in Southeast Asia in the first place.

Since the establishment of ASEAN in 1967 until now, a lot of progress has been made within ASEAN, and one of the reason is because the active participation of Indonesia in ASEAN. As Indonesia has a good position as the fourth largest population country in the world, the largest moeslem country, the third largest democratic country and the largest archipelagic state—those thing becoming the advantages for Indonesia to be proud of among other countries in Southeast-Asia region that basically might lead Indonesia to another vital role that it can play in ASEAN. As President Yudhoyono believes that regional

stabilization might bring good outcome to the Southeast Asia countries, then it is also becoming Indonesia's priority to maintain cooperation within ASEAN members and apply its policy correctly within that area of partnership.

Since the time of establishment until now, there must be a greatest achievement made by the ASEAN. In terms of economic cooperation, ASEAN underwent two stages⁷: The first stage covers the first 25 years of ASEAN's existence, a period when the ASEAN countries laid down the foundations of cooperation and became familiarized with one another and initiated modest economic cooperation programs. The second stage began at the Singapore Summit of 1992, in which ASEAN launched the CEPT for AFTA promoting the whole ASEAN region as a competitive international production base for both local and foreign investors. Within this period also saw ASEAN actively involved in initiating and building regional economic linkages, engaging some of the most dynamic economies in the world. Eventhough it has grasped important aspect like economy to be implemented, but ASEAN should not be satisfied with the last progress that it has been made. ASEAN must also realize that in this recent time, as a strong regional institutions standing in Southeast Asia, they have to face global challenges these day. Those challenges are: firstly, how to do the implementation of ASEAN's further commitment to move towards closer cohesion and economic integration while emphasizing sustainable and equitable growth; secondly, how the ASEAN members able to mantain the integrality and prosperity in Southeast Asia as a peaceful, stable and secure region; thirdly, how

⁷ ASEAN Official Website, <http://www.aseansec.org/11832.htm>; retrieved on September 17, 2012.

to implement the principle of reciprocity while trading in ASEAN economic community. All these challenges basically conclude all the main three pillars of ASEAN which must be placed into the top priority of each member of ASEAN to achieve a strong regional power in Southeast Asia.

Therefore, when we already understand what are the interests that Indonesia has as a country and also the challenges that ASEAN faces these day, then it is time to analyze what kind of foreign policy applied by Indonesia in ASEAN and what's the outcome it may given to Indonesia in order to fulfill its national interest. Thus, there are two research questions will be introduced in this writing and will be stated below of this section in order to sharpen the analysis.

1.2 RESEARCH QUESTIONS

All of the academic research/works, firstly, are designed in order to find the right questions to ask in relation to the existing problems. Based on the explanation above, there are two research questions that are considered adequate enough to strengthen the process of analysis and to lead the way of discussion into the right conclusion. Those questions are:

- 1) What are Indonesia's foreign policy priorities towards ASEAN, within the second period of President Susilo Bambang Yudhoyono (2009–2012)?
- 2) How does Indonesia chairmanship in 2011 has contributed to the progress of regional integration of ASEAN?

1.3 RESEARCH OBJECTIVES

Based on the previous research that has been formulated above, the objectives of this research are:

- 1) To describe and explain Indonesia's Foreign Policy priorities towards ASEAN, within the second period of President Susilo Bambang Yudhoyono from year 2009-2012
- 2) To describe and explain how Indonesia chairmanship has contributed the progress of ASEAN regional integration.

1.4 RESEARCH CONTRIBUTIONS

1.4.1 Theoretical

Theoretically, the aim of this study is expected to be the useful ones in contributing the enrichment study of international relations (social and political sciences). In another specific matter, this study is trying to analyze some important aspect regarding Indonesia's Foreign Policy and its impact towards economic cooperation that Indonesia build with the regional institutions in Southeast Asia—so called ASEAN (Association of Southeast Asian Nations). It is becoming the writer's hope that this research might be considered as a useful additional information for students who will be doing similar research, so this study can be further developed in the future.

1.4.2 Practical

In practical, this research is expected to be an useful input that Indonesian government can look forward in order to examine its foreign policy. Foreign policy that is considered as the reflection from one's national interest, in someway, is needed to be adjust based on the situational condition that is going on in present world. A normative foreign policy like Indonesia has, must be analyzed carefully whether it is applicable enough to face global challenges or it may need some adjustment to the current situations—and this kind of thing that must be realized as soon as possible by Indonesian government before it may affect the process of economic growth in Indonesia. The sooner Indonesia understand its position, the better it may receive. This research will try to give an adequate information and answer for some problematic questions faced by Indonesia, especially in managing their policy towards ASEAN. The purpose of this research has been cleared enough, so that all the strategic that being formulated in the future by Indonesian government can be implemented well and might lead Indonesia to the right path of social and political life.

1.5 SYSTEMATICS OF WRITING

This research would be written as a full report with a systematic way as follows:

CHAPTER I INTRODUCTION

In this very first chapter, the writer will formulate an introduction that begins with some background explanation concerning the research topic that being discussed in the writing, including some relevant information, then continued by the formulation of the problem (research questions), the objectives, along with the systematic of the writing of the thesis.

CHAPTER II ANALYTICAL FRAMEWORK

Section in chapter two will cover all explanation about the concepts and theory that being used to support the objectivity of the analysis, which also applicable to the current topic as an literature review. A theory and concepts that will be covered in this section are: liberalism theory, the concept of foreign policy, interdependence, liberal institutionalism, democratic peace, regionalism, and so on.

CHAPTER III RESEARCH METHODOLOGY

In chapter three, it is focusing on the explanation about the method that being used on this study. This section begins with a description of the scope of the study, then the methodology approached, continued with the explanation of

types and sources data, data collection techniques, and at the last, the explanation of data analysis techniques.

CHAPTER IV ASSESMENT

Chapter four will provide the important results/outcome gained from the research process in a form of an assessment. The results will be considered as an collection of data, that will be re-analyzed by using the chosen techniques of analysis. This section will generally answer all of the research questions that has been formed in the beginning of the research.

CHAPTER V CLOSING

In this chapter five, it will mainly summarized all the idea that being discussed in each chapter. It will cover all of the important point given by the writer, along with the analytical facts and argument as the conclusion of this research. At last, the writer will also give some suggestions concerning the issues in order to complete the explanation in the section.

- **BIBLIOGRAPHY**

- **ATTACHMENTS**