

### ARTICLES

Questioning the Regional Integration of Higher Education in ASEAN: Equality for All?

The Dynamics of Paradiplomacy Practice in the “Frontier” Areas in Indonesia

The Unbreakable Relations between Indonesia-Vietnam Under “Sink the Vessels” Policy: A Complex System Approach

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Quynh Huong Nguyen

Rangga Aditya

Raymundo R. Pavo

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## Aim and Scope

*The Journal of ASEAN Studies* (JAS) is an International peer-reviewed bi-annual journal that enriches understanding of the past, current, and future issues relevant to ASEAN and its circle of issues. The article shall address any research on theoretical and empirical questions about ASEAN. The Topics addressed within the journal include: diplomacy, political economy, trade, national development, security, geopolitics, social change, transnational movement, environment, law, business and industry, and other various related sub-fields.

*Journal of ASEAN Studies* expects the articles encourage debate, controversy, new understanding, solid theory, and reflection on ASEAN. The articles sent should have a sharp analysis and rigorous methodologies quantitative or qualitative as well as written in an engaging and analytical style. The JAS does publish original research, reviewing research, book review, opinion pieces of current affairs. However JAS does not publish journalistic or investigative style of article. The JAS would not be responsible for any implied or written statements of articles published. Each author would be responsible for their own writing.

*Journal of ASEAN Studies* is an international multidisciplinary journal, covering various fields of research on ASEAN either as community, organization, process, and web of cooperation.

*Journal of ASEAN Studies* publishes the following types of manuscripts:

- **Scholarly articles:** The manuscripts should be approximately 5,000-8,000 words. The manuscripts must contain a review of the current state of knowledge on the research question(s) of interest, then share new information or new ideas that will impact the state of theory and/or practice in area of ASEAN Studies.
- **Review Article:** The manuscripts should be approximately 1,500-3,500. The manuscripts must contain the current state of understanding on a particular topic about ASEAN by analysing and discussing research previously published by others
- **Practice notes:** These are shorter manuscripts approximately 1,500-3,500 words that are of specific interest to practitioners. These manuscripts must present new development for the ASEAN.
- **Research notes:** Similar to practice notes, these are shorter manuscripts approximately 1,500-3,500 words that have specific implications for ASEAN. The manuscripts should employ rigorous methodology either qualitative or quantitative.
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## **Editorial**

### **The New Dynamics of Regionalism in Southeast Asia**

Since the establishment of European Union which many refer to as marking the rise of regionalism trend in international relations, high politics have been said to be the main challenge of regional integration. In Europe, States have been focusing on developing interstate relations, beginning from technical cooperation which are expected to spill over to other areas of cooperation, and in the end bring political integration slowly to the agenda. When the EU has finally signed Maastricht Treaty, states in other regions follow the suit.

As will be clearly seen in this edition of JAS, however, this trend of state-led regionalism with its dynamics of high politics have shifted. Regionalism, particularly in Southeast Asia, and as observed by the authors in this edition, is currently driven no less by non-state actors - in the process known as regionalization, and face no less serious challenges from low political issues. This new dynamics of regionalism will be presented in the unique style of our journal, beginning from that in the regional level and down to the interstate and individual state levels so that the richness of this dynamics could be well-captured.

In the regional level, the phenomenon of regionalization appears in "Questioning the Regional Integration of Higher Education in ASEAN: Equality for All?" written by Dudy Heryadi, Anggia Utami Dewi, Akim, Cecep Hermawan, and Waki'ah. This article highlights an example of cooperation among higher education institutions in Southeast Asia which indirectly contributes in strengthening the main regionalism process at the intergovernmental level. It is interesting to see the continuity between articles of the same topics in our journal. Article by Oliver Gill in our previous edition found that higher education integration in Southeast Asia is less successful than that in the bigger East Asia region. The current article elaborates further why it is the case. The slow integration process as apparent in the exclusivity of AUN memberships is only the beginning part of this integration process. Being exclusive to limited members helps AUN to develop faster and more effective, and thus it is expected to attract more members and strengthen the integration process. The similar logic of spillover effect remains the underlying mechanism of this integration.

At the interstate level, regionalization appears in "The Dynamics of Paradiplomacy Practices in the 'Frontier' Areas in Indonesia" by Ali Maksum and Surwandono. This article highlights the new dynamics of regionalism in the era of democratizing Southeast Asia in which local regions are granted access to conduct diplomacy with other parties in the region. Using the case studies of Riau Islands and West Kalimantan, this article found that paradiplomacy practices in these sampled regions in Indonesia remain at the ceremonial

level for the sake of fulfilling the demand of the central government. This practice, however, has not brought significant advantage to the region themselves.

The interstate level also demonstrates low political issues as challenges to regionalism both in relations among states inside the region or between states from and outside the region. "The Unbreakable Relations between Indonesia-Vietnam Under "Sink the Vessels" Policy: A Complex System Approach" by Rusadi Kantaprawira, Arry Bainus, and Indra Kusumawardhana highlights the issues of illegal fishing in bilateral relations between Indonesia and Vietnam as an example of the first type of challenges. In the second type, "Technology Transfer and the Promotion of Technical Skills from Japan to Southeast Asia: Case Study of Vietnam" by Quynh Huong Nguyen and "The (In-)visibility of Taiwan-Indonesia Relations: Indonesian Students on the Sideline" by Rangga Aditya present challenges in technology transfer from Japan and academic cooperation with Taiwan respectively.

Finally, at the individual state level, one interesting article adopting unique perspective from philosophy entitled "Night Market from H. Lefebvre's 'Space as Practiced': The Case of Davao City, Philippines" by Raymundo R. Pavo highlights an example of local problems affected by the dynamics at regional and national levels. This article explains how local vendors in Davao City, Philippines tried to adapt themselves to the changing dynamics of economic integration and emerging security issues which affect their night market as 'space' where they practice their daily economic activities.

With this line of rich articles in this edition, the editors would like to express the greatest appreciation and gratitude to the authors and reviewers. We are very proud that we could maintain our consistency in all aspects of our publication and a part of it, JAS has been nationally accredited SINTA 2 by the Ministry of Research, Technology and Higher Education, Republic of Indonesia on November 2018.

We are also very pleased to see emerging conversation among articles in our journal – a practice that we expect we could see more tangibly in our future edition. We are very delighted and excited to have Prof. Amitav Acharya as one of our editorial board members. Our warmest welcome and we believe his contribution to JAS will enhance the standing of this journal into higher level in the study of international relations. Last but not least, we would like to thank the Indonesian Association for International Relations (AIHII) for the continuous support for our journal.

Jakarta, 31 December 2018

**Prof. Dr. Tirta N. Mursitama, Ph.D.**

Editor-in-chief

# Questioning the Regional Integration of Higher Education in ASEAN: Equality for All?

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## Abstract

*Regional integration in ASEAN, within the framework of ASEAN Community has three pillars. ASEAN Socio-Culture Community as one of the pillars brought the vision of equality of access toward education aligned with the United Nation Sustainable Development Goals. Specifically, integration of higher education is institutionally spearheaded by the ASEAN University Network (AUN) established in 1995, which currently is still the only legitimate HEI's platform under the ASEAN Secretariat. This paper discusses the question on the exclusivity of AUN membership that had created the narratives of doubt among the non-member universities of AUN. By taking the case studies on selected universities in Indonesia and Thailand, the research is conducted with the qualitative method using triangulation of data collection from in-depth interview and structured focus group discussion (FGD) as primary sources, supplemented by the desk study on current research on the area of regional integration and higher education management. The result presented the positive view on the question posed in the research. AUN is adapting to change, with several universities are now holding the status of associate membership. AUN also stated that they are under the preparation of making scheme and procedure of new membership application. As a unique space of integration in ASEAN, AUN is continuously adjusting to accommodate the needs of the greater audience.*

**Key words:** *higher education, ASEAN University Network, inclusive, regional integration, ASEAN*

## Introduction

In the modern times, what it means by regional integration is not only defined by economic and political integration. It is also defined by the socio-cultural integration including cultural and people

mobility across the region, and regional standardization of the quality of education.

In this context, the United Nations Sustainable Development Goals (UN SDGs) as the continuation program of



Millennium Development Goals (MDGs) which elapsed in 2015 is supportive of regional integration in the way that it calls for collaboration with regional initiatives in achieving its goals by 2030 including in the field of education. The goal number 4 from the UN SDGs is Quality Education. One of its targets is ensuring equal access for all men and women for affordable vocational and tertiary education, including university (UN SDGs, 2015). The target of this goal does not only mean equal access toward the tertiary education, but also equal access toward the same qualified universities for all men and women. Thus, the process of achieving this goal will involve the role of regional education standardization that could ease the process of global standardization. Consequently, it will improve the capability of not just university in achieving its goal of internationalization, but also improve the capability of youths in achieving what they need in the global competitive market.

Integration always gets around the Europeanization of the European Union, but another region is rising too. In Southeast Asia, regional integration has taken place ever since the Bali Concord was concluded in 2002 and the vision of ASEAN Vision 2020 was established. Hence, today we see the gradual integration of ASEAN Member States, under three main pillars, namely Political-Security, Economy, and Socio-Cultural. These three aspects of integration are named as the ASEAN Community. The ASEAN Economic Community is the spotlight after all of its achievements in

decreasing the trade barriers and improving the human mobility across the region, meanwhile the ASEAN Socio-Cultural Community, the third pillar, is rarely mentioned. Education, social and cultural exchanges, and human settlements are some objectives within this pillar (Letchumanan, 2015). But this poses several challenges to the Member States of ASEAN, in term of education itself. The biggest challenges are related to: (1) the different education system across the region; (2) the challenges of balancing the universal value from the region and local values (Umboh, 2013).

In this context, education integration is the priority of regular meeting of the Senior Officials on Education and University Networks in ASEAN, such as the SEAMEO-RIHED: Southeast Asian Ministers of Education Organization – Regional Institute of Higher Education and Development. In the term of higher education, ASEAN University Network (AUN) is spearheading the progress of higher education standardization and integration to let all students across ASEAN could enroll for higher education in any ASEAN countries without being concerned of the university's different grading and curriculum.

However, it is still an only unfinished vision. Currently, after 23 years from the commencement of the AUN in 1995, only 30 universities are involved in the process of quality assessment and curriculum standardization for the ASEAN University Network (AUN, 2017). The AUN is

planning to expand its participating member by the upcoming years, starting by giving the observer status of prospectus university, followed by quality assessment, and decided by the Board of Trustees of the ASEAN University Networks.

This exclusiveness emerging in the process toward an inclusive integration is not without precedence. Taking an example from the Bologna Process for the region of Europe with currently 50 signatories, both EU and non-EU member calling for the unification and standardization of higher education in Europe. Thus, a student in Andorra could enroll at Oxford, when they are qualified disregard where they enrolled previously (EHEA, 2016). Even during the Bologna Process, four countries were rejected from the process, namely, Kyrgyzstan, Israel, Kosovo, and Northern Cyprus (BFUG, 2007). It is always a long process for some integrations to become extensively inclusive, but the question is, whether the integration will be inclusive for all members within the designated region or not?

This is particularly important in ASEAN, when the process of integration seems to be exclusive only for certain universities. This exclusiveness, however, has also its own advantages. The small number of universities as members has enabled the AUN to fasten the process of standardization and quality assessment of higher education in each country. It includes the ability of the networks to conduct various workshops and training

regarding the quality of education in ASEAN as well as the integration of higher education under the regime of ASEAN Socio-Culture Community (ASCC). Here, it can be seen the paradox of integration. On the one hand, the exclusive networks enabled the forum to be more effective and efficient in achieving their goals. On the other hand, it indirectly and unintentionally left other universities behind.

By taking the experience of AUN and the case studies in Indonesia and Thailand, this study aims to discuss the process of integration of higher education in ASEAN with the perspective of the universities as the main actor of the integration process. The process of integration can be explained in two ways. First, seeing it outside of the box, observing the process of integration through analyzing the patterns comes within the legal standing being made by the states' actor. Second, is through observing each actor within the process of integration itself. The study aims to describe and analyze the process through the second way to gain clear and diversified picture of the experienced of the specific actors in term of regional integration of their field.

The study shall pose two main questions. First on whether the integration of higher education in ASEAN has already inclusive enough to cater all the needs of the higher education institutions in ASEAN? Second, on understanding the current condition of integration of higher education in ASEAN, what factors might

affect the process and what is beyond the current integration? By answering the questions, this paper seeks to fill the gap of discussion on the inclusivity of regional higher education integration in ASEAN.

### **Study Design and Research Method**

This study adopts a qualitative research method, with triangulation on data collection processes, combining in-depth interview, focus group discussion, and in-depth library research to the current research on the field of regional integration and the dynamic development of higher education in Southeast Asia (Berg & Lune, 2011). The triangulation has enabled the author to make the cross-reference between the results of the in-depth interview with senior leaders and senior officers within universities, result of the focus group discussion involving the university office of international affairs, as well as results of the in-depth library research on the current study in the same field to draw the red line of the research.

The countries selected as case studies in this research, Indonesia and Thailand, are chosen based on the almost similar development of economies, also the non-English speaking background, who exercise the comparable higher education reform direction. Both countries have started to put priorities in making higher education institutions as important actors in supporting the nation's competitiveness and development (Dewi, Heryadi, & Akim, 2017). The ground bases for institution selection in this research are their management status, their status of

membership in AUN, and their national and regional reputation. The sample of institutions taken as case studies was an opportunity sample, in which the data gathering processes were able to be conducted through professional contacts and formal request (Foskett, 2010, p. 41). Therefore, the results of the study present the early analysis of the question posed from the case studies rather than a generalization.

The primary findings are divided into two kind series of data in the mid-2017 and late-2017. First, the in-depth interview was taking place in the mid-2017 to two universities in Thailand: one is a private university in Thailand, member of the AUN, mention as university A, the other one is a non-AUN Member public research university that specializes in agricultural science, hereby mentioned as University B; also, to the representative of AUN Secretariat in Bangkok, Thailand. As for the universities in Indonesia, in-depth interviews were conducted in three institutions. University C is a public university, recently gained special autonomy from the government, University D is a public university, member of AUN, advances in Sciences and Technology; University E is a comprehensive public university, member of AUN, and one of the oldest universities in Indonesia. The in-depth interviews were conducted with the resource persons coming from the senior leaders and/or officers of each university who engaged with international cooperation activities.

Second, the findings were collected from the result of the Focus Group Discussion held in Bandung in October 2017, involving four universities based in Bandung city, namely: (1) University C, (2) University F, a private university based in Bandung; (3) University G, a public university, specialized and advances in education and pedagogy learning, and (4) University H, a private university based in Bandung. The Focus Group Discussion (FGD) mainly discussed about the role of international offices in each university to conduct international cooperation and to achieve the internationalization of the university in the current trend of regional integration.

For this research, selected parts of the interview and focus group discussion were excerpted. Meanwhile, to improve the validity and analysis of this research, the extensive confirmation was made with the current research about the related field until the first half of 2018.

### **Theoretical Framework**

#### *Regional Integration Theory*

The theory of regional integration is mostly related to the case of regional integration of the European Union. Caporaso (2008) mentioned the four phases of regional integration as to include respectively the early phase of integration, goodness fit/misfit, mediating institutions and domestic structural changes. The theory itself is drawn from the preceding circumstances of the European Union from the early Rome Treaty in 1957 to the Maastricht Treaty in

1993 that marked the establishment of European Union. However, in the context of ASEAN, it is important to note that the dynamics must be different from the experience of European integration or other regions.

One different aspect is related to the origin of the establishment of ASEAN which comes from political and security rather than economic prosperity rationales. The other aspect is the relatively weaker institutionalization of integration process. However, in general, comparative assessment between European and Asian regionalism focuses on the inclusive network structure of Asian regionalism versus exclusive formal institutions in continental Europe (Katzenstein, 1996, p. 150). Network regionalization which main features are the regional identity-driven response to globalization and powers that rely mainly on non-institutionalized or inter-governmental working methods, is argued to fit the typology of regional integration in ASEAN (Warleigh-Lack, 2006, p.760).

#### *Integration of Higher Education*

Regional integration of higher education includes the broad-sense of the equal standardization across the region. Meanwhile, for higher education, the measurement of standardization needs to be more accurately considered based on the higher priority and importance of vocational function of the higher education. However, like other process of regional integration, higher education faces the same dual problems of integration: (1) resolving drawn-out

violent conflict in several sub-regions; (2) overcoming the extreme differences in economic prosperity and social development among member countries (Feuer & Hornidge, 2015).

The correlation between conflict prevention and higher education institutions relates to the improvement of youth's capability. In managing existing or residual conflicts, higher education integration concerns on how comprehensive these initiatives of integration facilitate the cultural tolerance, integration, and peaceful coexistence within the region (Selvaratnam and Gopinathan, 1984). Since numerous conflicts within the member of ASEAN are drawn from the cultural and political identity issues, it is understandable how the knowledge society could help to achieve the peace in the region. Here, it can be argued that building knowledge societies also means building the long-term peace and resilient in the region.

Higher education integration depends mainly on two factors to shape the control: (1) competitiveness/attractiveness of the region, and; (2) legitimization of their degree system (Feuer & Hornidge, 2015). In addition, the integration is also affected by the university characteristics and quality assurance. As stated by the AUN, those two aspects will remain important in the integration process. It is also the case during the Bologna process, where the admission of a country to enter the Bologna process was mainly based on the

attractiveness of a higher education in the country and the degree system.

Above all, higher education integration means creating space in the region for all member to come over as one. The ASEAN Integration of Higher Education is initiated by the meeting of elite networks including the Southeast Asia Minister of Education Organization (SEAMEO). Koh (2007), citing from Massey (2005), mentioned that space for integration needs to consider three things: (1) space as product of interrelations and is constituted through interactions; (2) space as the domain where heterogeneity and difference are not only permissible but norm, and (3) space as work of continuity in the field, not a static one-time event. To understand the process of integration, therefore, it is important to understand how space is created in ASEAN.

In ASEAN, the orientation of the integration resembles the regionalist-culturalist one (Feuer & Hornidge, 2015). It is argued that ASEAN is thriving for ASEANization in order to compete with Europeanization and Americanization of higher education (Nith, 2013). It aims to be unique unlike the other region across the globe (Kanyajananiyot, 2017). Nature seems to be inherent. It is withdrawn from the regional diversity of ASEAN to conduct the higher education with normative values applies to the process of law-making emphasized by each respective government.

The integration of higher education also tends to have two orientations: neo-

liberals with pro-business type and idealists, who focus on education quality and justice (Feuer & Hornidge, 2015). This can be seen in each ASEAN member states. Cambodia is facing the outburst of private HEIs (Sen & Ros, 2013). Meanwhile, countries in the peninsula such as Malaysia, Singapore and Indonesia seemed to be more idealists with numerous special admission programs to make sure education is inherent right for all. The reform for both orientation centers around the “optimistic conceptual progression of integration”, ‘building knowledge society’, and ‘reform in the region’ (Feuer & Hornidge, 2015). Integration itself has been seen more competitive in the practices than it should be, balancing the dual process of building strategic partnerships across the region as well as defending the sovereignty and specialty afar from duplicating by the partner university.

Thus, it seems that a more complex analysis is needed to describe the process of integration of higher education in the region with cultural and political complexity like ASEAN. The divine gaps among the countries and the domestic structural instability are the challenges for integration.

## **Result and Discussion**

### *AUN: Space for Integration?*

The first space of the integration is about the organizational architecture where the plurality of network emerged (Jetschke & Murray, 2012). The ASEAN University Network (AUN) is not a part of

the ASEAN Vision 2020 agreed by the ASEAN Member States in Bali Concord and Hanoi Action Plan 2003, but it is an initiative comes as (un-)intended effect of education cooperation in ASEAN. This refers to the regular meeting of the Senior Official of Education of the member states as well as the advance development of the SEAMEO where the elites come together to create specific network and processes to build the blueprint of the AUN.

As functionalist argued, the spill-over effect is often unpredictable to the extent on what field the integration will take place after the previous integration finally emerged. ASEAN started as the community to create political awareness among the member states as well as creating the economic web within the Peninsula and Archipelagos. However, after the early 2000s, the development has finally arrived in the intersection where the institution of ASEAN took all the turns to be multi-dimensional regional institution, following the success of the EU after the commencement of the Maastricht Treaty by 1993.

As argued by Acharya (2001) and Ba (2009), ASEAN is a regional organization comes from the norm appropriation of its member. The cultural differences along with the different system of government are bound and tied together by the spirit of decolonization and challenging the Cold War. Thus, ASEAN had a fast development during the Cold War and facing the gap between the end of the Cold War to the establishment of the ASEAN Vision 2020 by 2002. Kahler (2000)

even argued that ASEAN is not a diplomatic cooperation platform, not until the end of Cold War. Meaning, it denied the rationalist argument that member of the regional organization is tied to the same interest for greater cooperation. Yes, ASEAN is tied by that argument, but not until 2002.

The AUN was built under this argument as well. At the beginning, the vision was too low with only 17 university members by 1995. The rational of the small membership at this initial step was the view on how large membership would be a big deal to handle if all universities in the region with various standards of a degree came together as one network at that time. Also, there was an authority factor on AUN membership, where the government representatives from each ASEAN Member States were the one determining the chosen institutions from their country to be member of the AUN. Thus, the question of exclusivity of AUN was in the first place originated from how the membership was arranged, with the consideration of each member states on which universities were eligible to become the member of AUN.

The AUN itself is trying to open the membership for more universities gradually in order for the network to adapt to the changing system. Although the opening for unlimited number of universities to apply for membership in the AUN shall create hassled in the long-term, AUN is optimistic that open membership will come eventually to the

region, but gradual changes shall be expected.

AUN is not just working like other regional networking with membership fee. They are working based on the spirit of contribution, with layers of collaboration, policy dialogue level and operational level. Thus, AUN is trying to portray themselves as the voluntary network giving it best to create decent framework for the whole region. The expansions of AUN with participation of various dialogue partners including the ASEAN+3 and European Union, Asian Development Bank, and other partners, give AUN more sources of funding that help growth of the AUN. Currently AUN, along with various dialogue partners, are conducting programs that not limited to the AUN members or associate members, but also to the rest of universities and higher education institutions (HEIs) across the region, consist of faculty and student mobility, conference programs, as well as the scholarship programs, both for short-term or degree-based programs.

Within the last two years (2016-2018), AUN has been planning to achieve mainly five goals in its mission to create a standardized quality of education across the region. Those goals are (1) quality gap narrowed; (2) emerging priorities engaged; (3) exposure expanded; (4) in-depth awareness, and; (5) quality of teaching and learning (AUN, 2017). According to AUN, the AUN-Quality Assurance (here forward AUN-QA), is the tool in achieving those goals by incorporating universities (member or

non-member) to the same standard of the quality assurance. It is expected that the gap between university degree system and quality of grading could become thin in a long-term. In other words, the current institutions are working as board of director for the greater membership of the AUN in the region itself.

The purpose of AUN to create the system of AUN-QA is establishing an internal quality assurance system for the network's member universities and harmonizing the higher education in the region (Umemiya, 2008). However, some might argue that AUN is way too exclusive by saying that the membership is too limited to only 30 universities out of thousands across the region.

To respond to the argument of exclusivity, we could use the logic of AUN as the same with the laboratory test toward guinea pig. The current member is set of examples for what going to be applied to the whole region in near future. Within the board of trustee of the AUN itself, there are three kinds of member; (1) Secretariat of ASEAN (Sec-Gen and the Chairman of ASCOE); (2) country's representatives; (3) Director of AUN (AUN, 2017). It means the AUN is working as the sub-organization under the umbrella of ASEAN's secretariat. Thus, the program soon or later will have disseminated back to the greater region. For example, the ASEAN Credit Transfer System is currently available only for a member of the AUN because the university that currently meet the standards are only members. However, it

opens opportunity to get into the ACTS to enlist the application of the AUN-QA and later admit themselves to the ACTS system. There are 77 programs conducted by the AUN to mainstreaming the AUN-QA by July 2016-2017, incorporating member of the AUN, Associate Member of the AUN, as well as non-member to gain more knowledge about the quality management of higher education. These activities are important to note certain qualities that AUN has as the regional institutional backbone for the ASEAN's integration of higher education.

Second, ASEAN is a unique platform with great cultural diversities. Consequently, ASEAN University Network is a rich mix of cultures and education values coming from across the region. Thus, the works of the AUN took more considerations and times than the process of Bologna Process. In Europe, the Bologna Process took place in the single region with vast similarities, make it easier to create standardization, because culturally and economically speaking, their characteristics are mainly the same. In contrast, the biggest obstacles for ASEAN come not only from the economic gap among the member states, but also the gap in education quality. Umemiya (2008: 286-288) understands this condition and stated that the effort of ASEAN Integration by 2015 could have positive (un)intended effect on the quality of education in ASEAN. Countries like Singapore and Malaysia have changed from sending their student abroad to receiving overseas student. Countries like Indonesia, Thailand and Vietnam are



working on the effort in gaining more exposures on publication and research to increase their quality in the region because research is one of the base qualities that AUN-QA focusing on (Umemiya, 2008).

ASEAN University Network is not a static organization which does not adapt to changes in their environment. In 1995, they only had 17 universities as members, but since 2013 they have 30 members with some universities applying for observer status and Quality Assurance for their universities. From 2007-2017, AUN has conducted 248 programs, incorporating 19 AUN members, 17 associate members, and one non-member university (AUN, 2017). The progress is considerably slow, but it takes the stand in the standardization of university and education quality in ASEAN. It makes the internationalization of HEIs is important, not just for the improvement of higher education quality in the region, but also as bargaining power in the regional level, since AUN is attractive due to its intensity in conducting intra-regional programs as well as improving the cooperation of ASEAN with the university partners beyond ASEAN such as ASEAN+3 and EU (Rezasyah, Konety, Rifawan, & Wardhana, 2017)(Gill, 2018).

*Talking the Practices of Integration in  
ASEAN: University Experiences*

AUN has been contributing significantly in spearheading the integration of higher education institutions in ASEAN by creating measurement system and quality assurance which enabled the member

universities to have the same standard and equal footing in term of higher education (Rezasyah et al., 2017). However, as mentioned previously, AUN still does not have an open membership, and it has postponed the application of many universities to join the AUN. The current programs are dominantly under the umbrella of the AUN-QA to many universities across ASEAN. Hasanudin University in Indonesia received a visitation from the AUN-QA team in February 2018 for three of their undergraduate programs after six other programs also have passed the AUN-QA by December 2016 and August 2017 (Puluhulawa, 2018). The successful result of assessment from the board of AUN-QA assessor, however, does not mean that the university is qualified to become the full member of the AUN. Here, it can be argued that the AUN is the exclusive platform that needs to maintain its exclusivity to remain effective in works and efficient in term of decision making to foster the process of integration.

Thus, the role of AUN here is the driver for integration. It is easy to say that the logic of exclusive membership of AUN is like the exclusive membership of the Security Council - it exists that way to make the world peace sustainable. Yet, in term of education, the network like AUN, which could foster the development of the colleges and universities, need to be more inclusive in term of membership and create more programs that support the inclusion of the higher education in the region.

The effort to create inclusive program might have already taken place within the body of the AUN. The creation of AUN-SEEDNet (AUN-Southeast Asia Engineering Education Network) is an effort of the AUN to create more specified network catering more specific issue about curriculum and other matters that perhaps only become the needs of certain faculty. Nevertheless, other universities that are not capable of entering these exclusive networks (but feel the necessity to have the network for cooperation), have begun to create new association like AsTEN (ASEAN Teacher Education Network). AsTEN proposed to be a leading network of Teacher Education Institutions (TEIs) of ASEAN members and serves as the medium for collaboration in research and academic activities within and across members (AsTen, 2015). The AUN has also capable to undergo the AUN-QA system to many universities across ASEAN, makes the AUN remain solid as the most legitimate institutions of higher education integration in ASEAN, as part of the ASEAN Vision to create ASEAN Community that aimed to build resilient in university student in ASEAN to face the global market of workforce competition.

### ***Thailand Universities: The Pattern***

In Thailand, the current guiding principle for higher education policy is the 20-year national strategy grand framework (Inside Thailand, 2016). It aims to achieve the goals of Thailand 4.0 industrial revolution, which among other is to make Thailand a high-income country based on knowledge-economy,

where the quality of human capital is crucial. Universities, here, are expected to follow the framework and contribute to the achievement of the goals.

University A, ranked as top three in Thailand, has a big vision of internationalization in term of students, lectures and staffs. The three aspects of internationalization of higher education that involved the students, staffs, and lectures are well-preserved by the office of international relations of this university. University A, among other universities in Thailand, has a strategy to make research as its main form of international collaboration with international public, not limited to education and research institute, but also government, international governmental organizations and non-governmental organizations. It appears that it has already successfully implemented the current cooperation within the ASEAN University Network as the regional framework, and bilateral Memorandum of Understanding with the United Kingdom, Norwegian Government and also another particular university across the globe. Besides, the role of government is strong here, since University A is working with Thailand Government's program of Thailand 4.0 under the Prime Minister Prayuth Chan O-Cha and the university is also becoming the spear of glocalization of the higher education in Thailand with the people-center development as the main engine to foster development of Thailand both inward and outward.

Like other non-English speaking countries, language is an enormous issue in Thailand. However, in an era of growing international network with the system of complex interdependence of research and the university as the main actor, these universities need to overcome the barrier. Vocational training for both academic and administration staffs is preeminent not only for the development of their capacity, but also for preparing the regional integration itself. As the university with an exclusive membership of the AUN, University A gains benefit that eases them in getting the regional partner for research and teaching collaboration. As a university with well-known medical school, the university has taken a great effort to remain as decent university along the time, helped by many networks they join in the international level.

Different from University A, University B in Bangkok is the national-public-autonomous university that ranked well in the area of Agriculture and Forestry. This university has strategy to gain as many partner as possible without seeing the university rank as the one that really matters. Not being a member of AUN, thus, they could not gain better exposure for decent university partner. The university is focusing in more university-to-university arrangements under a centralized system within the university where all international affairs of the university are centralized to the main international division office. It has proven well since University B already gained improvement in the number of

international students and also ranks in Agriculture department despite the downward trend of the whole university ranking. They believed that it is due to the rise of the specialized university in Science and Technology such as the King Mongkut University of Technology Thonburi, as well as the demographic problem of the ageing society that consequently create the issue of student-university imbalance proportion. Despite all the issues, University B is committed to always open for wide-range international cooperation as well as improving its specialty in Agriculture and Forestry.

Improving only certain department in a university, however, has its own weakness. Media coverage mostly brings the university rank instead of certain department ranks. In term of networking itself, University B is a university with realistic view that it is hard to get a membership in the AUN. Thus, they are becoming the university with more open arm and receiving as many offers of partnership as they could, and plan to expand their partnership to be vastly developed first. As further steps, they are also open to be a part of universities network. For one example, they are the member of AsTEN, representing Thailand in the association.

Based on the experiences of the selected Thailand universities in this paper, there are possibly two ways that could be identified on how university reacting the face-off in the regional competitive networks of higher education entities. The first is the more selective

approach where university with high reputation leveraging their status to gain more exposure for strategic partners. Second, the more emancipative, open-arm university that believed ranks and exclusive membership does not really matter if you could reach out universities that less-seen by the more advanced and high-rank universities.

### ***Indonesian Universities: The Pattern***

Although international education activity has started long before the existence of Indonesia as a sovereign country, the beginning of internationalization efforts to boost up the competitiveness of Indonesian universities have just started recently (Dewi, 2018). Intense attention towards research and publication activities as well as international partnership and collaboration have only become priorities in the past ten years. In Southeast Asia, despite Indonesia is major player in regional economic affairs, it is not in education.

The capacity of the office of international affairs or international relations in Indonesia is different from one higher education institution to the other. Some are already powerful enough to conduct independent cooperation with other universities. University D as one of the top-tier universities even ever hosted international guests from China that coming from various universities. Some other have already had long-cooperation with universities abroad. University C, for example, has cooperation with Tenri University in Japan and Ajou University,

Korea as well as other institutions that could provide scholarships for the graduates. In some cases of small universities, the activity of international cooperation is not strong enough to make the office of international affairs exercise their function.

As a member of the AUN, University D optimizes the leverage of its membership by joining various AUN meetings such as the AUN Rector Meeting, AUN International Office Meeting, AUN Transfer Meeting, AUN Business, as well as doing community engagement internationally across the region of Southeast Asia. There is a shared belief among many universities in Indonesia that inward-looking vision must dominate the purpose of the internationalization of the university. University D, University C, and University E has the same voice on internationalizing Indonesia to the world. When Indonesia is well-known for its strong political power in the region, the university are trying to vie with the other universities across the region.

Yet, the problem with integration is always about strategic planning of cooperation and partnership with other universities and companies related to research and innovation as the output of the joint-research. University D has many partnerships with engineering companies. The priority to be discussed in the Memorandum of Understanding (MoU) will be about the copyright and patent of the research output and product. This is also the case in greater Southeast Asia as it

is still developing region with various regulative issue of property rights. In the case of the AUN, it has The AUN Intellectual Property Network as the network coordinated by Chulalongkorn University and another member of the AUN to understand the implementation of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights. This case shows the significance of AUN engaging university in the economic deal and to act as the provider of scientific argument on the table (Techakumphu, 2016).

In the case of University E, as also one of the prestigious universities in Indonesia, it earns benefit from AUN membership through its role in the decision making of higher education integration in ASEAN. The university itself has an adaptive principle, in which it believe that regional framework and national regulation shall be adopted by the university in certain way that suited ti the university characteristic. The system of its internationalization is decentralization system. It means University E utilizes the smaller unit within the university to handle the operation of international affairs while maintaining the legal discussion in the international office in university level.

The existence of international unit in each faculty make the system transparent in its implementation and monitoring by the office of international affairs. The decentralization system aimed to find the hidden jewel that may foster the international cooperation of the university

even further. In addition, University E also highlighted that its programs and systems were sometimes emulated by other institutions, yet they are rather optimistic by saying that improvement of partner universities is a good sign of collaboration. It means that they are successful in placing the benchmark on what constitute a good program. Trying to be the norm entrepreneurs seems to be the goal for University E in term of internationalization in national and regional level.

The importance of setting a benchmark as one institution's main aptitude is corresponded to the statement of University F, G and H during the focus group discussion. It demonstrates that one university is leading on that issue. For example, if University E are succesful in setting benchmark for community engagement program across Indonesia, University G, as leading education and pedagogy-based university, is also leading in teaching pedagogy, setting benchmark as one of the earliest universities in ASEAN teaching the arts of pedagogy. University H, as private university, seems to be more proactive and leading in the number of international cooperation they have among the private universities in Bandung. The active role of International Office and full-support -with less-hassle- from the university bureaucracy are making it easier for faculty to gain more opportunity to cooperate with various university across the globe.

*Assessing the Regional Integration: on What Stage are we on?*

### ***Role of the Central Government***

The role of government is vital in facilitating the process of internationalization in ASEAN. The policy of higher education becomes the umbrella of the direction of universities to formulate their vision and missions, also to further exercise their strategies to achieve them.

In the context of international cooperation, Indonesia for example, the Ministry of Research, Technology, and Higher Education has a specialized sub directorate to support university cooperation domestically and internationally (Kemenristekdikti, 2015). Bureau of Cooperation and Public Communication is one of sub-organ right under the General Secretary of Ministry of Research, Technology, and Higher Education of Indonesia that is responsible to handle the cooperation activities of the ministry, between Indonesia (as a state or represented by the university) and another country or universities abroad. The existence of these sub directorate and bureau are important in order to support the Office of International Affairs in each university to be able to compete in the international level.

As for Thailand, the Office of the Higher Education Commission (OHEC) is appointed under the Ministry of Education to promote Thailand's higher education, and to formulize the policy recommendations with international perspectives. The special Bureau of International Cooperation Strategy is also established under the OHEC, with some

tasks are to formulate strategies and implement international cooperation activities on higher education sector (OHEC, 2017).

### ***Role of Networks in Join Research and University Partnership***

Cooperation among universities in the development of education and degree system as well as in in-depth research is important. Research-based universities such as University A, University D, and other universities across the region believe that research network is the most important part for the university development. Gill (2018) believed that the effort in creating functional regionalism in research collaboration is successful when no significant function barrier exists achieve it. It is the sign that theoretically, the existence of AUN and the expansion of university partner and dialogue partner shall excel the programs even further. The AUN is the way to excel the process to gain more decent research partner for the university. Imagine, if one university needs to conduct MoU to each university, they would like to have cooperation and joint research, how many MoU they need to make and keep it sustainable and active each year? More than hundred. The networks like AUN, SEEDNet, and AsTEN are the proper medium and efficient platform for the university in gaining more connections in term of exchange programs for staff, lectures and student as well as getting the university partners in terms of research for short, middle or long-term basis.

University A, B, C, and D admitted that the alumni networks is one of the important benefactors for generating research partner for the universities. University D said that dozens of the joint research emerge from the relations with the alumni in many well-known institutions across the globe. However, University B is rather hesitant in promoting themselves to university partner. Some universities might have seen university rank as big matter. The ranking of university seems to 'indicate' the capability of the university in teaching and research. The ranking also creates the bigger gap in the international network, since good-ranked university many times only wanted to cooperate with universities from their rank, and vice versa. The university ranking seemingly has become counter-intuitive, since it is creating more disparities among universities and makes the cooperation is harder for middle-rank to low-rank university group to get decent research and teaching counterpart.

### ***Roles of University's Offices of International Relations***

Offices of International Affairs or International Relations (OIA) hold a vital role for universities to socialize in the international networks. Some offices of international relations work only for the hospitality purposes, holding the reception of international guest as well as facilitating the MoU without participating in the implementation of the MOU. There are also cases where the offices have the extensive role to the level that the office

controls the whole system of international affairs across the university starting from the planning, signing the legal agreement, implementation as well as evaluation of the program. OIA from highly reputable universities such as University A, University D, and University E, have these extensive roles. Yet some other universities new to internationalization like University C is still trying to build its measurement about the role of the international office. Overlapping roles of the international office with the office of academic and student affairs sometimes become an issue in the university management.

In facing regional integration of higher education, OIA is challenged by the fast development of the networks. Those who could beat the pace will be able to excel in the development of their ranks and status in the region, those who fail, decided to make their own initiatives to adjust their pace. Every action has their own rationales, since the process of regional integration is not a rally to prove which networks are better, but instead working in parallel to create better education of the region.

The AUN, for example, demands the extensive role of the international offices to handle not only the quality assurance system and programs of the AUN that works beyond the level of university agreement, but also the active participation and mobility of the student, and also staffs (both academic and administrative). Facing this face-off, some universities find it hard, but along the

time, some universities like Hasanudin University in Indonesia, University of Economics of Ho Chi Minh in Vietnam, Universiti Teknologi Malaya in Malaysia, and some other universities have been coping up the race by becoming the associate member of the AUN-QA.

### Conclusion

Under certain circumstances, regional integration could entirely benefit the institutions, but sometimes, it also could hamper the development of the actors when they are not ready. Most ASEAN countries believed in the common interest they had on creating the vast community with depth and multidimensional integration as part of the ASEAN Community that gradually integrated ASEAN in every 10-year-phase. The integration of higher education in ASEAN through the ASEAN University Network is believed to be the (un)intended impact of the spill-over of the regional integration. As the result, the AUN has not yet entirely cover the whole level of higher education in ASEAN. Instead, they work in more intensive and exclusive environment, enabling them to effectively take a measurement of their membership as well as ease the process of decision making. The AUN will not always being the exclusive circle that will evolve gradually. The burden of proof is not entirely answered on whether or not AUN could provide equality for all. For now, they are trying to provide the equality in form of AUN-QA to university wish to admit for quality assurance. In the future, the discourse might change.

This paper has been discussing the undergoing research on current dynamics of regionalization process of higher education in ASEAN by analyzing the AUN and specifically taking the case studies from selected Indonesian and Thai universities. Therefore, future assessment by taking different approach that also examines other higher education institutions in other ASEAN member states will be very beneficial for the advancement of the study.

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# The Dynamics of Paradiplomacy Practices in the “Frontier” Areas in Indonesia

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## Abstract

*Paradiplomacy has been commonly conducted by local governments in Indonesia since the collapse of the centralized New Order regime. Decentralization as one of the post New Order political reform demands local government to be more active in managing their own region. The vast opportunity to boost international partner under this new system has paved the way to the practice of paradiplomacy including that in the frontier areas in Indonesia. This qualitative research aims to understand paradiplomacy practices notably in the frontier areas in Indonesia that are characteristically vulnerable to separatism. Using discourse analysis, this research focuses on two important areas in the frontier Indonesia namely, Riau Island and West Kalimantan. This research found that “ceremonial” paradiplomacy has been blatantly practiced amid of the tighten and bureaucratic barrier including obstacles on the budget implementation.*

**Key words:** *paradiplomacy, investment, central government, local government, authority*

## Introduction

Issues in international relations have shifted from the previously dominating high political issues centred on the question of war and peace to bigger proportion of low political issues such as economic cooperation and identity. In this context, a comprehensive strategy is needed to defend national interests.

Effective communication is one of the main factors during negotiations which is often referred to as diplomacy. George Kennan defines diplomacy as “an art and international manifestation in a universal context”. Nicolson clarifies the

definition of diplomacy to include “(a) The internal management of negotiation, (b) The method is adjusted and managed by ambassadors and envoys, (c) The business diplomats, and (d) Skill or address in the conduct of international intercourse and negotiation. Diplomacy is in short could be defined as a way of communication with the selection of words and sentences carried out by various parties including negotiation between acknowledged representatives to achieve state’s interests. Thus, diplomacy is a state effort through a good way of communicating with elected representatives to reach national interests in a peaceful manner (Fathun, 2016, p. 76).

There are three paradigms of diplomacy. Firstly, trans-border paradiplomacy, which refers to institutional, formal and informal relations by different sub-national governments but directly borders geographically. Second, transregional paradiplomacy, which refers to diplomatic relations carried out by different sub-national governments who do not have direct borders, but still located in one region. The third type is global paradiplomacy, which refers to relations by sub-national governments from different regions, from various parts of the world. These three forms of diplomacy are very likely to develop and contribute to the performance of the country's diplomacy as a whole (Damayanti, 2012, p. 2).

However, this only occurs if paradiplomacy is managed properly by the central government. Yet, along with the increasingly blurring boundaries between regional and global issues, domestic and international issues, while international relations is more accessible to sub-state actors, it is not impossible that foreign relation activities by sub-national actors develop toward proto-diplomacy, that is diplomacy by sub-national government that leads to the search for support for separatist activities. (Damayanti, 2012, p. 4).

Since the collapse of Suharto regime in 1998 followed by political transformation in Indonesia, paradiplomacy became a new model for local government to boost economy

through international network. This is because of the drastic changes in Indonesian government notably on the local and central government relations that will be elaborated more in the next section. Further, local government has been given more power and authority to manage assets and resources including in the frontier areas. Riau Island and West Kalimantan are the two critical frontiers areas for Indonesia since both provinces directly have land and sea borders with neighbouring countries. Therefore, this is important to examine how the practice of paradiplomacy in both provinces that geographically attractive for investment and international trade. The situation is also challenging to both provinces amid of the high demand on clean, transparency, and good governance.

The objective of this article is thus 1) to examine paradiplomacy practices in Riau Island and West Kalimantan in general, and 2) to examine the local government response on paradiplomacy vis-à-vis central government and the new regulations in the post-decentralisation amid of the ceremonial and formality cultures inside the local governments.

### **Methodology**

This study is a qualitative research using content analysis. This research attempts to offer analysis based on secondary data from the provided documents such as government reports, press release, media coverage, books and journals. The authors also have worked through specific regulations pertaining

paradiplomacy and local government laws in both provinces such as:

1. Indonesian Law no. 22/1999 on Regional Autonomy.
2. Indonesian Law no. 32/2004 on Local Government.
3. Indonesian Law no. 33/2004 on Fiscal Balance between Local and Central Governments.
4. Indonesian Law no. 23/2014 on Local Government (amended of Indonesian Law no.32/2004).
5. Government Regulation No.46 / 2007 for Batam KPBPB (*Kawasan Perdagangan Bebas dan Pelabuhan Bebas*).
6. Government Law no.47/2007 for Bintan KPBPB.
7. Government Law no.48/2007 for Karimun KPBPB.
8. Indonesia-Malaysia agreement on cross-border trade on 24 August 1970.
9. Indonesia-Malaysia agreement on cross-border activities on 12 May 1984.
10. Indonesian Law no. 10/1995 on Customs.
11. Ministry of Trade Decree no. 36/KP/III/1995 on cross-border trade through cross-border security checkpoint in Entikong (PPLB, *pos pemeriksaan lintas batas*) in West Kalimantan.
12. Ministry of Finance Decree no. 490/KMK 0.5/1996 on management of import, passengers, carrier crew, cross-borders, and shipping.
13. Directorate General of Custom Decree no. KEP-78/BC/1997 on

manual guide for luggage of passengers for carrier crew, cross-borders, and shipping.

Meanwhile, both provinces namely Riau Island and West Kalimantan were selected due to the strategic location of the provinces. Compared to other regions in the frontier areas in Indonesia, Riau Island and West Kalimantan have at least two critical aspects. First, both provinces are strategically important for national security since they have direct land and seas borders. Riau Provinces for instance has direct borders with Singapore, Malaysia, Thailand, and Vietnam as well as with the "hot spot area" of the South China Sea. At the same time, West Kalimantan also has land and sea borders directly with Malaysian state of Sarawak. Second, Riau Island and West Kalimantan are economically located in the most growing economy in the world involving countries namely Singapore, Malaysia and Thailand (Ngoc, 2015; Litsareva, 2017).

### **Paradiplomacy and Ceremonial Paradiplomacy**

Paradiplomacy is the diplomacy conducted by sub-national, regional, or local institutions (not the central government) for their interests. Local government has the opportunity to promote trade, investment, and various potential cooperation with parties that previously dominated by state's jurisdiction. Paradiplomacy that has been commonly implemented by regional governments in Indonesia includes sister city, investment, joint projects, and staff exchange.

The 'paradiplomacy' phenomenon actually emerged in Europe, but currently it has become a common symptom in the midst of transnational interactions of the world community, including in Indonesia. Many autonomous regions or provincial/regency/ municipal governments actively engage in foreign cooperation with foreign parties in the form of 'memorandum of understanding' or other forms of international agreements. The strongest motivation behind the emergence of regional desire to carry out diplomacy activities is economic factors. The aim of the region to carry out the diplomacy in this case is to attract foreign investment, attract multinational companies to its territory, and target new export markets. Its function is solely to compete at the global level, so that it has no political factors at all. Among issues that must be observed in the implementation of this paradigm in Indonesia is whether state regulation has covered this practice comprehensively, how foreign cooperation by the autonomous region be developed to national level, and how the integration gaps can be carefully anticipated (Mukti, 2015, p. 86).

Paradiplomacy must be carefully used as it is different from the other concept known as ceremonial paradiplomacy. According to Tavares (2016), it is related to the paradigm of formalities developed especially among Asian countries with nascent democracy. In this case, ceremonial paradiplomacy is conducted in response to the demands for the implementation of paradiplomacy

promoted by the central government. Thus, various collaborations that have been established are nothing more than ceremonial and formality in order to fulfil performance as a government.

In Indonesia, ceremonial politics has become a common activity in various government agencies. Generally, this is also influenced by the increasingly rampant culture of political formalities after 1998 political reform. Politics of formalities usually carried out as a form of accountability for government programs to the public (Tobirin, 2013). In addition, the public knows the performance of the government even though it is only ceremonial.

### **Paradiplomacy in Indonesian Law**

Historically, before the enactment of Law Number 32/2004, the authority for local government to conduct international cooperation had begun since the enactment of the Law on Regional Government in 1999, better known as *Undang-Undang Otonomi Daerah* (Regional Autonomy Law). In the context of Law No. 22/1999, the authority to enter into foreign cooperation is included in the category of authority that is not obligatory for the regions. Article 88, paragraph (1) declares that "Regions can establish mutually beneficial cooperation with institutions/agencies abroad, which are governed by joint decisions, except those concerning the authority of the Government, as stipulated in Article 7".

In Law No. 32/2004, the authority of the autonomous region to carry out

foreign cooperation is reinforced as provided in article 42 paragraph 1 mentioned that *Dewan Perwakilan Rakyat Daerah* (DPRD or local house) has the duty and authority to give approval to plan for international cooperation carried out by local government. Further, in the context of sister city/province, local government could also make technical cooperation agreements including humanitarian assistance, cooperation in loans/grants, cooperation in capital participation and other cooperation in accordance with the laws and regulations (Mukti, 2013, pp. 3-4).

There have been experiences where bureaucrats in the provincial, regency and city administrations which previously had almost never been in touch with foreign diplomacy between nations experience many difficulties both related to diplomatic skills and practical experience in dealing with foreign parties. This is so as implementing paradiplomacy requires sufficient capacity such as mastery of laws and codes of ethics for relations between nations. Lacking these skills will influence the quality of the product of cooperation with various foreign parties, and thus it is not optimal in pushing the pace of regional development, or perhaps it will be counterproductive as it will only waste regional budget or *Anggaran Pendapatan dan Belanja Daerah* (APBD, local government budget) because officials often travel overseas.

In this context, DPRD's oversight on the implementation of international

cooperation is very important because the emergence of new authority for autonomous regions will automatically have an impact on regional budgeting. This supervision is important not only to prevent the emergence of wasteful regional budgets, but also to keep foreign parties from complying with the agreements (Mukti, 2013, pp. 6-7).

### **Paradiplomacy in Riau Island**

In the context of Riau Islands, the discussion of paradiplomacy is related to what is referred to as free trade and free ports (KPBPB, *Kawasan Perdagangan Bebas dan Pelabuhan Bebas*). KPBPB Batam, Bintan, Karimun is located on an international shipping crossing of the Malacca Strait. This area is directly on the opposite of the neighbouring Singapore and Malaysia (South Johor). Domestically, it is adjacent to the City of Pekanbaru and passed by the PELNI line.

KPBPB Batam, Bintan, Karimun is administratively managed under the Riau Islands Province, together with Batam City, Bintan Regency, Tanjung Pinang City and Karimun Regency. However, not all of these administrative areas are designated as KPBPB. In the national context, KPBPB Batam, Bintan, Karimun (BBK) is one of the National Strategic Areas (KSN) and Special Economic Zone (KEK).

Regarding the development of this region, it was initially emerged from an economic cooperation agreement between the Government of Indonesia and Singapore. The cooperation agreement



was then followed up with the establishment of KPBPB development locations through Government Regulation No.46 / 2007 for Batam KPBPB, PP No.47 / 2007 for Bintan KPBPB and PP No.48 / 2007 for Karimun KPBPB. In its operationalization, Presidential Regulation No. 9, 10, and 11 of 2008 was issued to provide legal institutional framework for KPBPB Batam, Bintan, Karimun Zone Council.

The idea of developing KPBPB BBK as Special Economic Zones was originally modelled after the establishment of special economic zones carried out by China which divide a region into economic, trade and tourism areas. Therefore, in the areas of BBK, the implementation of special economic zones is also divided into several special zones as follows:

1. Special Trade Zone in Lagoi Bintan
2. Special Industrial Zone at the Lobam Batam
3. Special Mining Zone (Special Mining Zone) in Bintan and Karimun. (Indra Pahlawan, 2014, pp. 2-3).

In executing this idea, the Government of Indonesia has cooperated with the Government of Singapore. This cooperation has been formulated in a draft collaboration between Indonesia and Singapore on June 25, 2006. President Susilo Bambang Yudhoyono from Indonesia and Prime Minister Lee Hsien Loong from Singapore witnessed the signing of the economic MoU for the BBK region.

The SEZ agreement itself was signed by Coordinating Minister for Economy - Boediono and Singapore Minister of Trade & Industry - Lim Hing Kiang in Nongsa Point Marina Batam. A Joint Steering Committee was formed to follow up this agreement. The Committee was chaired by Indonesian Coordinating Minister for Economic Affairs Boediono and Singapore's Economy Minister Lim Hing Kiang. The implementation of the special economic zone itself was carried out by a Joint Working Committee chaired by the Indonesian Minister of Trade - Maria Elka Pangestu and Chair of Singapore Economic Development Mr. Lim Siong Guan. Within the deadline of four months, the Committee must have inventoried the problems faced by entrepreneurs from the two countries and the results were reported to Indonesian President and Singapore Prime Minister.

If we look at the investment side up to 2014, the total amount of all investments was US \$ 27.7 billion with the ratio of investment from private sector and from the government amounting to 79.73% compared to 20.27% respectively. However, one of the main objective of the SEZ is to attract foreign investment (FDI). From the development of economic cooperation between Indonesia and Singapore in the formation and development of SEZ in 2009, the effort to attract foreign direct investment (FDI) was not optimal. This is proven from domestic private investment that is greater or more dominant than foreign investment, that is, 52.42% compared to 47.58% respectively. An SEZ development can be said to be

more successful if foreign investment is 79.73% (Arjuna, 2016, p. 7).

In 2016, the realisation of Foreign Investment (PMA) in Batam City amounted to Rp 6.26 trillion (71 Projects), an increase of 46.6% compared to the previous period in 2015 which only reached Rp 4.27 trillion (63 Projects). The realisation of this FDI is generally dominated by transportation and other transportation industry sectors, as well as non-metallic mineral industry and basic chemical industry.

The realisation of Domestic Investment (PMDN) in 2016, however, amounted to Rp 489.5 billion (75 projects), which means a significant increase of 13 times from 2015 of Rp 34.7 billion (77 projects). This increase was contributed by the increase in investment projects in oil and natural gas mining and property projects in Batam City in 2016 (BKPM, 2017).

It was only in 2017 that the trend has changed. According to the Head of Licensing Division of the One-Stop Integrated Investment and Services Agency (BPMPTSP), throughout 2017, the total investment value entering the Bintan Regency, Riau Islands, reached IDR 14 trillion. "A total of 27 foreign investment companies (PMA) have invested as much as USD 921 million or equivalent to IDR 12.3 trillion. Meanwhile, the type of Domestic Investment (PMDN) there were eight companies with investment value reaching Rp1.7 trillion. Foreign investment in this year surpassed the domestic investment.

Among foreign companies investing in this region were Gallant Venture group from Singapore focusing on hospitality and resort tourism, namely PT Gallant Lagoi Phenomenon of USD 20 million, PT Gallant Lagoi Inti USD 18 million, PT Gallant Lagoi Abadi USD 16 million, PT Gallant Lagoi Damai is USD 26 million, and PT Gallant Lagoi Jaya is USD 22 million. Other companies include PT Gallant Lagoi Gemilang, PT Gallant Lagoi Harmoni, PT Gallant Lagoi Elok, PT Lagoi Berjaya, PT Gallant Lagoi Cemerlang, PT Gallant Onbase Resort, and several other foreign companies. Meanwhile, for investments from national companies include Melia Bintan Hotel with investment value as much as IDR 500 billion, and several other companies (Rofik, 2018).

Nevertheless, this study found that even though paradiplomacy has been carried out in the free trade area especially in Batam, Bintan, Karimun, the official MoU between local governments with foreign companies was rare. This is due to the existence of two authoritative agencies namely Batam Indonesia Free Zone Authority (BIFZA, *Badan Pengusahaan Batam*) and Batam City Government.

In addition, there is still lack of trust and integration between both parties - BIFZA and Batam City Government - due to miss-coordination among departments. In the context of paradiplomacy, Riau Island has got some achievements from investment sectors. Nonetheless, ceremonial paradiplomacy

still exists since local government faces difficulties in budget expenditure.

The last mentioned has been particularly becoming a serious debate in the local house of representatives (DPRD) of Riau Island Province following the calculation of foreign visit budget. The local government expressed the disappointment on the policy. According to the house member, "it is better if the budget is used to maximize service performance to the people. For instance, one-way budget reaches Rp 900 million. This is very wasteful and not useful if you just spend only for overseas trip." He added that "hundreds of millions of moneys is also public money which will be more useful if it is used for the people" (Tanjung Pinang Pos, 2011).

The governor of Riau Island also received critics following his plan to visit Germany and the Netherland. His trip was expected to promote free trade zone in Riau Island, yet remain controversial among the people (Tribun Batam, 2012). This is a strong indication, how paradiplomacy still have obstacles especially among local apparatus. The "ceremonial" culture exists including that in Riau Island.

### **Paradiplomacy in West Kalimantan**

Different from paradiplomacy in Riau Province, paradiplomacy in West Kalimantan relates to Mining investment in the region. In 2010-2015, major investment in West Kalimantan was in the field of non-ferrous metal (smelter) and downstream mining industries with a

total of 15 projects consisting of 13 foreign investment projects. Investors in this region are from various countries such as Japan, Singapore, Malaysia, Hong Kong, the People's Republic of China (PRC) and the British Virgin Island (The Tanjungpura Times, 2016).

In 2016, West Kalimantan Province was ranked as the top 10 foreign investment location in Indonesia. It was ranked number 6 with investment value US \$ 1.2 billion, only one below East Kalimantan in number five with US \$ 1.3 billion foreign investments. All foreign investment targets in West Kalimantan in 2015 were well achieved. The biggest foreign investment in West Kalimantan comes from Japan, Singapore, Malaysia, Hong Kong, PRC (Tribun Pontianak, 2016).

The realisation of investment in West Kalimantan during 2017 also achieved impressive results with a value of Rp 19.96 trillion or exceeding the target set by West Kalimantan Provincial Government at Rp 18.61 trillion. This number include foreign direct investment as much as Rp 7.58 trillion and domestic investment as much as Rp 12.38 trillion. In additions, there are 413 additional projects from domestic investment and 838 reports from foreign investment. Of the 413 domestic investment project, food crops and plantation businesses are accounted for 135 project reports with an investment value of Rp.8.83 trillion. Meanwhile, 636 projects from the foreign investment are predominantly dominated by business sectors in food crops, 196 projects in

plantations and 176 project in business fields. The combined value of these investment is Rp.5.59 trillion. Overall, West Kalimantan FDI is the 17th highest compared other regions in Indonesia (Viodeogo, 2018).

Following are some foreign investor companies in West Kalimantan:

**a. PT. Indonesia Chemical Alumina (ICA)**

PT. ICA was established on February 26, 2007 and its ownership is 80% of PT. ANTAM (Persero) Tbk and 20% of Showa Denko KK. Showa Denko KK is a foreign company from Japan that creates excellent individual products through interconnection of non-organic, aluminium and organic chemical technologies (Showa Denko, 2018).

PT. ICA is the pioneer of the Chemical Grade Alumina (CGA) industry in Indonesia and occupies the fifth position in the Asia Pacific region together with Japan, China, Australia and Korea in processing bauxite into CGA. PT ICA is a pioneer in fulfilling the requirements of the Indonesian Mining Law in terms of processing raw materials domestically. It will also be the driver for the development of competitiveness and added value of the alumina-based industry in Indonesia in the future.

The CGA generally refers to chemical products in the form of aluminium hydroxide and alumina which are used for various industrial applications except the aluminium industry. Aluminium hydroxide is a semi-

finished product that can be used for water purification. While alumina can be used to produce electronic supporting components. Some products that use CGA include refractoriness (abrasive materials), abrasive, assembled products, Integrated Circuit (IC), and basic materials for LCD screens (PT. Indonesia Chemical Alumina, 2014).

In the case of PT ICA, the workflow begin with Tayan CGA factory as a foreign factory which produces more than 100 types of alumina hydrates and alumina products. To produce this product, the production process at Tayan will be carried out in a factory architecture based on "Process Bayer" technology owned by Showa Denko, Japan, which has more than 70 years of experience in operating the plant in Yokohama. Alumina processing is specifically done by grinding, mixing, processing, and many others. Products packaged in paper bags, jumbo bags, and bulk bags are stored in warehouses before being sent to the market. Product delivery will be carried out via barges from Tayan Port to Pontianak and continued loading to ships to be delivered to the destination.

PT. ICA in carrying out its production activities always applies the Safety-First principle contained in the Occupational Health Safety (K3) guideline and conducts supervision, monitoring and prevention of environmental impacts. PT. ICA gives high priority to community development programs to help improve the living standards of the surrounding community through several program

areas such as Improving the Quality of Public Health and the Environment, Education, Economic Empowerment, Socio-Culture, and Strengthening Community & Government Institutional Capacity. For PT. ICA, this program is an inseparable part in realizing the success of the company (Pontianak Post, 2016).

**b. PT. Well Harvest Winning Alumina Refinery (WHW AR)**

PT. WHW AR is a processing and refining company of bauxite into alumina that produces high-quality Smelter Grade Alumina (SGA) with levels > 98.6% in Kendawangan District, Ketapang Regency, West Kalimantan. WHW AR is the largest refining and processing company in Southeast Asia and Indonesia that will serve the needs of SGA in the domestic (Indonesian) market, China, India and the Middle East. PT WHW AR is a local and Chinese investment joint venture. Local investors by PT Cita Mineral Investindo Tbk (CITA) hold the 25% stake and the remainder is by China Hongqiao Limited Group (60%), Winning Investment (HK) Company Limited (10%), and PT Danpac Resources Kalbar (5%) (Pontianak Post, 2016).

PT. WHW AR was established in 2012 and completed processing of plants and refining bauxite into phase I alumina with a production capacity of 1 million tons on May 21, 2016. The establishment of PT. WHW AR is intended to respond to the enactment of Law No. 4 of 2009 concerning minerals and coal and the Minister of Energy and Mineral Resources No. 7 of 2012. The two regulations

encourage programs to increase the added value of mining products and the obligation to process and purify minerals within the country. The investment value of the construction of this plant is US\$ 1 billion (around Rp 9.8 trillion) with a production capacity of 2 million tons of alumina per year. The realisation of the investment value was divided into two stages, namely in 2013 until the plant is established in 2015 with a capacity of 1 million tons of alumina. The other half is in 2016, when the factory has been operating for one year (PT. WHW AR, 2017).

In its investment activity, PT. WHW AR has cooperated with West Kalimantan provincial government. PT. WHW AR, for example, has helped accelerating regional economic growth which contributed to the opening of employment opportunities for local communities and thus, reduce unemployment and poverty.

In addition, the cooperation dictates that both parties can work together in maintaining the security of the West Kalimantan region, especially in Kendawangan, Ketapang district and in increasing the development of border areas and infrastructure facilities (West Kalimantan Provincial Government, 2016). In the pre-reconstruction period, there were 125 workers who joined the management training program in China, specifically for learning about technology (Tribun Ketapang, 2017). Other cooperation carried out by PT. WHW AR with the government is in the national

aluminium industry sector. PT WHW AR is a bauxite processing plant and is becoming the first alumina company in Indonesia and Southeast Asia.

**c. *Jembatan Pak Kasih Tayan***

Pak Kasih Tayan Bridge is the southern axis that connects between West Kalimantan and Central Kalimantan. This river crosses over the Kapuas River, Sanggau Regency and is the longest bridge in Kalimantan and number two in Indonesia. The tomb of the Pak Tayan pack has an overall length of 1,440 meters and a width of 11 meters. The bridge was built in 2011 and finished in February 2016 and was inaugurated by President Joko Widodo on March 22, 2016. The Pak Kasih Tayan Bridge Project spent a total cost of Rp 1.038 trillion with Chinese loans of 90% and State Budget 10 %. This bridge was built in collaboration with the Chinese government (Road and Bridge Corporation) and PT. Wijaya Karta Tbk, Indonesia (Tribun Ketapang, 2017).

Behind its main function as a connecting hub for Kalimantan (West Kalimantan, Central Kalimantan and East Kalimantan and South Kalimantan) which is cut off by the Kapuas River in Tayan Hilir, the Pak Kasih Tayan Bridge will also become a new tourist attraction for Sanggau Regency, West Kalimantan. In addition, the ornaments and panoramas of the Kapuas river are attractive for tourists. The Pak Kasih Tayan Bridge is also the longest bridge in Kalimantan. The bridge has two main spans, the first is 430 meters long and the second is 1,330 meters and is 112 km from Pontianak, the provincial

capital of West Kalimantan (Detiktravel.com, 2016).

**d. PT Wilmar International Limited**

Wilmar international limited was founded in 1991 and headquartered in Singapore. PT. Wilmar International Limited is a leading agribusiness company in Asia. Wilmar is ranked among the largest companies listed based on market capitalization on the Singapore stock exchange. Wilmar's business activities include palm plantations, oil seed extraction, vegetable oil refining, sugar milling and refining, consumer product manufacturing, oleo chemical specialty fats, biodiesel and fertilizers and flour and rice mills. The core of Wilmar's strategy is an integrated agribusiness model that covers the entire value chain of agricultural commodity businesses, starting from the cultivation, processing, manufacturing, to selling various kinds of agricultural products. Wilmar has more than 500 factories and extensive distribution networks such as China, India, Indonesia and around 40 other countries. PT. Wilmar International Limited has a multinational workforce of around 90,000 people (PT. Wilmar International Limited, 2018).

In West Kalimantan there are seven foreign investments that invest their capital in oil palm plantations, while domestic investment has only six companies. The area of oil palm plantations in West Kalimantan as of October 2009 was 499,548 hectares, still far from the target of 1.5 million heirs. While data from Sawit Watch a local NGO

mentioned of 50 of oil palm plantation companies or 7.8 million hectares is foreign-owned property. Among them are entrepreneurs from Malaysia, Singapore, US, UK, and Belgium. This occurred due to “political game” at the local decision-making level concerning to business permission. Overall, oil palm plantations are controlled by 30 groups and around 700 subsidiaries. In just five years from 1999 to 2004 the rate of planting of oil palm plantations reached 400 thousand hectares per year. Director general of plantations, Ministry of Industry of Indonesia, Achmad Manggabarani said Indonesia remained focused on efforts to achieve the target of producing 40 million tons of crude palm oil (CPO) by 2020 (Ministry of Industry, 2016).

### **Foreign Cooperation of West Kalimantan**

#### **a. Socio-economic cooperation on Socio Economic between West Kalimantan-Sarawak State**

The Malaysia-Indonesia (Malindo) Socio-Economic Cooperation between Government of West Kalimantan and Sarawak's Domestic Affairs has actually been established for a long time. The forms of cooperation based on the result of the meeting are:

- 1) Strengthening HR capacity at the border
- 2) Increased access and security
- 3) Building interconnection and inter-institutional operability
- 4) Strengthening border HDI

- 5) Building a pattern of border management and land and maritime borders
- 6) Environmental management and border SDA

Source: (Arindapraja, 2015).

#### **The committee's tasks are as follows:**

1. To determine socio-economic development projects.
2. To supervise the implementation of socio-economic development and border areas.
3. To carry out information exchange regarding socio-economic development in the joint border region.

Source: (Arindapraja, 2015).

#### **b. Cooperation on Interconnected-Electricity between West Kalimantan-Sarawak State**

Electricity interconnection cooperation projects between State of Sarawak and West Kalimantan have completed. The 275kV transmissions between the two regions on the Indonesia-Malaysia border have even been synchronized since January 20, 2016 (Secretariat of Riau Province, 2017). The development of the US \$ 118 billion project was also discussed in a bilateral meeting between the Minister of Energy and Mineral Resources Dr. Sudirman Said and Malaysian Minister of Energy, Green and Water Technology (TTHA), Datuk Seri Dr. Maximus Ongkili, in Kuala Lumpur on January 2016.

Based on the electricity cooperation under the ASEAN Power

Grid, the Indonesian National Electricity Company (PLN) will import 50 MW of electricity after the peak load time (LWBP) and a maximum of 230 MW during peak load time (WBP) with free of charge. Furthermore, this electricity exchange will be carried out according to the commercial scheme. This cooperation is still within the framework of the ASEAN Power Grid, specifically the joint project of the PLN and SESCO Malaysia to connect seabed cables between Riau and Malaka. Another collaborative project that is still ongoing is the Sabah-North Kalimantan project (Harefa & Badaruddin, 2016; Sinambela, 2017).

This cooperation also refers to the agreement in Power Exchange Agreement (PEA) in which PLN Indonesia and SESCO Malaysia agreed to buy and sell (export-import) electricity for 25 years. In addition, in this PEA agreement, PLN builds a 275 kV extra high voltage transmission (EHVT) and 2 82 km circuits from extra high voltage sub-station of Bengkayang to the border in Serikin, in State of Sarawak, so that the total length of (EHVT) is 127 km. At that time, the West Kalimantan system suffered an electricity deficit of 30 MW with a capable power of 240 MW. Electricity imports from Malaysia are part of the business of West Kalimantan in the context of overcoming blackouts that have long occurred in the West Kalimantan region, especially in the equatorial system in the last two years. In addition, PLN of West Kalimantan is expected to export electricity to Sarawak, Malaysia through the same EHVT network. This electricity import will

potentially savings more than 3.5 billion per day. It will also improve cost of production from the previous Rp2,700 / kWh to Rp1,700 / kWh (Koran Sindo, 2016).

### **c. Cooperation on Tourism between West Kalimantan-Sarawak State**

One of the results of the 28th pre-panel session of the Malaysia-Indonesia (Malindo) Socio-Economic Cooperation between Government of West Kalimantan and Sarawak's Domestic Affairs is the tourism and cultural cooperation. There are a number of issues under discussion such as the "Joint Tourism Development and Promotion", "Joint Notice Board", "Joint Exit Survey", and Tourism/Tourism Activities Notice. In addition, cooperation in ecotourism, museums, culture and arts, history and cultural values, and cooperation in antiques/cultural heritage objects are also elaborated. Both parties agreed to design joint tour packages and tourism information exchange, and to publish standard operating procedures of tourism transport vehicles across national borders (Antara Kalbar, 2012).

Furthermore, for the joint exit survey, it was agreed to be continued on Entikong and Tebedu borders and only involved custom, immigration, quarantine, and security (CIQS) where the results of the survey would be exchanged between the two countries. West Kalimantan and Sarawak also agreed that each city/district in the two regions would notify all invitations related to culture and tourism events. Particularly for eco-tourism cooperation, one of the points



agreed is the cooperation of the regions concerning Batang Ai National Park in Sarawak, Betung Kerihun National Park in West Kalimantan, and Danau Sentarum National Park.

#### **d. Cooperation on Business Sector between West Kalimantan- Sarawak State**

The business forum was held at Mega Mall Ayani Pontianak, April 2018 in order to strengthen business relations between Sarawak and West Kalimantan. This is the second time of business forum held in Pontianak between the two parties. The first event was held in 2011, where it had been seven years of collaboration. This exhibition is a follow-up of the memorandum of understanding between Sarawak Business Federation (SBF) and Indonesian Chamber of Commerce and Industry (KADIN) in September 2017 (Kilas Kalbar, 2018).

The business mission is to open opportunities for the private sector to be promoted in both countries, Malaysia and Indonesia. In addition to the business sector, SBF also exhibits a service sector specifically related to health services. Cooperation between Sarawak-West Kalimantan manifests in both parties introducing each superior product in exploring the potential of the two regions. This SBF and Kadin collaboration also addresses the challenges of doing business.

The obstacles faced by entrepreneurs will then be conveyed to the government of both parties. Among

West Kalimantan products that have been marketed to neighboring countries are processed foods. In addition, product skills such as weaving are also promoted (Kilas Kalbar, 2018).

Based on above explanation, West Kalimantan have received huge foreign investments and have collaborated intensively with the closest neighbour State of Sarawak, Malaysia. West Kalimantan have attracted many foreign investments in various sectors especially on energy. While cooperation with State of Sarawak was seen more deeper than expectation. Nevertheless, there still some issues pertaining "controversial overseas trips" among local government apparatus. Like in Riau Island, local apparatus also under strong criticism due to overseas trip for "budget cleaning" ahead of end of year budget. For instance, Deputy local house in West Kalimantan said that:-

*"Kita sudah mendengar selentingan dari masyarakat, mereka bertanya-tanya kenapa disaat anggaran defisit, masih saja mau melaksanakan perjalanan dinas ke luar negeri. Seolah-olah mau jalan-jalan saja [We have heard rumors from the public, they wonder why when the budget deficit, they still want to carry out official trips abroad. Their trip is just for fun]. (Netizen Media, 2018).*

This also a strong indication that even in the region which statistically high reputation on paradiplomacy, still have problems with ceremonial paradiplomacy. Public still questioning about the local government apparatus attitudes that tend

to spend a lot of money for overseas trip amid of local financial difficulties.

### Conclusion

Paradiplomacy in the frontier areas in Indonesia especially in Riau Island and West Kalimantan has been relatively successful. This can be investigated in the investment achievement of the two regions. In addition, the stakeholders are also varied among local government apparatus, businessman, MNCs, and individuals. Yet, most of the cooperation were conducted by local elites. In contrast to this, people's empowerment is still left behind. The high number of foreign investments in both provinces has significantly influenced the local economic developments. Nevertheless, there was a serious challenge among local apparatus. The "ceremonial paradiplomacy" is still intensively practiced and is usually implemented through "overseas visit" which led to the rise of public controversy.

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# The Unbreakable Relations between Indonesia-Vietnam Under “Sink the Vessels” Policy: A Complex Systems Approach

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## Abstract

*The vibrant bilateral relations between Indonesia-Vietnam has been tested by the “Sink the Vessels policy”, a robust measure executed by Indonesia to tackle rampant illegal fishing that encroach Indonesian waters. The policy has caused in the demolition of, among else, Vietnamese fishing vessels; and has also led to near-clash and incidents at sea. Nevertheless, both countries bilateral relations were far from hostile condition, and uphold their neighbourly relations to manage the illegal fishing problem. How could Indonesia’s foreign policy action not further exacerbate Indonesia-Vietnam relations post “Sink the Vessels” policy? To tackle our question, this article probes to describe the complex systems underlying the relations between Indonesia and Vietnam during the rising tension. We argue that the complex systems encapsulated Indonesia – Vietnam relations post “Sink the Vessels” policy consist of symbol system, interest system, and role system that maintain their friendly bilateral relations, even in the turbulent ocean. This article exposes that Indonesia-Vietnam responds to tackle the problem stems primarily from the linkage between the three systems to escape the security dilemma.*

Key words: Indonesia, Vietnam, illegal fishing, sink the vessels, complex systems

## Introduction

Since 2010, the improved bilateral relations between Indonesia and Vietnam have brought significant proximity of the two nations. In 2013, the adjacency between the two nations reached its peak due to a strategic partnership between Indonesia and Vietnam was being commenced. The Strengthening cooperation between them makes Vietnam as the only strategic partner of Indonesia in Southeast Asia (Anjaiah, 2011).

However, this optimistic trajectory has been tested by a tough measure exercised by Indonesia's President Joko Widodo in encountering rampant illegal fishing in Indonesian waters. The policy has resulted in the demolition of, among else, Vietnamese fishing vessels; and has also led to near-clash and incidents in the maritime domain.

After Joko Widodo came into office on 2014; Indonesia astonished the world by Joko Widodo’s administration firm

policy to detonate domestic and foreign fishing vessels caught stealing fish in Indonesian waters. The policy known as "Sink the Vessels" (STV), commanded by the Minister of Marine Affairs and Fisheries "Susi Pudjiastuti", one of Indonesia's ministerial rank that is infamous of her dedication for delivering her duties to protect Indonesia's marine resources. By far, public in Indonesia regarded the STV policy as a symbol of Indonesian government considerable measure to pursue "Global Maritime Axis" agenda by President Joko Widodo. This agenda demands the ability of Indonesia to secure its maritime security and national sovereignty for the sake of the future Indonesian prosperity. Some says that this policy originated from Joko Widodo's utmost admiration toward Indonesia's vast territorial waters and the long-standing 'archipelagic outlook'. Rather than valuing Indonesian archipelago as a natural disadvantage, President Widodo regards the waters for its economic potential and as national strength (Gindarsah & Priamarizki, 2015, p.15). Indonesian governance acknowledges the policy as highly important.

Post to STV Policy, the mass media keep broadcasting the amount of Vietnam vessels seized by Indonesian Patrol Ship in Natuna Waters (Al Birra, 2017). From the geopolitical approach, obviously the involvement of South China Sea claimant states is inevitable on this issue (for instance Vietnam, in our case, as a claimant state over the South China Sea territorial dispute whose fishermen have

been heavily be caught doing illegal fishing activities). Thus, it is predictable that the detonation of foreign fishing vessels policy triggered protests from neighbouring countries, especially from whose fishing vessels seized and detonated by Indonesian government. Nevertheless, Indonesia has consistently and firmly stood to their STV policy and unwilling to reconsider its unilateral movement, even in the midst of opposition by neighbouring states (Deny, 2018).

Interestingly, so far, Vietnam's toughest response to Indonesia's national policy is in the form of reminder that such unilateral action violates the 2003-2004 Continental Bilateral Agreement between Indonesia-Vietnam which is still in the process of delimiting its authority. Other than those steps, Vietnam also sent diplomatic note to Indonesia to maintain good bilateral relations between the two countries, by prioritizing the principle of cooperation and understanding by stating that Indonesia must "(pay) attention to the strategic partnership of the two nations" in dealing with Vietnamese fishermen" (Parameswaran, 2015).

Departing from the above mentioned context, authors questioned how Indonesia's foreign policy action did not further aggravated Indonesia-Vietnam relations post "Sink the Vessels" policy? This article probes to describe the complex systems that enchain Indonesia and Vietnam behaviour during the rising tension. We argue that complex systems approach as a conceptual tool offers a

noteworthy insight to understand this case, especially to captured holistically, Indonesia – Vietnam relations post “Sink the Vessels” policy. Using this approach, we draw the interaction between symbol system, interest system, and role system that encapsulated the unbreakable relations between Indonesia-Vietnam, even in the turbulence ocean. This article found that the response of Indonesia and Vietnam in tackling the problem stems primarily from the linkage between the three systems that helps escape the security dilemma. Using qualitative research methods and in-depth interview with some primary sources, this paper conducted in-depth study to thoroughly uncover Indonesia-Vietnam relations post STV policy.

### **Theoretical Framework: Foreign Policy Action and Complex Systems Approach**

According to Vinsensio Dugis, foreign policy is traditionally understood as authoritative action taken or is officially decided by governments both to maintain the desirable aspects of the international environment and to change its undesirable aspects. Therefore, in its basic understanding, foreign policy encompasses of statements and actions taken by state subjects to its relations with other external actors, states or non-state actors (Dugis, 2008). Then, in order to analyse foreign policy, there are three main features of foreign policy: sources of foreign policy, the process of producing the sources become policy, and actions taken to implement it (Dugis, 2008).

By this explanation, we could agree upon three different trajectories to distinguish the three main features of foreign policy. Theoretical instrument for analysing foreign policy can be divided into three groups; systemic theories, societal theories, and state-centric theories (Barkdull & Harris, 2002, pp.63-90). According to Dugis (2008), the first stream denotes to scholars that eager to scrutinise and elaborate foreign policy by questioning about how the international system implicates the conduct of foreign policy between actors in international relations. In our words, to tackle the dynamic of external environment within international system, states adjust their existence through foreign policy as a strategic instrument. The second group advocates foreign policy by emphasizing the importance of domestic aspects, especially the combination of domestic politics and the culture of a particular country. These theories stress on the spirit to dismantle the “black box” of state as unitary actor and highlight the importance of domestic political factors over foreign policy. The third group is theories that chase the answers to questions regarding foreign policy within the structure of the state, and this also includes the individuals who transmit and implement foreign policies on behalf of their country. In other words, individuals and their occupying institutions are seen as instrumental in analysing foreign policy. Our theoretical framework supported the first group among those three theories of foreign policy. Whereby, we aim for systematic explanation regarding Indonesia-Vietnam foreign policy action



to tackle the dynamic of external environment within international system, especially to manage the rising tension cause by illegal fishing activity. Therefore, we utilize complex systems approach to draw systematic explanation regarding those two countries bilateral relations during the rising tension.

The complex system as a terminology used in this paper exhibits the concatenation of interconnected and interdependent parts between actors in international system. According to Rusadi Kantaprawira (1987), 'the system can be defined as a unit which is formed of several elements, or components, or part of each other are in a latch-hook attachment and functional. Each is cohesive with one another. It means the aggregate of the unit maintained intact its existence. The system can be construed also as something higher than just a means, procedures, plans, schemes, or method. Furthermore, the system is a mechanism patterned manner and consistent, even the mechanism is often automatic'. It means that the system is everywhere around us, the world is the shed of systems.

According to Kazuko Hirose Kawaguchi (2003), a complex system can be understood as a set of systems; In other words, the most important features of the complex systems are interconnectedness and the emergence, i.e. the fact that the whole cannot be reduced to the sum of the components (Cîndea, 2006). However, the most important thing is not to decompose a complex system into lower level

complexities, or to increase the level on a scale of increasing complex, instead, we should look at the logic of the interaction and the manner in which it reaches the emergence of the phenomena. In complex systems, from the living cell to the global social system, we can essentially identify infinity of levels of the organization (Kusumawardhana, 2017). Departing from this vantage point, we define complex system as a collective of two or more simple systems.

Based on our conceptual understanding, in any action and interaction within international system, actors stand as an important and dynamic unit in our realm of thought. Within a larger social unit (for instance, an actor within a family, society, nation, or a collection of nations or the international community as a whole in the case of international relations), we could conceptualized an actor as a complex entity, especially if the actor has expectations and principles of action are implicated by various restraints, and when, that actor contributes in the growth, maintenance, and development of that larger social unit while making its own view thereof, mediated by symbols of various kinds (Kawaguchi, 2003, p. 45). Realities that bind the human world, however, encompasses many systems in each of which a diverse action principle operates. This is how, actors in our view, situated in myriad uncertainty and ambiguity within international system as a larger social unit that constrain their existence.

Therefore, making a social phenomenon into parsimony theoretical hypotheses, is not a trivial matter, but requires careful intellectual work to deal with all its complexity, uncertainty, and diversity intact. In this context, the best that one can do is to draw the simplest possible ideal type that represent the essential characteristic of that complex phenomenon. To embrace this possibility, Kawaguchi (2003) depicted some guidance regarding this ideal type by explaining that actors' types of behaviour can be construed into three different and independent types of behaviour, each of this type can be exercised as analytical concept or in his terminology "ideal types". Departing from the enormously complex array of definite behaviour that takes place in the world; he illustrated the three types of behaviour are interest-oriented behaviour, role-expected behaviour, and symbol-oriented behaviour, and the three types of systems that correspond thereto are *interest systems*, *role systems*, and *symbol systems*, respectively (Kawaguchi, 2003, p. 46).

Moreover, Kawaguchi elaborates his theoretical framework into three clear definition as follows; *interest-oriented behaviour* signifies the logic of an individual actor, while *role-expected behaviour* is the behaviour likely of an individual actor according to the logic of the whole within which he or she is situated (Kawaguchi, 2003, p. 46). Furthermore, *symbol-oriented behaviour* is behaviour whose frame of reference is a symbol system. Wherever, symbol systems exist self-sufficiently of reality

(matter and energy); furthermore, if this independent system interacting in intense dialogue with reality- a dialogue that involves of recurrent interactions with it- these systems develop ordered relations among themselves that can be stated as laws (Kawaguchi, 2003, p.48).

The study toward this certain symbols within these systems has often been done in social sciences, commonly focus on analysing shared knowledge among members of certain society, especially to understand the impact of this shared knowledge toward decisions and actions of those members, and how those constitutive aspect contribute to the preservation and control of social structures or social order (such symbols include laws, norms, traditions, ideologies, and ideals such as democracy or human rights). Additionally, the bodies of knowledge equipped by social, cultural, and natural sciences are themselves among the symbol systems that can be studied by social scientists (Kawaguchi, 2003, p.49). To summarize these three aspects, in our explanation - state to state interactions determined by interest-oriented behaviour, constrain by *role-expected behaviour*, and influenced by *symbol-oriented behaviour*.

The first system, "Interest", plays an important role that dictates state behaviour in the international system. In other words, state behaviour in international system tends to come from the most basic behaviour that is which promotes the continued existence of the actor. Whereby, if we agree upon the

survival of an actor as an important interest among the member of international system, and regard behaviour that obliges to promote one's own survival as interest-oriented behaviour. In the case of a nation, let us call such behaviour national-interest oriented behaviour (Kawaguchi, 2003, p.51). Moreover, a certain actor's interests originate internally from that actor and that they abide in isolation from the whole in which that actor is situated (if the actor is a nation, it refers to the international community) (Kawaguchi, 2003).

Meanwhile, the role system is based on the existence of a goal that must be attained if the system itself is to remain in existence (Kawaguchi, 2003, p.59). Whereby a system's goal is accomplished through a synchronised division of labour, known as role differentiation, among the members of the system (the actors or parts). The share of labour expected of an individual member is known as a role expectation, and behaviour grounded solely on a role expectation can be understood as role-expected behaviour (Kawaguchi, 2003, p.59).

The third system was symbol system. The concepts of an interest system and a role system can be understood as specific abstractions from certain features of social phenomena or interactions between actors internationally that can be elucidated by, correspondingly, both at the level of individual logic and the logic of the whole. This third category of system can be recognised though a careful study toward the same social phenomena or

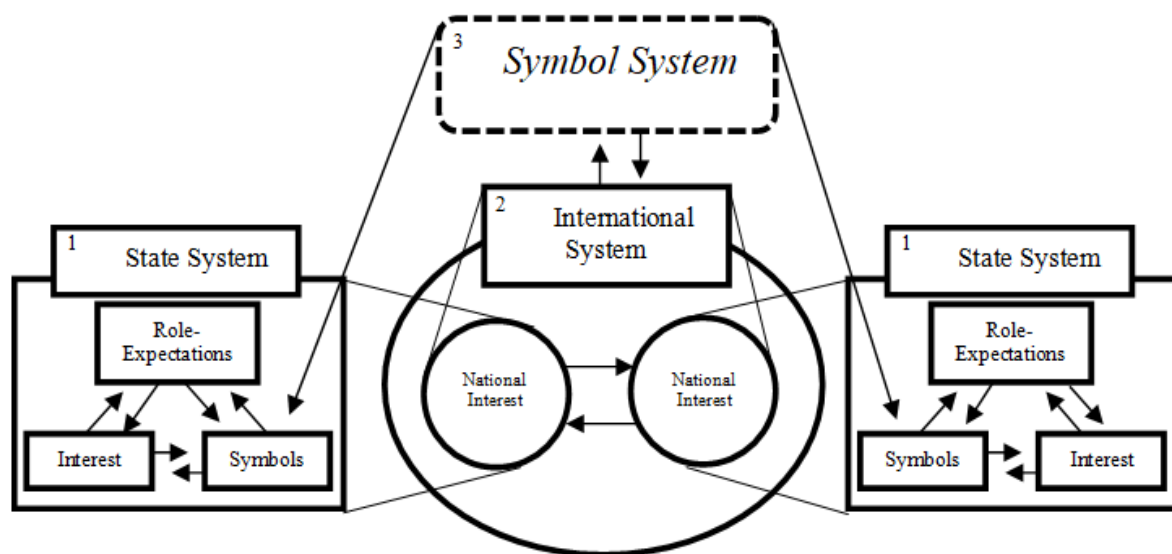
international relations among actors: a symbol system, that is, a special case of a system of signs that embody and carry those aspects of social phenomena or international relations that Kawaguchi (2003) mention as the 'realities' thereof (or aspects of 'matter and energy'). Among states, according to our understanding, common or general interests are shaped by a similar process that produce a certain meaning through symbols. Example of this can be seen when international community was discussing about the international regime to manage resources on ocean floor or the sea-bed and in the subsoil thereof (In the context of development or exploitation and exploration) at the Third United Nations Conference on the Law of the Sea (Treves, 1982). In our opinion, the interests and positions of any nations featured by these specific maritime features progressively converged in one trajectory and those of the 'have-not' nations gradually converged in another, while repetitively attract conflictual relations among them.

Based on the above mentioned conceptual discussion, we draw complex system analytical framework to analyse Indonesia-Vietnam relations post "Sink the Vessels" policy (Figure.1). Our framework consists of three level of systems analysis, namely State System, International System, and Symbol System. The linkage of those three systems captured the interaction between states in international system, particularly in our case, Indonesia-Vietnam relations to tackle illegal fishing problem that tested their bilateral relations lately. In the remaining

sections of this paper, we will examine both state system of Indonesia and Vietnam based on interest system, role-expectation system, and symbol system. Thereafter, we draw some explanation about the linkage between Indonesia-Vietnam national interest with the

international system as a larger system in the social structure that encapsulated their existence. At the last analysis, we scrutinize the influence of symbol system during the rising tension between Indonesia-Vietnam in this issue.

**Figure.1 Complex Systems Analytical Framework**



### **State System: Interest, Role Expectation, and Symbol in a Turbulence Ocean**

In this section, we will analyse *Interest*, *Role Expectation*, and *Symbol* as the foundation of state system, both Indonesia and Vietnam. By elaborating each part of the three system within state, we hope for gaining comprehensive understanding about the nature of actor in the rising tension at play within the larger system.

#### **On Indonesia: *Wawasan Nusantara*, Nationalistic Ideology, and Global Maritime Axis**

According to Kawaguchi (2003, p.52), in order to come with a clear understanding about how national

interests evolve by the dynamic of international system, we must perceive the nation itself as a system and to enquire the explicit or implicit objective has been established to uphold that system's existence. Furthermore, he emphasized that the key to grasp comprehensive understanding toward conflict resolution among actors lies on the processes by which conflict is resolved among conflicting interests of the individuals and interest groups that make up a nation must be measured carefully, in conjunction with the nature of the overall national interests that arise as a consequence of those processes and that are asserted in relation to the external world. Consequently, this would

encourage our efforts to scrutinise the structure within the black box of nation-state as a system, in the context of its foreign policy.

Friedrich Ratzel believed that the state is a geographical organism. Understanding Indonesia from this point of view, we can denote, the archipelago geographically has acted as an important aspect that influenced the history of Indonesia. In fact, until now, it is the largest archipelagic state in the world. Its gigantic size is salience by the geostrategic location for the Asia Pacific region both geopolitically or geoeconomically, which controls four of out of the seven major maritime chokepoints in the world (Habir et al, 2013). In addition, the rich natural resources be inherent in within the archipelago, including oil and gas, intensifies the strategic importance of Indonesia. Despite geographical advantages, there is a paradox due to the size of the country and its resources also brings insecurities in Indonesian policy makers as they struggle to ward off external threats and to manage internal security threats to the unity of the country (Laksmiana, 2011). According to Ahmad Derry Habir *et al* (2013), this outlook has been influenced by a history of the archipelago that highlighted – with few exemptions such as the precolonial kingdoms of Sriwijaya and Majapahit – geographically limited land-based powers.

After Indonesia claims its independence from colonial power, they delineated its territorial sovereignty based

on the Netherlands 1939 Ordinance on Territorial Waters and Maritime Zones, which had divided the archipelago into several areas. These territorial divisions and the three-mile extent of its territorial sovereignty were later apprehended as the source of Indonesia's vulnerability to foreign maritime infringement in the archipelago. Consequently, the vastness of the archipelagic boundaries at that time presented a real challenge for Indonesia, some of which, related to the increase of smuggling and growing regional unrest. In December 1957, to tackle the urgency of this concerns then Prime Minister Juanda Kartawidjaja deprived the 1939 Ordinance and declared Indonesia an 'archipelagic state'. The archipelagic state referred to a belt of baselines (islands and water between islands) that contained the territory of the Indonesian modern state. Thereafter, when President Suharto's New Order came to power, they formulated the Archipelagic Outlook or *Wawasan Nusantara* in 1966, based on the Juanda Declaration.

With the official commitment to the *Wawasan Nusantara* concept, the New Order government engaged on diplomatic campaign for the recognition of the Archipelagic State concept in the United Nations Conference on the Law of the Sea and various international forums. Eventually, the two decades of Indonesian diplomacy's efforts led to the concept of archipelagic state was adopted in 1982 by the third United Nations Convention on the Law of the Sea (UNCLOS III). Indonesia ratified the UNCLOS in 1985 through Law No. 17/1985 (Habir *et al*,

2013). Moreover, to spread the concept of the archipelagic state throughout the country, citizenship and national resilience education became the most important agenda of the new order regime. Regardless of these domestic and international developments, the *Wawasan Nusantara* has been principally inward-looking instead of outward-looking in spirit, it appears from the tendency to emphasize continuously on Indonesia's strategic geographical location, a distrust towards potentially exploitive external powers wishing to take advantage of the location and Indonesian resources, and a concern for national unity in the face of separatist threats.

After the emergence of Post-New order democratic system, President Yudhoyono navigated Indonesia's foreign policy to an active and outward orientation grounded on democratic and idealistic values. In May 2005, during his first foreign policy speech, shortly after he was elected president, he defined Indonesian nationalism as 'a brand of nationalism that is open, confident, moderate, tolerant, and outward looking' (Yudhoyono, 2005). Moreover, frequently the president highlighted the same themes, emphasising tolerance as an important component of freedom and democracy. For example, when he opened the 2011 Bali Democracy Forum, he stated, 'we believe that freedom must be coupled with tolerance and rule of law, for without them freedom leads to unbridled hatred and anarchy' (Habir *et al*, 2013). The shifted trajectory of Indonesian foreign policy from inward-looking to more open

and outward-looking, multilateral-oriented, and grounded to norms within international law during President Yudhoyono leadership, in some extent overshadowed the discourse about *Wawasan Nusantara*. Arguably, in the practice of these foreign policy, the traditionally independent and active foreign policy of Indonesia – as formulated by the first Indonesian Vice President Mohammad Hatta – has been adapted to the present globalisation period. Whereby, the core interest of Indonesian foreign policy, at that period, was perceived as reinforced Indonesia's image as independence and activism as a peace maker, confidence builder, problem solver, and bridge builder (Rosyidin & Tri Andika, 2017).

However, Indonesia's foreign policy after the election of Joko Widodo (Jokowi) shows a different trajectory. Unlike his predecessor, Susilo Bambang Yudhoyono, Jokowi has seemed less ambitious in bringing Indonesia onto the world stage (Rosyidin, 2017). Based on Jokowi's vantage point, Indonesia is a "regional power with selective global engagement" (Widodo and Kalla, 2014, p.13). Following a mantra of 'pro-people diplomacy', Jokowi desires to transform Indonesia's foreign policy into an action that can contribute directly to the interests of the people. This involves a foreign policy orientation that leans towards the domestic rather than the international (Rosyidin, 2017).

The most salient example of Jokowi's aggression is his policy of

sinking illegal fishing boats. In 2014, Interior Minister Tjahyo Kumolo asserted that the government should take aggressive decisions on behalf of the dignity and honour of the country, defending its territorial sovereignty and protecting natural resources (CNN Indonesia, 2014). To support this commitment, Indonesia strengthened STV policy by creating special task force to Eradicate Illegal Fishing namely SATGAS 115, which was endorsed by President Joko Widodo through Presidential Decree No. 115 in 2015 (Marta, 2017). In other words, SATGAS 115 signifies Indonesia's commitment to defend its sovereignty through reinforcing law enforcement capacity by initiating a one-roof enforcement system, which consists of elements of the Indonesian Navy, National Police, BAKAMLA, and the Republic of Indonesia Prosecutor's Office. Also, to facilitate coordination, encourage synergy, and carry out facilitation functions in combating illegal fishing. This nationalist sentiment was also evident when Indonesian officials later announced that the government would sink 71 foreign vessels as Indonesia commemorated 71 years of independence (Parameswaran, 2016).

Besides, Indonesia also reacted directly after Chinese fishing boats trespassed the waters off Natuna, an Indonesian territory. To demonstrate his commitment to defend Indonesia's sovereignty, Jokowi held a cabinet meeting from the warship KRI Imam Bonjol, sending a signal to the Chinese government that it should not violate on

Indonesian sovereignty. As reported by Jakarta Post, Cabinet Secretary Pramono Anung blatantly underlined this symbolic political stand point, "[N]atuna belongs to the Unitary State of the Republic of Indonesia [NKRI] and that's final. As the head of government and the head of state, the President wants to make sure that Natuna always remains part of Indonesia" (Jakarta Post, 2016). At this point, we could grasp some understanding that Indonesia's under Jokowi's leadership wants to pursue their national interest based on its archipelagic outlook as a symbol, economic interest, and limited strategic interaction with external actors as a role-expectation. This system behaviour reconfigured Indonesia's state system to be more inward-looking rather than outward-looking orientation.

### **On Vietnam: Self Reliance and Independence, Anti-External Aggressor, and Economic Prosperity**

Overtime, Vietnam's foreign policy has experienced dramatic shifts one way or another, propelled by structural changes at the international system level and domestic political change. The first major theme of Vietnam's current foreign policy is the stress on independence and self-reliance. This is based on three historical legacies: first, resistance to foreign intervention during the colonial and post-colonial eras; second, as a member of the socialist camp when Vietnam was caught in the crossfire of the Sino-Soviet dispute; and third as a dependent ally that was left isolated when the Soviet Union suddenly collapsed in

1991. According to Vietnam's National Defence white paper, it stated "Vietnam consistently realizes the foreign guideline of independence [and] self-reliance..." (Ministry of National Defence, 2009). These two nationalistic values consistently uphold by Vietnamese government by formulating their national defence policy based on three principals namely "Three no's": Vietnam consistently advocates neither joining any military alliances nor giving any other countries permission to have military bases or use its soil to carry out military activities against other countries." (Ministry of National Defence, 2009: 21–22). These three principles stand as safeguard for Vietnam from being involved in scaremongering contestation between external powers, which often undermines the existence of Southeast Asian countries, especially the United States and China. Furthermore, Independence and Self Reliance, as Vietnam's primary identity as a sovereign country are highly reflected in the Vietnam defence white paper published in 2009. As in the following sentence,

As a nation having experienced wars for national independence and freedom, Vietnam thoroughly respects other countries' independence, sovereignty, unity, territorial integrity and national interests on the basis of fundamental principles of the United Nations Charter and international laws. At the same time, Vietnam demands that its independence, sovereignty, unity, territorial integrity and

national interests must be respected by other countries. Vietnam advocates against the military use of force first in international relations but is ready to resolutely fight against all aggressive acts (Ministry of National Defence, 2009, p.19).

Territorial integrity and unity as a representation of Vietnam's independence, embedded very strong for this country as a sovereign country. Historically, this is very reasonable, if we look at the long history of Vietnam, where its existence is determined by the struggle to fight external aggressor that threatened the very existence of this country. Therefore, in the national defence corridor, the country's white book reinforces the importance of independence and self-reliance as state identities. As follows "Vietnam's national defence is always closely linked to the CPV and the State's guideline of independence, self-reliance, peace, cooperation and development in external affairs, and the foreign policy of openness, multilateralization and diversification in international relations" (Ministry of National Defence, 2009, p.21).

Besides emphasizing the affirmation of the principles of Independence and Self-reliance as guidance for Vietnam to build its foreign policy trajectory. Vietnam also holds firm and consistent for, the importance of maintaining an international legal regime as a common ground in the region and internationally. Especially in solving



various disputes that Vietnam must dealing with, in the contemporary era. This is reflected in the Vietnam Defence White Paper with the following sentence “Vietnam’s consistent policy is to solve both historical and newly emerging disputes over territorial sovereignty in land and at sea through peaceful means on the basis of international laws” (Ministry of National Defence, 2009). Obviously, threats related to the territorial integrity faced by Vietnam are certainly related to the dispute in the South China Sea which has the potential to trigger open conflict between Vietnam and the larger Chinese government.

Therefore, on a larger context Vietnam considers the existence of UNCLOS to be very important to be a joint reference, especially as a basis for defining the problem of territorial disputes in the South China Sea. In this case, UNCLOS as an international maritime regime is acting more than as a common norm but also an identity that gives meaning to Vietnam’s territorial integrity in the international system. This acknowledgment appears in the following sentence.

“As for disputed sovereignty rights at sea, though there is sufficient historical evidence and legal foundation to prove Vietnam’s undeniable sovereignty over water areas and islands in the East Sea, including the Paracels and the Spratlys, it is always ready to negotiate with all parties concerned to find peaceful

solutions to those disputes in conformity with regulations of the 1982 United Nations Convention on the Law of the Sea (Ministry of National Defence, 2009, p.19)”.

In addition to UNCLOS, when Vietnam dealing with the issue of territorial disputes in the South China Sea, ASEAN as a regional institution has an important role also. Vietnam’s national defence white paper reflecting this notion, whereas Vietnam expressed the importance for all parties to the dispute to respect the Declaration of Conduct regarding South China Sea problematic condition, and jointly resolve the discussion of the Code of Conduct for resolving the problems that occurred (Ministry of National Defence, 2009, p.19). In the light of this view, we can understand ASEAN is also an important institution for Vietnam, because discussions related to COC with China are carried out within the framework of dialogue between ASEAN-China. Consequently, Vietnam promotes defence cooperation between ASEAN countries based on security cooperation mechanism to build the ASEAN community.

The second major theme of Vietnamese foreign policy is the multilateralization and diversification of external relations. This objective stands for the role-expectation of Vietnam as an actor in contemporary international system. On May 20, 1988, the VCP Politburo adopted a seminal policy document known as Resolution No. 13 entitled, “On the Tasks and Foreign Policy in the New Situation.”

This document codified Vietnam's foreign policy by giving priority to economic development and calling for a "multi-directional foreign policy" orientation with the goal of making "more friends, fewer enemies" (*thêm bạn, bớt thù*). Specifically, Resolution 13 called for Vietnam's extrication from the conflict in Cambodia in order to normalize relations with China, develop relations with ASEAN states, Japan, and Europe, and "step-by-step" normalize relations with the United States.

This trajectory also denote Vietnam's foreign policy want to pursue "cooperation and struggle" among nations, especially to pursue economic international integration for the welfare of Vietnamese society. In 1986, Vietnam adopted "đổi mới" or renovation and, two years later, mapped out a major reorientation of its foreign policy. To overcome its isolation and secure access to markets, Vietnam withdrew from Cambodia in 1989. Subsequently, to ensure external support for "đổi mới", Vietnam adopted a policy of pro-active international integration and became a member of all major global economic institutions. To ensure its strategic autonomy more broadly, Vietnam diversified its diplomatic and strategic relations. As a result, today Vietnam is a member in good standing of major global institutions, a leader in ASEAN, and increasingly integrated in the global economy (Thayer, 2017).

#### **The Linkage Between Indonesia-Vietnam National Interest to Tackle**

#### **Illegal Fishing as a Maritime Security Threat**

The main argument of this paper is that the problem of Illegal fishing between Indonesia and Vietnam within unsettled Economic Exclusive Zone near to Natuna Islands occurred in interconnected complex systems. In this sense, a complex system formed when interactions between actors' process dynamically in nature. A system is an integrated whole in which this process of interplay cannot be broken down and the actors cannot be separated (Kawaguchi, 2003, p.30). Especially, within international system, any states decide their actions in the context of its relationships with other states; constitutively among them share basic assumption that other state's acting in their own national interests. Thus, a relationship between two states often is one in which national interests collide. This situation, according to Kawaguchi could lead the nature of interaction between actors in international system into "a relationship that will inevitably lead to the use of force, a struggle for life by every available means," or even what could be called a Hobbesian state of nature (Kawaguchi, 2003, p.52). We claim the recent challenge faced by Indonesia-Vietnam regarding Illegal fishing can be another empirical record that when state-state relations intertwined as complex systems, the key to manage tension lies on the synergy between those relations. When it does, even if the sovereign states anxious might have appeared to be motivated only by their national interests or by the desire for power, all of them

shared common internalized ideals because they had come into being in the same region (Kawaguchi, 2003).

High tensions between Indonesia and Vietnam over IUU Fishing activity started from Indonesia's policy to destroy hundreds of vessels, mostly Vietnam origins. Popular online media in Indonesia recorded that since serving as Minister of Marine Affairs and Fisheries, Susi Pudjiastuti, managed to implement STV policy. The number of illegal fishing vessels that had drowned since October 2014 until April 1, 2017 were 317 ships, with details as following: 142 Vietnamese vessels, 76 Philippines vessels, 21 Thailand vessels, 49 Malaysian vessels, 21 Indonesian ships, 2 Papua New Guinea ships, 1 China ship, 1 Belize ship and 4 ships from unidentified country (Kuwado, 2017). Indonesia's decision to firmly execute the policy was aimed to secure the maritime resources, as stated by Susi Pudjiastuti as the Minister of Marine Affairs and Fisheries. "I am not talking about the territorial authority, but about maritime resources and fish. Fish in our exclusive economic zone is our fish" (Tempo.co, 2016).

Responding such situation, Vietnam realizes the need to express its concern about Indonesia's firm policy related to IUU Fishing. On August 2015, Hanoi's foreign ministry spokesman stated that Vietnam is highly considerate about Indonesia sinking Vietnamese vessels for illegally fishing in Indonesian waters. According to Tuoi Tre News, Le Hai Binh, the spokesperson for Vietnam's

Ministry of Foreign Affairs, said Vietnam felt "deeply concerned" about the sinking of fishing boats belonging to Vietnamese fishermen who had violated Jakarta's territorial waters. Binh added that Vietnam had sent a diplomatic note to Indonesia Thursday recommending that Jakarta "(pay) attention to the strategic partnership of the two nations" in handling Vietnamese fishermen (Parameswaran, 2015).

In recent decade, Vietnamese-Indonesian relations have come into a new period of collaboration. The ongoing Vietnam-Indonesia Strategic Partnership was designed to improve economic relations throughout the 2014-2018 period. The target set up to US\$10 billion of two-way trade by 2018 (Ward, 2017). During Deputy Prime Minister, Vuong Dinh Hue's recent visit to Indonesia in July 2017, he highlighted the importance of Vietnam's regional economic connectivity. He specifically mentioned the significance of the Regional Comprehensive Economic Partnership, which both Vietnam and Indonesia are a part of. Hue also reinforced Vietnamese and Indonesian collaboration on common viewpoint initiatives such as sustainability, natural disaster response, water management and food security. However, Hue's list of cooperation did not mention about maritime and fishery issues. As the economic relationship between the two nations has grew more massive, the lack of cooperation over these prominent issues is even more glaring (Ward, 2017). Accordingly, the Indonesia's STV policy undermine the reinforcement of bilateral

relations between two states. At this point, it is likely that both Vietnam and Indonesia are standing on a critical juncture, where the complicated problem that occur needs to be immediately responded.

Complex systems approach offers more comprehensive picture of how interaction between states bring up a very complex system; based on interest behaviour, role expectation behaviour, and symbol behaviour. This interconnectedness may affect and transform state interests and behaviour. The explanations fit into the way Indonesia-Vietnam projected its interest and role as an agent of socialisation to respond problematic situation among ASEAN countries. By utilizing any opportunity to engage in constructive dialogue among actors, both by bilateral and multilateral, the problem could be settled by formal or informal interaction between them. This is the basic element to elevate constitutive common purpose to organize mutual issues between actors. In this case, if the social arena to maintain common purpose between them was not exist, the problem between Indonesia – Vietnam regarding IUU Fishing will be more complicated to be resolved.

Since Indonesia implementing STV policy to manage its maritime security, Vietnam put serious consideration about Indonesia act of sinking Vietnamese vessels who illegally fishing in its waters (Parameswaran, 2015). Pham Thu Hang, spokesperson for Vietnam's Ministry of Foreign Affairs, stated that Vietnam had

contacted Indonesia about the sinking of Vietnamese-flagged boats and appealed to Indonesia to deal with the fishermen "in accordance with international laws, based on humane spirit and on the relations between Indonesia and other countries." (Thayer, 2014). In addition, in a separated explanatory note by the government of Vietnam, it stated that "to closely coordinate in dealing with issues relating to fishermen and fishing boats that encroach each side's territorial waters on the basis of humanity and friendship" (MoFA, 2013). Meanwhile, Jakarta insists that the policy is not only needed but it should be executed given the scale of the problem of IUU Fishing in Indonesian waters.

Under this condition, refer to Robert Jervis (1976) argument in his famous work "Perception and Misperception in International Politics", this condition conventionally exacerbate the spin of international insecurity among disputing parties. Because the attempts of one state to achieve security precipitate the feeling of insecurity of other states (Jervis, 1976). Jervis, as one of many realist scholars in International Relations, believes that all states tend to assume the worst of others and respond accordingly. These unintended and undesired consequences of actions lead to a situation called 'security dilemma' that Herbert Butterfield sees as that 'absolute predicament' that 'lies in the very geometry of human conflict. [...] Here is the basic pattern for all narratives of human conflict, whatever other patterns may be superimposed upon it later.'

(Jervis, 1991). From this point of view, the unilateral movement by Indonesia's government to seek security by implementing hard measure regarding IUU Fishing could trigger hostility of Vietnam's perception toward Indonesia's action. In addition, according to Jervis "The perceptions and reactions of the other side are apt to deepen the misunderstanding and the conflict". Nonetheless, after the implementation of this unilateral movement, not to mention all the incidents between state apparatus regarding IUU Fishing law enforcement, the relationship between Indonesia-Vietnam is far from hostile condition. An interview with a mid-level diplomatic staff from The Ministry of Foreign Affairs of the Republic of Indonesia confirm this statement "It is true, our firm policy did not exacerbate Indonesia-Vietnam bilateral relations. Moreover, in 2017, Indonesia and Vietnam had undergone an improvement of both states defence bilateral cooperation". This event also publicly records by credible media:

As Indonesia-Vietnam relations have developed over the years..... Recent defence dialogues have focused on further steps to implement their memorandum of understanding inked in 2010, efforts to develop defence ties more generally including joint exercises, dialogues, and military equipment, and means to better manage challenges, including the treatment of fishermen amid some recent

clashes at sea (Parameswaran, 2017).

Moreover, responding to Indonesia's concern toward IUU Fishing, Indonesia-Vietnam utilizing any instrument to promote IUU Fishing as a common challenge through various multilateral dialogues. For instance, at ASEAN Regional Forum on Illegal, Unregulated and Unreported (IUU) Fishing held in Bali, Arif Havas Oegroseno, Deputy Minister for Maritime Sovereignty, Coordinating Ministry of Maritime Affairs of the Republic of Indonesia, highlighted the possible measures to address the issue. Countries in the region should ratify the Port State Measures Agreement (PSMA) and its provisions should be promoted and adopted as regional norms. Regional instruments should also be established with focus on combating the IUU fishing, enhancing coordination and information sharing, as well as building cooperation in law enforcement (ARF workshop, 2016).

At the same forum, the delegation of Vietnam conveyed a statement highlighting its national efforts and perspective on IUU Fishing. One important aspect emphasized is that Vietnam has fulfilled its diligence and obligation to combat IUU Fishing by undertaking specific measures to prevent, deter, and eliminate IUU Fishing. The implementation occurs in form of educating fishermen not to conduct IUU Fishing in other states' waters (ARF Workshop, 2016). ASEAN Security community, in this view, play its role as an agent of socialization and social arena

to resolve common problem in the region through a set of community practices.

In this case, Indonesia's unilateral movement through discursive practices within the system was projected as a common problem for Vietnam. This condition constructs a "We Feelings" and alleviate mistrust among actors. This situation displayed through Vietnam delegation statement "Vietnam also underscored its willingness to cooperate with other countries, because it too is a victim of IUU Fishing conducted by foreign vessels (ARF Workshop, 2016). This statement was further reinforced by Vietnamese National Assembly and had passed the revised Law on Fisheries, including new features to strengthen illegal unreported unregulated (IUU) fishing fight (Fis.com, 2017). This constructive measure followed with a recent Vietnam's national effort to tackle IUU Fishing through implementing national action plan to prevent, mitigate and abolish illegal, unreported and unregulated (IUU) fishing until 2025 (Vietnamnews.vn, 2018). The approach of the two countries that emphasizes constructive dialogue in understanding the problems that occur, reinforces our opinion that through habituation in the practice of community at the international level, it can encourage peaceful inquiry in the event of conflict between members of the international community. Certainly, this is possible because of the linkages within the system, where both countries interact as social units continuously. The recent statement by Vietnamese Ambassador to Indonesia Hong Anh

Tuan, support this paper point of view that under difficult time both countries uphold the primacy of regional peace, security and stability "ASEAN is very important for Vietnam and Indonesia and we see the great role of Indonesia in strengthening ASEAN cooperation," (Antara News, 2018). Therefore, this paper prudently claims that Indonesia-Vietnam relations post "Sink the Vessels" policy is guided under the framework of complex systems. The Indonesia-Vietnam cooperation to tackle the problem stems primarily from each country's interest, role-expectation of others, and the symbol associated with them. Thus, the construction of inter-subjective meanings to develop shared understanding, identity, and interest which mutually constitutes as non-material aspects that affect their relations could maintain the anarchy situation and even eliminate the possibility of security dilemma.

### **The Role of Symbol System to Tackle the Rising Tension Between Indonesia-Vietnam**

The next explanation to reinforce this article proposition toward Indonesia-Vietnam peaceful diplomatic conduct post to STV policy stand on the symbol-oriented behaviour that developed within symbol system as a common ground between both countries. In this context, constructivist International Relations scholars already saturated with the discourse about the primacy of norms as ideational matters that govern state-state relations, especially when it comes to ASEAN countries. One of them, Amitav

Acharya (2009) shows that the members of ASEAN have generally adhered to one of the core diplomatic norms enshrined in its constitutional documents, the non-use of force in intra-mural relations, during a thirty-year period: 1967–97. This is the main basic norm that enfold bilateral relations among members in ASEAN, including Indonesia-Vietnam in our case. At this point, norms are beneficial to coordinate values among states and societies.

In this context, Indonesia-Vietnam (Both are ASEAN members) adherence to the non-use of force in intra-mural relations as the core diplomatic norms could help them to negate the perception of threats against each other, even counteract the misperception of their increasing military capacity as a preparation of war. Considering Indonesia-Vietnam military build-ups, both countries experienced increased military expenditure in the last 10 years. Since arms races usually emerge as an impact of threat perception that elevate security dilemma among the conflicting countries, the increase of military expenditure can create a detrimental effect because it could be perceived as preliminary sign as some organized preparations for war.

According to the data from Stockholm International Peace Research Institute (SIPRI), military expenditure in Indonesia increased from US\$ 3722 Million in 2009 to 7911 USD Million in 2017. Whereas, in similar timeline with Indonesia, Vietnam's military expenditure

is increasing from US\$ 3044 Million to US\$ 4962 Million (SIPRI, 2018). Nonetheless, under this condition, Indonesia's STV policy did not trigger security dilemma between Indonesia-Vietnam. To put it clear, this article strengthening Deutsch's proposition that within security community military build-ups between members did not automatically lead to competition and security dilemma. History reveals itself, Southeast Asian countries have managed interstate disputes short of armed conflict and developed peaceful settlement of disputes through consultation and dialogue. To that extent, despite intra-mural squabbles and differences, Indonesia-Vietnam diplomatic step to tackle the problem reinforcing the fact that norms matter in shaping solution between conflicting countries.

The recent clash between two countries state apparatus and how the backlash can be managed is a perfect example of the way norms could help states to coordinate values among states and societies. The incident in Natuna occurred when the ministry's patrol boat Hiu Macan intercepted five foreign fishing vessels from Vietnam that had trespassed into Indonesian EEZ in Natuna. At the same time, the Vietnamese Coast Guard boat demanded those boats to be released (Republika.co, 2017). The incident led to a collision and sinking of a Vietnamese fishing boat. Around 44 fishermen jumped into the sea and were later rescued by the Vietnamese Coast Guard.

For ASEAN members States, the norm of non-use of forces to settle dispute is not something new. How Indonesia-Vietnam handle the clash between them in this problem stands for this norm, to tackle the possibility for the incident endangering Indonesia-Vietnam bilateral relations, the Indonesian and Vietnamese governments have diplomatically agreed to solve the Natuna incident that occurred in Indonesia's Exclusive Economic Zone (EEZ) in May 21, as stated by Marine Affairs and Fishery Ministry's Secretary, General Rifki Effendi Hardijanto. Responding this incident in a conducive and cooperative manner, Indonesia and Vietnam have carried out a joint investigation to settle the incident, which according to Indonesian authorities, the Vietnamese coast guard has tried to forcibly free five fishing boats and their crew detained in waters near the Natuna Islands (Reuters.com, 2017).

Moreover, during Prime Minister Nguyen Xuan Phuc diplomatic visit to discussed about opportunity to elevate cooperation between the two countries to new heights, bringing tangible benefits to their peoples. Apart from bilateral agreement for facilitating market access between two countries, in order to aiming bilateral trade on amount of US\$10 billion. PM Phuc also thanked the Indonesian Government for the return of 177 Vietnamese fishermen arrested and detained in Indonesia, proposing both sides regularly exchange information and handle the issue of arrested fishermen and fishing vessels in a humanitarian spirit and in accordance with the good relations

between two countries. Then, the two sides agreed to accelerate the establishment of a hotline on fishing and sea-related issues, while actively coordinating to implement the joint communiqué on voluntary international cooperation against illegal, unreported and unregulated (IUU) fishing signed last month. Also, the two leaders welcomed the progress in the demarcation of the exclusive economic zones (EEZ) between the two countries after 11 rounds of negotiations and consented to work harder for a solution suitable for both sides and in line with international law (vietnamnews.vn, 2018). The constructive way between Indonesia-Vietnam to manage IUU Fishing as maritime security threats that endangering their bilateral relations is a solid proved that both countries shared common visions and committed to increasing cooperation and coordination at international forums, especially within the frameworks of ASEAN.

### **Conclusion**

This article explained that lately Indonesia and Vietnam relations has been tested over IUU Fishing activity. The tension started from Indonesia's firm policy to destroy hundreds of vessels, mostly Vietnam origins. Authors reach the conclusion by answering question of how could Indonesia's foreign policy action did not further aggravated Indonesia-Vietnam relations post "Sink the Vessels" policy? The answer to this intriguing question is derived from our core argument that the rising tension



between Indonesia – Vietnam post “Sink the Vessels” policy took place within complex systems that connecting Indonesia-Vietnam as actors in international politics. Which has developed a long-term habit of peaceful interaction and ruled out the use of force in settling disputes. Our analysis shows that based on interest system, role-expectation system, and symbol system, Indonesia-Vietnam determined their national interest. Meanwhile, the symbol system practically, influence by symbol system at the larger social unit which is ASEAN. Both of them, within complex systems, contribute as an agent of socialisation to respond problematic situation among ASEAN countries through community practices. Thus, our systematic description about Indonesia-Vietnam dynamic relations post unilateral movement by Indonesia exposes that Indonesia-Vietnam cooperation to tackle the problem stems primarily from each country’s interest behaviour, role-expectation behaviour, and symbols associated with them. Therefore, the construction of inter-subjective meanings to develop shared understanding, identity, and interest which mutually constitutes as non-material aspects that affect their relations could manage anarchy and even escape the security dilemma.

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# Technology Transfer and the Promotion of Technical Skills from Japan to Southeast Asia: Case Study of Vietnam

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## Abstract

*Technology transfer is regarded as a significant channel by which developing countries can both acquire technologies and develop the workforces. Also, the skill level of employees has been identified in playing a critical role in making technology transfer effective. In the case of Southeast Asia, particularly, Vietnam, Japan is one of the largest investors with large investment capital in high technology industries. However, the lack of a skilled labor force in Vietnam has currently impeded the transfer of technologies from Japan to Vietnam. This paper aims to examine the current situation of technical skill levels of employees in the Vietnamese manufacturing industry as a challenge to technology transfer from Japan to Vietnam through Japanese FDI manufacturing firms. It is suggested in this paper that bridging the huge gap between Japanese technical standards and the Vietnamese workforce's technical skills requires the crucial role of the Vietnamese government.*

**Key words:** *technology transfer, human resources development, Japan, Vietnam, Southeast Asia, manufacturing industry*

## Introduction

Human resource development is one of the important elements for long-term national economic development. A well-equipped labor force will contribute to individual, organizational and national development through improved performance. In Vietnam's case, worker development in general – and technical skill improvement in particular – has become a critical issue, especially in the context that Vietnam has successfully attracted Foreign Direct Investment (FDI), but technology transfer has remained low.

Vietnam ranks as the 14<sup>th</sup> most populous country in the world and the 3<sup>rd</sup> in Southeast Asia. Vietnam's population reached over 95.5 million in 2017 (UN, 2017), among which 54.4 million are of working age as noted in the Ministry of Planning and Investment 2016 report. Nevertheless, the percentage of unskilled laborers who have not experienced any technical training in Vietnam is over 80 per cent of the total workforce (MPI, 2016).

It is correct to say that Vietnam is in the “golden population period” in terms of quantity of working-age people but the quality of the labor force is not “golden”. The vast majority of the labor

force in Vietnam does not have experience in any technical training, so the quality of labor remains low and needs to be improved. Especially in the manufacturing industry, the technical skills of laborers are in critical need of improvement.

This paper focused on the manufacturing industry, particularly the fabrication, processing, or preparation of products from raw materials and commodities as the main part of industrialization (Sustainable Development Indicator Group, 1996). In the manufacturing industry, skilled laborers who have abilities and knowledge needed to perform specific tasks (ILO, 2010) play a vital role in operating and maintaining the technology and production.

Manufacturing skilled labor has four levels: (i) skill level 1 involves the performance of simple routine physical or manual tasks, which requires physical strength; (ii) skill level 2 involves the performance of tasks such as operating machinery, which requires ability to read instructions; (iii) skill level 3 involves the performance of complex technical and practical tasks, which requires a high level of literacy and numeracy and communication skill; (iv) skill level 4 involves the performance of tasks that require complex problem-solving and decision making skills (ILO, 2012). Based on this classification of skill levels, skills of most Vietnamese workers remain at level 1 and level 2. For a long-term strategy of human resource development and

industrialization in Vietnam, the skills of the labor force need to be upgraded to level 3 and level 4.

In order to upgrade the technical skills of Vietnamese laborers in the manufacturing industry, technology transfer could be promoted through FDI projects and secondly facilitated through educational training programs. In this context, Japan have been traditionally known to be keen on genuinely transferring technologies in order to foster Human Resource Development (HRD) in the host countries (Suematsu, personal interview, 2017). The tradition, philosophy and willingness of Japanese companies in developing human resources of host countries are widely acknowledged and appreciated.

However, technology transfer through FDI and technical skill promotion with benefits for host countries does not happen automatically. The level of technical skills from local labors as well as government intervention are important in ensuring the effectiveness of this technology transfer. Yet, in the case of Vietnam, many have pointed out to the gap between the current level of the Vietnamese workforce's technical skills and Japanese technical standards and requirements as the main impediment to actualize the process of effective technology transfer.

This paper, therefore, aims to examine the current situation of the technical skill level of the Vietnamese workforce as a challenge to technology transfer from Japanese manufacturing



firms. The main research question of the paper is how the current situation of technical skill level of the Vietnamese workforce has contributed to be a challenge to technology transfer from Japanese manufacturing firms.

This paper is organized in the following order. First, it presents the current situation of technical skills of human resources in Vietnam as well as the current policies of the Vietnamese government in human resource development. Secondly, it examines the challenge of technology transfer from Japan to Vietnam using case study of Vina Mazda. The last part will draw conclusion and offer policy recommendations with respect to human resource development in general, technical skill promotion, in order to benefit from technology transfer.

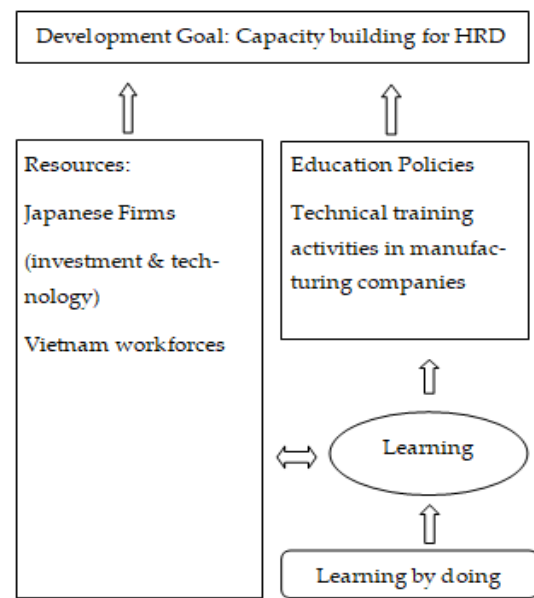
### Conceptual Framework

The conceptual framework that is presented and used in this research is the *Capacity Development Results Framework*, or CDRF, or simply The Framework, which is a strategic and results-oriented approach to learning for capacity development. It was introduced by the World Bank in 2009. The Framework is a guide for the planning, implementation and evaluation of capacity building at the national level.

According to the Organization for Economic Co-operation and Development (OECD), *capacity is understood as the ability of people, organizations and society to manage their affairs successfully. Capacity development is understood as the process*

*whereby people, organization and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.* (World Bank, 2009).

**Figure 1. Capacity development as a part of the development process**



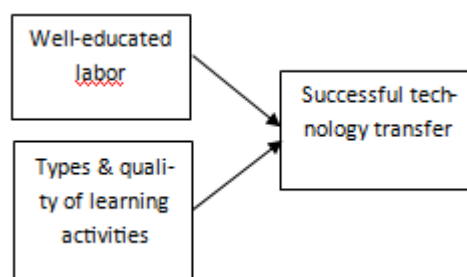
Source: (simplified figure from the World Bank, 2009)

According to the framework for capacity development provided by the World Bank, the development goal is based on resources and local ownership and the effectiveness of resources use. Such types of resources include financial capital, infrastructure, technology, and other endowments. Local ownership consists of the sociopolitical environment, policy instruments, and organization arrangements. However, according to this framework, development goals will be achieved from learning. The learning process, which based on learning activities, will facilitate a change to local ownership and the effectiveness of resource use, those being the sociopolitical



environment, policy instruments, and organizational arrangements.

For the purpose of this research, the development goal is defined as the capacity building of human resource development, the primary catalyst needed to upgrade technical skills of the Vietnamese labor force in the manufacturing industry. The success of human resource development of Vietnam, as suggested by the above explanation, is reliant upon its domestic human resources and their working relationship with foreign institutions and firms. As such, a well-educated and well-trained domestic labor force through skill transfer from this relationship is vital. The main factor which is affecting the development of learning is the type and quality of learning activities conducted. For this reason, *learning by doing* is the suggested primary activity in terms of technical transfer from Japanese firms to Vietnamese employees. Summarized in a model, a successful or smooth learning process or technology transfer from Japanese company to Vietnamese labor will be as follow:



Based on this model, this paper argues that the lack of well-educated labor in Vietnam and the huge gap between this labor skill to the required standard has become a challenge in technology transfer

by the Japanese firms. As a consequence, the type and quality of learning activities both by Japanese firms and the government are central in determining the success of this technology transfer.

### Methodology

The problem of technology transfer is a practical issue but at the same time a complex issue which might not be similar between one company and another. In addition to explaining the current situation on technical level skills of Vietnamese labors in general, this paper, therefore, also uses a case study to better capture and approach the problem rather than discussing it at theoretical level. While each case might be unique, this case study is expected to help illuminate the case in real situation. The selection of the collaboration between Mazda Motor Corporation Japan and Vina Mazda - Thaco Group as one of the major companies in Vietnam is also expected to represent other companies with shared characteristics. As a partner, Vina Mazda cooperates with Mazda Japan in terms of transferring technical skills in the automotive industry to Vietnamese employees through on-the-spot workshops with Japanese experts and have been reported to demonstrate a case where learning by doing is the main factor which drives the capacity building of the firm.

Data collection for this paper is conducted through observation of the activities of Thai-Nichi Institute of Technology as well as interviews with Dr. Phan Tiem, the principle of Vocational

School of Thaco Group and Phan Quynh Trung, Director of Technical Division, Vina Mazda. In addition, this paper also conducts many in-depth interviews with Japanese organizations such as Japan External Trade Organization (JETRO) Hanoi, JETRO Ho Chi Minh, JETRO Bangkok, JICA Bangkok, and Denso International Asia Bangkok. These interviews were conducted in order to get additional information not found in the previous literature.

***The Current Status of the Technical Skills of the Vietnamese Workforce in the Manufacturing Industry***

According to the General Office for Population Family Planning of Vietnam, the advantage of Vietnam is its human resource, which reached 63 million people, the working age population, in 2018 (The Ministry of Labor-Invalids and Social Affairs, 2018). This potential source of labor is attracting many foreign direct investments to Vietnam. However, the disadvantage of Vietnamese labor is the shortage of technical skills. The number of high skilled labor in Vietnam is smaller than other countries in Southeast Asia. As reported by The Global Human Capital report 2017, the high-skilled labor occupies 10% in Vietnam, 14% in Thailand and 25 % in Malaysia (WEF, 2017).

According to the Report of Labour of Vietnam in 2017, the percentage of labor force with technical qualification is 21,5% of the total labor force (General Statistic Office of Vietnam, 2017). This low percentage demonstrates the disadvantage of the Vietnamese labor force as it means

most of the Vietnam labor is lacking technological skills. They are grouped as workforces that can only work in simple job such as assembly work and cannot utilize the high- technology from foreign firms.

Besides, the number of graduated students from higher education is small, about 21,5% of the labor force (General Statistic Office of Vietnam, 2017). These numbers reflect the lack of engineers who can work in sophisticated works or research and development projects. The lacking number of skilled workers and engineers presents the quality of human resources of Vietnam in manufacturing industry.

According to Mr. Yusuke Taguchi, Deputy Representative, AMEICC Secretariat, AEM-METI Economic and Industrial Cooperation Committee, Japanese manufacturing firms want to build up technical skills for employees, but there is a huge gap between Japanese technical standards and the current local technical level, which keeps preventing the transfer of the technical skills to local workforce (Yusuke Taguchi, personal interview, 2016). In order to take advantage of golden population structure and bridge the gap of technical levels, Vietnamese government should play a crucial role.

***The current policies and strategies of the Vietnamese government in promoting technical skills of human resources***

The Vietnam policy framework for long-term HRD is defined and guided by

the key government strategies and plans, including the Socio-Economic Development Plan 2011-2020 and The Human Resources Development Strategy 2011-2020. This Plan focuses on restructuring and reforming the education and training system while addressing various challenges as could be seen on Table 1 and Table 2.

**Table 1. Targets of the HRD strategy 2011-2020**

Targets	2015	2020
Rate of trained laborers (%)	55	70
Rate of Vocationally trained laborers (%)	40	55
State management, policy making and international law	18,000	20,000
University and college lecturers	100,000	160,000
Science-technology	60,000	100,000
Medicine, health care	70,000	80,000
Finance – banking	100,000	120,000
Information technology	350,000	550,000

*Sources:* The Human Resources Development Strategy 2011-2020 of Vietnam

**Table 2. Actual figure of the targets of the HRD strategy 2011-2020**

Actual figure	2017
Rate of trained laborers (%)	53
Rate of Vocationally trained laborers (%)	19,9
State management, policy making and international law	18,000
University and college lecturers	72,792
Science-technology	43,849

*Sources:* Ministry of Labor- Invalids and Social Affairs

These two table list the challenges in human development by the Vietnamese government, highlighting the gap between the intended development rate and the actual achievement this program has made. The table indicates that Vietnam human resources is apparently still lacking trained laborers and vocationally trained laborers despite of this government policy. In the strategy, for example, the targeted percentage of trained laborers are 55% in 2015. However, the actual percent of trained workers in 2017 are 53%, or less than the targeted percentage which supposed to be increasing to reach 70% in 2020. This has not mentioned other targets which also do not met the targeted goals. As the theoretical framework used in this paper suggested, these workforces need to be promoted by learning activities such as vocational and education training system of Vietnam and through technical training in Japanese firms.

In regards to the focus of this paper on manufacturing industry, the strategies on the development of human resources during 2011-2020 period do not provide detailed action plans especially in the manufacturing industry. Technical skill promotion is an important part of human resource development because it relates to the process of industrialization and modernization which drives the country to a higher level of long-term development. The Decision No. 579/QĐ-TTg is still a general plan without priorities and specific policies for implementation in order to develop the quantity and quality of skilled labor.

Among ASEAN countries, Vietnam is lagging behind Thailand in terms of policy measures and directions for human resource development adopted by the government. In the case of Thailand, the government has promoted human resource development with five Action Plans: (i) The Vocational Education Act 2008, (ii) The Skills Development Promotion Act 2002, (iii) The National Science, Technology and Innovation (STI) Policy and Plan 2012-2021, (iv) The National Education Act of 1999, and (v) The 11<sup>th</sup> National Economic and Social Development Plan (2012-2016) (UNCTAD, 2015). These Action Plans are being implemented at all levels of education and the government has finances to support STI teaching and training, provided research scholarships and promoting cooperative education. (UNCTAD, 2015). Furthermore, the Thai government has cooperated with the Japanese government in many human resource development programs with assistance from JICA initiated by a project of King Mongkut's Institute of Technology Ladkrabang and have been implemented since 1971, which has resulted in a pool of high-quality engineers and scholars for the industrialization process in Thailand (Katsuya Miyoshi, personal interview, 2017). Meanwhile, the Vietnamese government has not yet promoted any detailed action plans for effectively actualizing the general strategy of human resource development.

*Technology Transfer to Vietnamese workforce by Japanese firms*

Technology transfer through FDI projects is one of the channels to upgrade technical skills for human resources since employees have to adapt to new technology, new machinery, and new management.

Japanese companies have always made their intention clear in promoting the technical level of human resources in host countries through the process of technology transfer (Suematsu, personal interview, 2017). The transfer of technologies to a country has been undertaken by the Japanese firms investing in the country. Japanese companies frequently train local employees from the beginning and provide on-the-job training so that employees can learn technical know-how. Furthermore, not only Japanese firms but also Japanese organizations have held many programs facilitating the process of technology transfer programs in Vietnam.

On-the-job training or learning by doing in Japanese firms is the training which the employee will take part in in the workplace and it taught technical skills by seniors or experts. The employee will enhance the skills by learning on the spot or learning by doing. For example, in Denso International Asia in Thailand, new employee is paired with a senior employee so that the new employees can learn know-how by working in the factory (Suematsu, personal interview, 2017). On-the-job training programs are often organized in the workshop for the workers and technicians.

Based on the research conducted in this study, the two major challenges facing Japanese firms in Vietnam is the technical gap of employee and job hopping (Sato Susumu, personal interview, 2017). There are several reasons for the job-hopping phenomenon in Vietnam. Firstly, there is a different working culture compared Japan with where the employees stay with the same company for their entire life. Vietnamese employees want to gain experience in order to get a higher-paid job from other companies. Secondly, in general, Japanese companies have not yet offered higher positions level for foreigner employees therefore encouraging Vietnamese skilled employees to move to another company if they can get a higher position (Dao Trong Hieu, personal interview, 2017).

In fact, it usually takes a lot of time and money invested by the Japanese firms in order to bridge the gap of technical skills by providing new employees with on-the-job training programs. However, workers, once they are trained and equipped with a certain level of technical skills, do not commit themselves to the companies but want to move to any other firms that pay a them higher wage. Japanese firms then must restart the process of recruitment and training which is very costly. The job-hopping problem has also made the technology transfer process distracted and less efficient because firms must repeatedly provide technical training for new comers, then they are constrained to advance the technology transfer to the higher levels.

### *Case study of Vina Mazda*

In the process of knowledge and technology transfer to local employees, Japanese firms' training systems have mainly been based on the form of on-the-job training or learning by doing. Employees are supposed to acquire essential technical knowledge and skills in the workplace where the seniors provide verbal instructions rather than written materials. When Japanese investors started establishing factories in Vietnam, they set up such a system, in which Vietnamese senior workers give guidance to junior ones, in order to improve practical and technical skills for the Vietnamese workers.

The paper presents Vina Mazda – Thaco Group as a case study of technology transfer from Mazda of Japan to Vina Mazda of Vietnam because Vina Maza is the only private Vietnamese company that assembles and produces Japanese cars and receives technology from Japan in the automotive industry.

As a short introduction, Thaco - Truong Hai Auto Corporation Ltd. was established on April 29, 1997. Thaco Group is Vietnamese company that produces and assembles passenger cars with the localization rate of 15-40 per cent (Thaco Auto, 2016). From the beginning, Thaco Group assembled automobile spare parts imported, and now the company is establishing its own value chain, taking the roles as a supplier, a manufacturer, a distributor, and a retailer. The main business to manufacture and assemble of Thaco Group are the passenger vehicles of

KIA (Korea), Mazda (Japan), and Peugeot (France).

Mazda, Japanese auto brands, had arrived at Vietnam in late 2010 through its manufacturer and distributor Vina Mazda – a subsidiary of Truong Hai Auto Corporation (Thaco). After 8 years of operation in Vietnam, Vina Mazda achieved sales of 80,000 units; Vina Mazda is getting popular as a leading auto brand in Vietnam. (Thaco Auto, 2016).

Vina Mazda manufacturing and assembly factory was built with the maximum capacity of 10,000 vehicles per year. All spare parts in the manufacturing process in Vina Mazda factory are imported from Japan with a process controlled by Mazda's experts. In addition, Vina Mazda and Mazda signed contract of sharing important technology production line with high investment cost such as electrostatic painting or spraying and fire-retardant paint production lines, test-drive road, etc.

The technology transfer from Mazda trainers from Japan to Vina Mazda's Vietnamese engineers has been conducted based on learning by doing activities through many steps. Mazda sends Japanese engineers to Vietnam to work with Vina Mazda's engineers on Mazda's technology. Depending on the process of transferring technology and know-how to Vietnamese engineers, Japanese trainers must stay in Vietnam from 6 to 8 months. There are 5 steps in the process of technology transfer from Japanese trainers to Vietnamese engineers: (1) Vietnamese engineers read and understand the

technology guidelines; (2) Vietnamese engineers read and understand the technology guidelines and practice the work; (3) Vietnamese engineers don't read the technology guidelines and do the job 50%; (4) Vietnamese engineers don't read the technology guidance and do the job 70%; (5) Vietnamese engineers don't read the technology guidelines and do the job 100%. When the Vietnamese engineers can carry out the work successfully without reading the guidelines, the technical transfer is completed.

After participating in the technical training courses by Mazda's Japanese trainers, Vietnamese engineers then train Vietnamese workers at the workplace and Japanese trainers from Mazda become examiners. The exam for Vietnamese workers tested on the workshop and on paper (100 multiple – choice questions). When the trainers of Mazda return to Japan, Vietnamese engineers play the role of examiners.

The technology transfer can be upgraded only when Thaco Group make a request to Mazda. In order to prepare for a promotion of technology transfer, Thaco Group must prepare all the fees and technical preparation for trainers from Mazda. The fees include allowances to trainers from Mazda at the rate of 800 USD per hour and the accommodation fee. The technical training duration is 2 – 2.5 months. The acceptance by Mazda depends on the technology which Thaco Group requests to be transferred and the demand of Vietnamese market (in case of increasing local content). Currently, the

process of technology transfer from Mazda to Thaco Group is going well. In March 2017, Thaco Group started building a new plant for Vina Mazda automotive factory with the capacity of 100,000 cars per year and new technology from Mazda of which robots' control 70% of the assembling work. Besides, the testing line will be equipped with modern technology facilities connected to the global technical information system of Mazda (Nguyen, personal interview, 2017).

### *Challenges in technical know-how transfer in case of Vina Mazda*

Based on the research, the process of transferring technology from the Mazda firm to the Thaco Group has encountered some difficulties in terms of upgrading the technical skills for employees and promoting local content for Thaco Group. The finding of this research shows that among the two most significant challenges are as follows.

Firstly, language has become one of the main challenges in communication between Vietnamese engineers and Japanese trainers. The Japanese trainers usually speak Japanese so there is a language is the problem for the Vietnamese engineers. Although there is some senior Japanese employee that can speak English, the majority of training activities are given in Japanese because they cannot speak English very well.

In addition, the technical guidelines are also written in Japanese, so the Vietnamese staff must study Japanese. Thaco Group is in Quang Nam Province,

in central Vietnam. The industrial zone is a hundred kilometers away from the city, and it is not an attractive working place for those who can speak both Japanese and English. Currently, the Thaco Group staff has offered free Japanese courses after office hours in the evening, but the courses are not so effective since employees are already tired after a full working day. It may be more effective if the Thaco Group organize Japanese language courses at least 3 months prior to the technical training time so that the employees can get familiar with the technical vocabulary in Japanese and it may help the technical training from Japanese trainers to be more effective.

Secondly, the technology transfer depends on Mazda in Japan; the Thaco Group can only upgrade technology if the market for Mazda cars. This is really a big challenge for Vina Mazda because the Vietnamese government has not encouraged a bigger automotive market yet.

### **Conclusion**

Human resource development with regards to the promotion of technical skills in the Vietnamese manufacturing industry has been facing many challenges which related to technology transfer from Japan to Vietnam through Japanese manufacturing firms. Echoing to the proposed hypothesis, this paper found that the lack of Vietnamese labor skill has become one of the challenges in technology transfer from Japanese firms. While the firms have initiated learning activities as also apparent in the case of

Vina Mazda, there are also challenges to maximize the quality of this learning activities.

The paper, therefore, recommends that the Vietnamese government also take part in filling this gap in order to ensure a successful technology transfer and broadly human development in Vietnam. In this respect, the Vietnamese government is supposed to enable and support the cooperation between firms and universities. Moreover, the Vietnamese government should listen to the investors in order to provide more relevant policies on technology transfer. In addition, the government of Vietnam should establish national institutions for R&D in advanced technologies which could create a pool of high-level engineers which ready to supply the manufacturing industry.

### *Educational policies*

First, in order to make the human resource development strategies effective in enhancing technical skills, the Vietnamese government should develop detailed action plans not only for vocational training activities, but also for strengthening university and institutes of higher education for sophisticated R&D activities. Moreover, the government should provide a budget for R&D activities in universities. According to NASATI (2014), the budget for R&D activities from the Vietnamese government to the universities is just about 5 per cent of the total government budget for R&D activities. Universities should be the places which provide most

engineers and technical personnel to the industrial sector for technical advancement of the country. The R&D budget for universities should be increased for use in new laboratories, equipment, scientific books, and training programs for students.

Secondly, Japanese language is very important in training process in Japanese manufacturing firms. The educational policies should not only promote the technical skills but also the language should be enhanced.

Thirdly, the government should establish national engineering sectors for the promotion of high – tech manufacturing industries, which may provide sophistication of basic technologies to be applied in many sectors of industry. Moreover, the government can become the coordinator connecting firms and universities. The collaboration may include lessons, projects on training, scientific research, and technology transfer between the manufacturing firms and universities. Such cooperation has proved to be effective in other countries. For example, in Thailand, the Thai-Nichi Institute of Technology (TNI), established in 2005 by the Thai-Japanese Technology Promotion Institute, provides education at undergraduate and graduate levels in engineering, information technology, business administration and language skills with the programs combining academic teaching and practical training in Japanese companies which based in Thailand. The Monozukuri program is a program for third-year students of



engineering studies which consists of many Japanese manufacturing plant tours for TNI students and lecturers. The Japanese government strengthens the connection between TNI and Japanese manufacturing firms through joint research and the sharing of technology.

### ***Industrial policies***

Firstly, the promotion of technical skills for HRD in Vietnam is closely related to foreign firms in general, and to Japanese manufacturing firms. The government should listen to the Japanese firms and consider the challenges which they are facing while they invest in Vietnam. For example, according to one Japanese firm, Vietnam's tax system for foreign investment companies has not been stable, thus, some Japanese firms intend to invest in Vietnam only for a short period of time (Sato Susumu, personal interview, 2017). The Vietnamese government should consider providing consistent tax policies for foreign investment companies.

Secondly, the Vietnamese government should introduce concrete policy measures to promote supporting industries, including the automotive industry in cooperation with potential Japanese firms to expand the production.

### **About the Author**

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# The (In)visibility of Taiwan – Indonesia Relations: Indonesian Student on the Side-line

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## Abstract

*This paper aims to examine the role of students in Indonesia-Taiwan relations. Students are important agents of change in Indonesia's nation building as apparent during Indonesia's struggle for independence in 1945 and democratization movement in 1998. However, with over 3,052 Indonesian students in Taiwan, Taiwan government has not taken such advantage from this situation to increase its bilateral relations with Indonesia which has been for long overshadowed by Taiwan status and Indonesia's one China policy. There are two arguments developed in this paper. First, Taiwan academic relations with Indonesia are still focusing on the effort to increase the number of Indonesian students in Taiwan and neglect their potential as agent of cooperation. This condition has made the students as agent become invisible. Second, Taiwan's policy in academic cooperation with Indonesia is not in line with Taiwan's effort to upgrade its relation with Indonesia. As an impact, Taiwan – Indonesia relation remains stagnant and invisible. In collecting the data, this paper uses observations and interviews to Indonesian students in Taiwan.*

Key words: Indonesian student, Taiwan-Indonesia relations, academic exchange

## Introduction

Discord with China over sovereignty has positioned Taiwan to exercise extensive effort in maintaining their existence in the world. China's consistent claim and diplomatic isolation have created complexity for Taiwan to exercise their international relations in an official form. Therefore, semi-official and unofficial forms become visible options for Taiwan in dealing with other states. This forms include economic, socio-cultural as well as academic relations with other states in the world, especially those

who do not have diplomatic relations with Taiwan.

As the nearest region, Southeast Asia has become Taiwan's primary destination for struggle of existence. Their semi-official relations with countries in the region have begun since many decades ago through the establishment of de-facto representative office. Through this office, Taiwan is trying to establish connection, coordination and cooperation to ensure Taiwan relations and presence in the region. Elizabeth Freund Larus (2006) states that the establishment of Taiwan's semi-official relation is to

maintain unofficial relation that has switched diplomatic relations from Taiwan to China. This effort attempts to broaden Taiwan's international space by strengthening non-political relations with Southeast Asian countries, the so-called pragmatic diplomacy. Yet, the practice is also driven by economic interest.

In this context, Indonesia, as the biggest and influential nation-state in Southeast Asia, is a potential partner for Taiwan in exercising their foreign relations and influence. However, like many other non-diplomatic partners, relations between Taipei and Jakarta are built upon the establishment of semi-official representative institutions; Taiwan under Chinese Chamber of Commerce to Jakarta and Indonesia through Indonesian Chamber of Commerce to Taipei in 1971 (Jie, 2002). Although there is an absence of Indonesia's political recognition to Taiwan but this kind of obscure institutional arrangement has expanded both government operation and to some extent enhance probability to

create cooperation. Herein after, cooperation between both sides starts to emerge on agricultural, mail services, and air services.

In 1989, Taiwan upgraded their office into Taipei Economic and Trade Office (TETO) after receiving permission from Jakarta. Nonetheless, influenced by Jakarta's understanding of "One China Policy", reciprocal action had to wait the memorandum of understanding (MoU) on diplomatic restoration signed between Indonesia and China on August 8, 1990. Five years later, Indonesia also upgraded its office into Indonesia Economic and Trade Office to Taipei (IETO). The upgrade of those offices has made enormous progress to Indonesia-Taiwan relations in economic as well as socio-cultural aspects. In total, both Indonesia and Taiwan have signed 27 agreements and memorandum of understandings in 11 different fields. Those cooperation have increased Taiwan's visibility in the region particularly with Indonesia. (Elias, 2015)

**Table 1. Field and Amount of Indonesia-Taiwan Cooperation**

Phase	Total	Fields	Name
1971-1988	11	3	<ol style="list-style-type: none"> <li>1. Agreement on agricultural technical cooperation</li> <li>2. Agreement on agricultural technical cooperation</li> <li>3. Agreement on agricultural technical cooperation</li> <li>4. Memorandum for extension and amendment to the agreement on agricultural technical cooperation</li> <li>5. Agreement on agricultural technical cooperation</li> <li>6. Memorandum for extension and amendment to the agreement on agricultural technical cooperation</li> <li>7. Amendment II of the agricultural technical cooperation agreement</li> <li>8. Agreement on agricultural technical cooperation</li> </ol>

Phase	Total	Fields	Name
1989-1994	6	3	9. Memorandum for extension and amendment to the agreement on agricultural technical cooperation
			10. Memorandum of understanding on international express mail service
			11. Air services agreement
			1. Memorandum of understanding concerning cooperation for the promotion of investment
			2. Agreed minutes on matters related to the air services
			3. Agreement for the promotion and protection of investments
1995-Present	10	8	4. Amendment on the annex to air service agreement
			5. Agreement on agricultural technical cooperation
			6. The extension to the agricultural technical cooperation agreement
			1. Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to
			2. Memorandum of understanding on marine and fisheries cooperation
			3. Memorandum of understanding on recruitment of Indonesian worker
			4. Agreement on agricultural technical cooperation
			5. One village one product agribusiness cooperation plan
			6. Memorandum of understanding on recruitment, placement and protection of Indonesian overseas workers
			7. Memorandum of understanding on cooperation in the field of higher education
			8. Memorandum of understanding on concerning cooperation in immigration affairs, human trafficking and people smuggling prevention
			9. Memorandum of understanding on Morotai development project
			10. Agreement on agricultural technical cooperation

*Source:* Compiled from many sources by author

Despite many agreements have been successfully conducted between both parties, nevertheless most of them are merely technical, particularly in air services, mail services, marine and fisheries, agribusiness and agricultural, as presented on **Table 1**. Those agreements only regulate coordination, information exchange and capacity building between both sides. On the other hand, MoU on labour is only based on supply and demand, whereas MoU on immigration has no progress on operational phase

which makes it on framework-basis agreement only. Even the three economic agreements are emphasizing on technical part only. The most promising economic agreement, MoU on Morotai Development Project, has encountered stalemate since it was signed in December 2012 (IETO, 2012). Even though the steering committees have conducted a meeting for three times, up to this end the blueprint of the project is still far from being released (IETO, 2013). Those agreements are unable to provide much contribution on the

enhancement of Indonesia-Taiwan relation because of the precautions actions taken by Indonesian government due to Indonesia's effort to maintain good relation with China in accordance to their understanding of One China Policy.

The only agreement that potentially could enhance Indonesia-Taiwan relation is academic relation. However up to date, academic relation is still under-explored in order to achieve maximum gains. Therefore, this paper aims to correlate academic agreement with the enhancement of Indonesia-Taiwan relation. There are two arguments to be delivered in this paper. First, Taiwan academic relations with Indonesia are still focusing on the effort of increasing the number of Indonesia students in Taiwan and neglecting their potential as agent of cooperation. Second, Taiwan's policy in academic cooperation with Indonesia is not in line with Taiwan's effort to upgrade its relation with Indonesia.

### **Taiwan's Effort in Enhancing Relations with Indonesia: An Overlapping Effort**

To enhance its relations with Indonesia, Taiwan is utilizing five approaches: institutional relations, technical assistances, economic relations, informal forum, and academic relations. First, institutional approach is established through direct contact between de- facto institution TETO and IETO. Starting with the establishment of Taiwan's Chinese Chamber of Commerce to Jakarta in April 1971, Indonesia reciprocally established Indonesian

Chamber of Commerce to Taipei in June 1971 (Jie, 2002). Since then, cooperation has emerged in technical matters. In its development, Taiwan received permission to upgrade the officialdom of their office in October 1989 into TETO that shifted the institution from being obscure to be more official. Five years later, after signing MoU with China on 8 August 1990 to restore its relation, Indonesia also upgraded its office into IETO. Although both offices by nature are de-facto, they have made enormous progress to Indonesia-Taiwan relations, increased the number of cooperation and expanded it into various fields.

Second, technical assistance approach includes providing assistance, conducting coordination and information exchange with Indonesia in the field of agricultural, air and mail services, marine and fisheries, and agribusiness. The purpose of this approach is to gain good perception about Taiwan appearance to Indonesian government as well as the people who become the beneficiary. It is clear that Taiwan is trying to construct their good image as cooperation counterpart by showing their goodwill in assisting developing countries like Indonesia. It can be perceived through agricultural technical assistance which was chosen by Taiwan as the first field cooperation with Indonesia in 1976 due to two reasons. First reason is that Indonesia is an agricultural country, thus accepting technical assistance in agricultural is suitable and such technical assistance is giving less obligation and less formal arrangement for Indonesia. The second

reason is that the receiver of the program's is a targeted group of people, particularly farmers. In addition, this approach also becomes stimulant for economic approach and people- to-people exchange through tourism and flights by adopting cooperation in mail and air services. Both cooperation are to expedite people-to-people interaction through tourism and facilitate business movement and exchange.

Third, economic approach applies through economic diplomacy and cooperation. As Kuo-hsiung Lee (1990) states, Taiwan's economic achievement is the tools for Taiwan to establish cooperation with Southeast Asian countries. The economic diplomacy is utilized by Taiwan to gain their economic interest through cooperation and in the same time increase their international political status. Similarly, Gary Klintworth (1995) states that Taiwan economic cooperation is built upon the flow of investment which gives compatible effect to Taiwan and counterparts. Investment flow from Taiwan is needed by developing countries like Indonesia in pursuing higher economic growth. It will create more jobs to Indonesia large population whereas on the other hand gives access for Taiwan to competitiveness cost of labour, natural resources as well as increases Taiwan's influence in the Southeast Asia.

In order to embed their economic cooperation with Indonesia, Taiwan established technical economic cooperation through MoU on

Promotion of Investment, Agreement on Promotion and Protection of Investment, and Agreement on Avoidance of Double Taxation and the Prevention of Fiscal Evasion. Those agreements have promoted businessmen from Taiwan to invest in Indonesia. In recent years, Taiwan has become Indonesia's 10th largest investor with total amount US\$ 15,360,000,000 (BKPM, 2014). This amount keeps increasing as represented by recent data from Indonesia Investment Coordinating Board. From October until December 2013 Taiwan's investment in Indonesia has reached US\$ 402 million. In trade, Taiwan has become Indonesia's 9th largest trade partner whereas Indonesia is Taiwan's 10th largest trade partner with total trade US\$ 12,299,446,111.

In addition, economic diplomacy has promoted movement of businessmen in constituting the opportunity to establish cooperation in labour affairs. In Chen Jie's argument, pragmatic diplomacy especially in economy is built not only upon government effort but businessmen as well. Further, he elaborates how businessmen channel has created an impact to the government from both entities to establish closer relations (Jie, 2002). Taiwan domestic economic demand for workers has been creating adjacent relations related to business and labour affairs with Indonesia. Thus, with its larger population, Indonesia is the largest supplier for foreign workers in Taiwan (Taiwan Ministry of Labour, 2014). Data in 2017 demonstrated that there was 258.000 Indonesia people in

Taiwan which 97% of them are workers. They are not only working in productive sector (manufacture, construction, and other industry) but in social welfare (domestic sector) as well. This has encouraged both governments to work closely in dealing with this matter. Thus, in respond with this issue, TETO and IETO signed “Memorandum of Understanding between The Indonesian Economic and Trade Office to Taipei (IETO) and The Taipei Economic and Trade Office in Indonesia (TETO) on The Recruitment, Placement and Protection of Indonesian Overseas Workers”, on January 24th, 2011.

Fourth, the informal forum approach. Along with above three approaches, Taiwan also conducts several informal forums to share and promote cooperation as well as build good perception about Taiwan as a friendly neighbour. This approach is carried out by inviting scholars, parliament members, government officers, and influential individual to have a short visit to Taiwan. In conducting such effort, TETO is acting as the inviting party to potential individual in policy circle. Most of the visits are organized secretly to avoid protest from China embassy in Jakarta. The agenda of this informal forum mostly are visit to government offices, research centre and think- tank, university and industrial company. In maintaining the balance of information, several Taiwanese government representatives are also invited to visit Jakarta with agenda courtesy meeting with university, company, research centre, ASEAN

secretariat and other government or private institution.

**Table 2. Recipients of Taiwan Scholarship**

Academic Year	MOE	HES	ICDF	MOST
2009/2010	9	5	N/A	-
2010/2011	9	5	N/A	-
2011/2012	9	5	0	-
2012/2013	10	5	2	-
2013/2014	10	6	5	-

*Source:* Taiwan Economic and Trade Office in Jakarta

Lastly is the academic approach which is conducted through academic exchange. The embryo of this approach started in 2004 when Taiwan provided aid in academic area through Taiwan Scholarship program. The scholarship is given to Indonesian students who are eager to pursue their degree in one of Taiwan education institutions. In its development, Taiwan is increasing the number of scholarships by diversifying the scheme from different government institutions such as Minister of Education (MoE), Minister of Science and Technology (MoST), International Cooperation and Development Fund (ICDF) as well as scholarship for Mandarin Language under Huayu Enrichment Scholarship (HES). Currently, Taiwan is providing 20 scholarships every year for Indonesian students. In supporting research collaboration, Taiwan academic exchange is built upon Taiwan



scholarship program under the Ministry of Foreign Affairs, Taiwan. The objective is to award foreign scholars and expert to conduct advance research with topics related to Taiwan, cross-strait relations, mainland China, Asia-Pacific region and Chinese studies at universities or

academic institutions in Taiwan. Since 2010, there are six recipients who have been awarded Taiwan scholarship with various research topics such as economics, international migration, non-traditional security and Disaster Management (Taiwan Fellowship, 2015).

**Table 3. Recipients of Taiwan Fellowship from Indonesia**

Year	Recipient			Research Topic
	No	Position	Institution Origin	
2010	1	Researcher	LIPI	International Migration and Economic
2011	2	1.Researcher 2.Doctoral candidate	1.LIPI 2.Green Talent Scheme Sponsored by the German Federal Ministry of Education and Research	1.Green Economy 2.International Migration
2012	1	Associate Professor	Padjajaran University	Non-traditional Security (Human Trafficking)
2013	2	1.Researcher 2. Assistant Professor	1.University Brunei Darussalam 2.University of Airlangga	1.Non-traditional Security (Health Security) 2.Disaster Management

Source: Taiwan Fellowship, 2015

In addition, both parties also successfully conduct joint research between *Lembaga Ilmu Pengetahuan Indonesia* (LIPI) and Chung-Hua Institute for Economic Research (CIER) on “The Dynamics and Current Status of Taiwan – Indonesia Relations” and “Feasibility Study of Economic Cooperation Arrangement (ECA) between Taiwan – Indonesia”. The researches, which can be perceived as policy recommendation, have concluded that economic cooperation between Indonesia and

Taiwan will not only increase trade and investment flows but also reduce the trade barriers. Suitability and compatibility between both economic may direct them to build economic cooperation arrangement which could enhance economic development in various fields including SMEs, human resources, electronics and automotive industries as well as agriculture (LIPI, 2012).

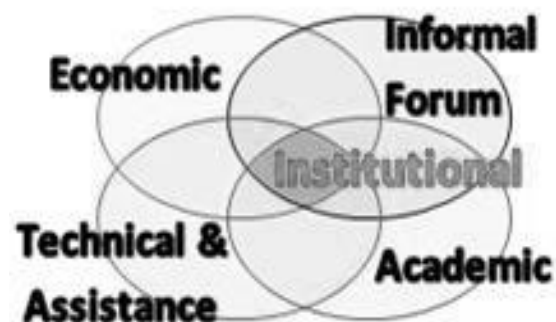
Apart from scholarship and research, academic approach is also

attempted to establish agreement. On May 21, 2011, Ministry of Education from both parties successfully conducted Taiwan-Indonesia Higher Education Summit in Bali Indonesia followed by signing MoU in the field of higher education. This MoU covers cooperation in six academic areas such as academic exchange, providing scholarship, developing bilateral programs, training educational administrators and teachers, facilitating joint research & international publications and Mutual Recognition of Degrees and Professional Qualifications (Lin, 2012). The MoU is projected to strengthen academic exchange between both sides which until 2009 already concluded 55 inter-university bilateral agreements. In supporting the implementation of the MoU, Taiwan established Taiwan Education Center (TEC) in Surabaya, a non-profit organization that has an objective to promote higher education in Taiwan and strengthen bilateral academic exchange between Taiwan and Indonesia. As an education centre, TEC is operated to fulfil several services i.e. providing related information about Taiwan education, participating in overseas education exhibitions, holding the annual Taiwan Higher Education Exhibition, assisting Taiwan institutions to establish academic and administrative staff exchanges with Indonesia (Taiwan Education Center, 2015).

Utilizing those approaches, Taiwan is attempting to enhance and upgrade their relations with Indonesia. Although there are five approaches,

however, from above elaborations, essentially those approaches are overlapping. Institutional approach become the centre of gravity to other approaches which contributes in initiation, process and concluding phase while the rest are supporting each other. Taking economic approach as example, institutional approach is indeed the main utilized approach to realize the agreement whereas other approaches are obviously perceived supporting it by: conducting academic research on feasibility studies, creating technical economic agreement, and inviting related stakeholder.

#### **Matrix 1. Taiwan Five Approaches in Enhancing Relations with Indonesia**



Source: Elias, 2014

#### **Obstructions in Taiwan-Indonesia Relations**

Although Taiwan could maintain and nurture their relations with Indonesia by utilizing those approaches, however, the development of their relations remains stagnant since the establishment of TETO and IETO two decades ago. Indonesian foreign policy is much left behind compare to other major ASEAN members like Singapore and Malaysia. In

both countries, the function of Taiwan's office is already expanded not only in economic related but cultural as well under the name of Taiwan Economic and Cultural Office. Reciprocally, their offices in Taipei also have political officer assigned by their Ministry of Foreign Affairs.

Taiwan – Indonesia relations become stagnant because of three factors: first, Indonesian rigid policy over Taiwan which was built under consideration of the MoU 1990 with China. It stated on the MoU that Indonesia's relations with Taiwan is established only in economic and trade relations which is non-government in nature. Thus, in maintaining their relations with Taiwan, Indonesian Ministry of Foreign Affairs released "One China Policy" guideline to avoid mistreatment of their domestic institution especially governmental when deal with Taiwan. The guideline, to some extent, is preventing Indonesia to expand mutual benefit relation with Taiwan.

Second, limited understanding about cross-strait relations. Restriction in governmental, measured by the guideline, has made the understanding of policy makers regarding Taiwan-China relations limited, especially related to "One China Policy". On interviews with few government officials who remains anonymous as requested, their understanding about "One China Policy" is very limited to zero sum game understanding. They said, "One China Policy" means profound relations with Taiwan is highly avoided because

Indonesia has diplomatic relations with China. They also understood China-Taiwan relations in discord relation where Taiwan is part of China (IETO Taipei Official, 2014). Their knowledge about development of cross-strait relations was lack behind even they did not understand about the "92 consensus". It can be assumed, from the interview, that Indonesian government has a very limited understanding about cross-strait relations which contributes to stagnant relations with Taiwan.

Third, limited function of the de-facto institution. Accumulation of the first two factors has contributed to the limited function of de-facto institution. IETO was established under Presidential Decree No. 48/1995 which the basis was come from the MoU in 1990. On the decree, the first dictum determines the increasing role of Chamber of Commerce into IETO whereas the second dictum is stressed on its non-governmental economic institution status. Moreover, the fourth dictum states in general that IETO is under coordination of Indonesia Ministry of Trade (Indonesian Presidential Office, 1994). However although the decree regulates the enhancement of economic and trade relations but in the implementation 47,4% of IETO activity is consular, 15,8% is research, 5% is promoting Indonesia tourism and 31,6% is economic and trade mostly to promote and coordinate trade related issues (IETO, 2014). Thus, limited function creates limited relations. Therefore, Taiwan-Indonesia relations could be enhanced

and upgraded if only those obstructions can be solved through appropriate effort.

### **Indonesian Students in Taiwan as Agent of Cooperation**

The above obstruction in Taiwan-Indonesia relations could be potentially improved by enhancing the fifth pillars, the academic cooperation. The effort can be implemented by conducting treatment and collaboration with Indonesian students in Taiwan as counterpart. In order to be able to construct the analysis, it is highly important to understand the concept of epistemic community as stated by Peter Haas (1992). He mentions that epistemic community is a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area. Yet, it is not necessary to identify epistemic community made up of natural scientist per se. Social scientists or even individuals from any discipline and profession can be defined as epistemic community as long as they have a sufficiently strong claim to a body of knowledge that is valued by society. He further argues that the epistemic community may come from various background or expertise but they share four principles in common; which are (1) shared set of normative and principled beliefs, (2) shared causal beliefs, (3) shared notions of validity, and (4) a common policy enterprise. Altogether, these four principles not only provide the value-based rationale for their analysis but also

deliver their professional competence towards certain policy.

Furthermore, Haas (1964) defines complexity and uncertainty as problem for decision makers in the stage of policy design. Complexity occurs because interlinkage of issue in the current global world has forced decision makers to deal with the complex interplay among issues and interests. On the other hand, uncertainty occurs as consequences of growing number of issues and limited information received by decision makers. As mentioned by Alexander George, characterizing conditions of uncertainty, as those under which actors must make choices without "adequate information about the situation at hand" or in the face of "the inadequacy of available general knowledge" is needed for assessing the expected outcomes of different courses of action. Thus, control over knowledge and information is an important dimension of power which it is best served by epistemic community.

Haas does believe that epistemic community is an actor to define complex problem. They can give knowledge-based expert in international policy making by giving influence to the decision makers that encounter complexity and uncertainty with beneficial information. It arises through their ability in helping to formulate policy using three main ways: first, elucidating cause-and-effect relationship and providing advice on the likely result of various courses of action. Their ability to explain causality relations of phenomenon is helping to estimate

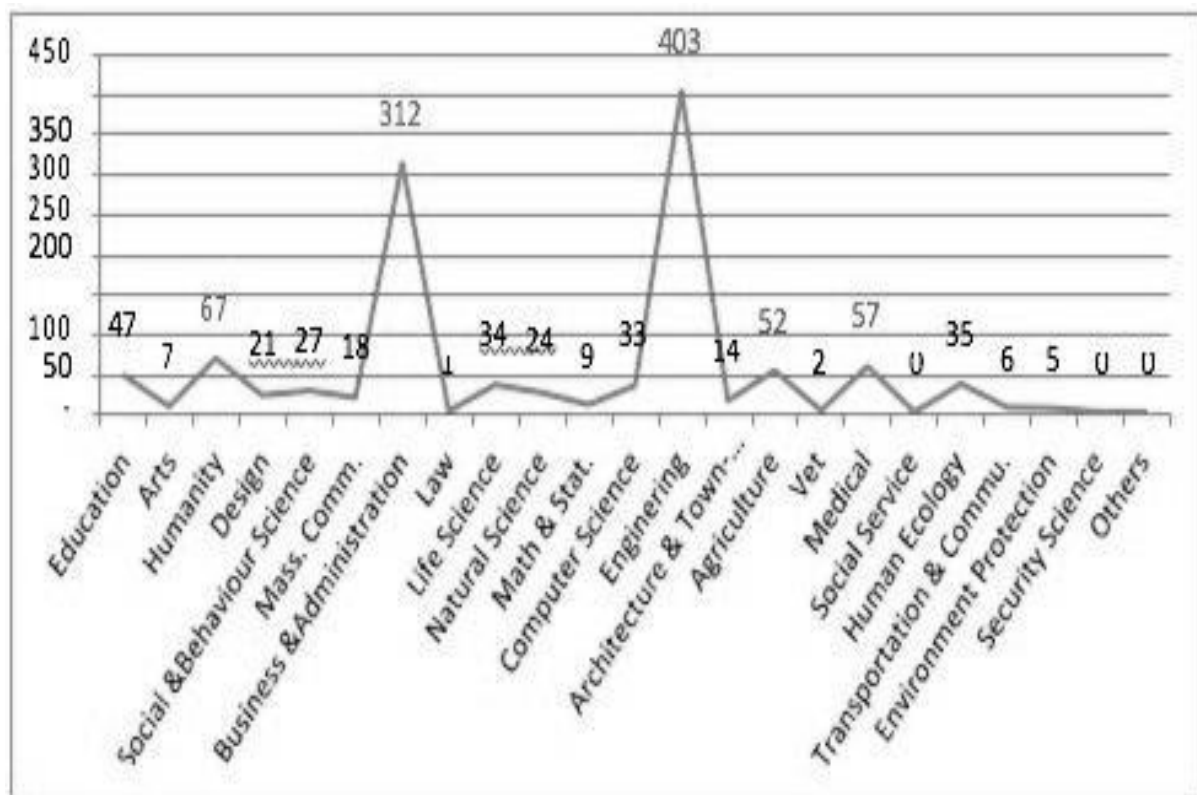
various probabilities which could bring various answers to what will happen in the future. Second, shedding light on the complex interlinkages between issues. Ability to gain information could make them resolve interlinkages between issues on the interconnected events.

Third, helping to define the self-interest of states. It derives from the process of explaining causality relationship which leads to redefinition or identification of new idea. The diffusion of new ideas along with information can lead to new patterns of behaviour and is proved to be an important determinant of international policy coordination. Hence, as demands for information arise in decision making setting, epistemic communities are becoming one possible provider in providing information and advice. They have capabilities to produce and provide the information in helping states to identify their best interests, form the issues for collective debate, recommend specific policies, as well as identify substantial element for negotiation which decision maker could learn new patterns of reasoning. In sum, epistemic community is able to explain causality relations of phenomenon to estimate various probabilities, gain accurate information and redefinition or identification of new idea which consequently begin to pursue new state interests.

#### *The Characteristic and Nature of Indonesia Student in Taiwan*

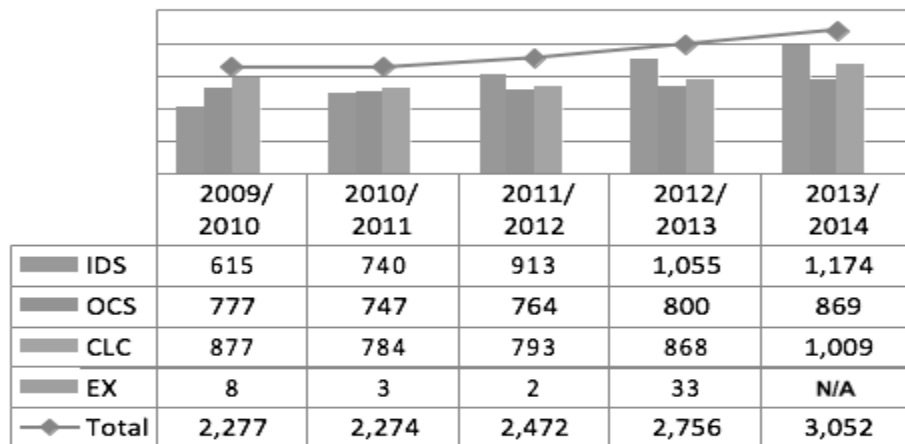
In this paper, Indonesian students in Taiwan are considered as the epistemic

community. They could play certain roles as agent of change as well as agent of cooperation. Their ability to some extent would contribute in enhancing Taiwan-Indonesia relations, particularly Indonesia's policy over Taiwan. Indonesian students are the third largest foreign students in Taiwan with total number of 3,052 students. This number consists of International degree seeking (IDS), overseas Chinese student (OCS), Chinese Language Center (CLC) student and exchange student. IDS is non-Chinese ethnic student who seek for degree in Taiwan from undergraduate level until doctoral level with total number in 2014 1,174 student (Taiwan Ministry of Education, 2015). They come to Taiwan after gaining scholarship from Taiwan scholarship scheme, Indonesian government scholarship scheme like Aceh scholarship, or local scholarship from the university in Taiwan. On contrary, overseas Chinese student is Indonesian Chinese student who seeks for degree in Taiwan and mostly are on undergraduate level with total number of 1,009 students (Taiwan Ministry of Education, 2015). Considering the OCS comes from businessman family, most of them are funded by their parents in enrolling at Taiwan academic institution. Both IDS and OCS are studying in Taiwan for more than one year, depend on their degree and achievement. In term of field of studies, for IDS, top five fields in 2013/2014 are engineering 403, followed by business and administration 312 and humanities 67, medical 57 and Agriculture 52 students.

**Figure 1. Detail Number of Indonesian Student by Field of Study**

Source: Taiwan Ministry of Education

In contrast, CLC student and exchange student have only limited time of studying in Taiwan. Their program would be finished in six months to one year period. CLC student is those who learn Mandarin in Mandarin Language Center while exchange student is those who join an exchange program for a short period in Taiwan universities. A number of Indonesian students who enrol in the CLC are 1,009 in 2014 while there are 33 students join the exchange program in 2013 (Taiwan Ministry of Education, 2015).

**Figure 2. Demography of Indonesian Student in Taiwan 2009-2014**

Source: Compiled by author from many sources

By its nature, Indonesian students had played major role in carrying out changes in politics and policy realm. Starting with the establishment of first student organization in 1908, which was called Boedi Oetomo, the Indonesian students arranged an event in 1928, called “Youth Pledge”, which enabled to unify Indonesia’s diverse ethnics under three principles; one nation, one country, and one language of Indonesia. Indonesian students continued playing major role in Indonesia’s independence from Japan’s colonialism by kidnapping Soekarno and Hatta, and forcing them to declare Indonesia’s independent as soon as Japan lost the battle in World War II. Initially Soekarno and Hatta were resistant in doing so but due to the pressure of Indonesian students, they agreed to declare the independence of Indonesia on August 17, 1945 (Weiss, 2012).

Furthermore, Indonesian students were also the forces behind Indonesia’s reformation in 1998. The New Order era,

under President Soeharto, have ruled Indonesia with authoritarian leadership for 32 years and resulted economic crisis. The poor economic and politic performance under the New Order regime have triggered Indonesian students to organize mass through student organization bodies and held a massive demonstration in asserting President Soeharto to step down from the presidential office. Their militancy and heroic action resulted a major change in Indonesia’s political realm. Pursuant to the aforementioned elaboration, Indonesian students by nature are, indeed, the agents of change in Indonesia’s major history conducted by their ability in organizing themselves on student organization.

On the other hand, many Indonesian students who pursue their education in Taiwan also come from various backgrounds. Nevertheless, they successfully established three different student organizations to accommodate their interests and network in Taiwan. The

first student organization, as well as the oldest one, is *Persatuan Pelajar Indonesia* in Taiwan/PERPITA (The Association of Indonesian Students in Taiwan). It was established in 1960 and mainly to facilitate the issues of cultural differences and communication among Indonesian students in Taiwan. PERPITA is affiliated with *Ikatan Citra Alumni Indonesia se-Taiwan* (ICATI) which is a Jakarta-based association of Indonesian student alumni who obtain their degree in Taiwan. In order to become the member of PERPITA, the students have to apply and pay membership fee. In addition, most of PERPITA members are the overseas Chinese students who are enrolling in undergraduate program. In achieving its organization purpose, PERPITA holds various activities, such as seminar and sports activity, for the Indonesian students in Taiwan.

The second student organization is *Forum Mahasiswa Muslim Indonesia di Taiwan*/FORMMIT (Forum of Indonesian Muslim Students in Taiwan) which was established in 2006 and applies Islamic tenets as their organization's platform. The purpose of FORMMIT is to facilitate communication among Indonesian Muslim students as well as a platform for Islamic proselytizing. Even though there is no membership to join this organization, all members still have to apply for membership and are limited to Indonesian Muslim students only. FORMMIT holds several religious activities in collaboration with Indonesian migrant workers' organization in Taiwan and Annual International Scholars

Conference in Taiwan (AISCT) which is aimed to conduct technological transfer from Taiwan to Indonesia.

Last, yet most substantial Indonesian student organization, is *Perhimpunan Pelajar Indonesia di Taiwan*/PPI Taiwan (Indonesian Students Association in Taiwan) which was established in 2010. The objective of this organization is to facilitate all Indonesian students regardless their ethnic, religion or background. No registration or membership fee is required as the Indonesian students in Taiwan automatically become the member of PPI Taiwan. The structure of PPI Taiwan is similar with the structure of government where there are two different bodies, namely legislative and executive, in exercising its objectives. In addition, PPI Taiwan has network with other Indonesian students around the world or known as Overseas Indonesian Student Association Alliance (OISAA) which links every PPI in different countries. In order to achieve its objectives, PPI Taiwan has the support from other Indonesian student organization in university level and Indonesian Economic and Trade Office in Taipei (IETO). Their activity consists of conducting research for IETO policy recommendation, holding student capacity building and entrepreneurship program, as well as charity and sport event.

The existence of several Indonesian student organizations in Taiwan is more or less influenced by the various backgrounds of Indonesian



students which can be classified as three major backgrounds; ethnic business network, government officials and scholars. Ethnic business network mainly are the overseas Chinese students who are enrolled as undergraduate students. They have selected Taiwan as destination to pursue their education since 1960s. After graduation, most of them are either continuing to master degree, working in Taiwan or coming back home to help their family business.

On the other hand, government officials mainly come from Aceh province where the local government provides scholarship to its citizens, particularly officers in local and municipal government, through *Lembaga Peningkatan Sumber Daya Manusia Aceh* (Aceh Human Resource Improvement Agency). Most of them are pursuing higher education in master or doctoral degree program. Lastly, the scholars mainly come from Indonesia's public universities, i.e. *Institut Teknologi Sepuluh Nopember*, University of Brawijaya, and University of Indonesia. Most of them are also pursuing higher education degree with the assistance of various scholarship frameworks offer by Taiwanese government. In addition, scholars also come from "DIKTI Bridging Program" under Directorate of Higher Education, Ministry of National Education in 2012. This program is a pre master and doctoral degree scholarship for academicians from the universities in Indonesia to stay for three months in one of the universities in Taiwan. The objective of this program is to grant an access for an Indonesian academicians to

Taiwan and at the end of the program the recipient is expected to get a Letter of Acceptance (LoA) from the university in Taiwan. The bridging program already conducted twice in two batches. The first batch was followed by 85 persons and the second one was followed by 144 academicians from various backgrounds.

**Table 4. Indonesia Student in Taiwan from Aceh Province**

Academic Year	Number of Student
2009/2010	27
2010/2011	33
2011/2012	40
2012/2013	45
2013/2014	22
2014/2015	4
Total	171

Source: *Lembaga Peningkatan Sumber Daya Manusia Aceh*, 2015

Taking into account the ability of Indonesian students in providing policy recommendation, therefore, it demonstrates their ability to influence the government's policy. Furthermore, as they are studying and living in Taiwan, they have direct contact with Taiwanese people and understand Taiwanese society and culture better by gaining trustful information and situation in Taiwan. In addition, the nature of Indonesian students, who are able to encourage student movement in order to create major change, convinces their ability to redefine or identify new idea in pursuing state interest. Thus, Indonesian students can be considered as epistemic community and influence the relation

between Indonesia and Taiwan only if they are treated accordingly as agent of cooperation.

### **Misguided Treatment: Indonesia Student as Invisible Agent of Cooperation**

The aforementioned elaboration is identifying obstructions in Taiwan-Indonesia relation occur because of rigid policy and limited understanding. Approach in institutional, economic, technical and assistance, and informal forum cannot assist much in breaking through the obstructions because they never touch upon the very basic problem. Thus the epistemic community effort has to be encouraged in helping solve the obstructions. However, academic relations with Indonesia which could establish the epistemic community is still not supported by appropriate effort in enhancing Taiwan-Indonesia relations.

Indonesian students in Taiwan are still treated as commodity than as subject of agent of cooperation by Taiwan government. According to Taiwan's MOE, Shrinking population in Taiwan has created a demand of foreign student to support the operation of universities in Taiwan (Wei, 2015) Effort in increasing the number can be seen obviously from two aspects. First from six areas on MoU in higher education, they are only providing scholarship and mutual recognition of degrees and professional qualifications which are successfully implemented but left behind research collaboration and capacity building. Second, as the only Taiwan academic related institution in Indonesia, TEC, is functioned only for

disseminating information of Taiwan education and attracting students especially they who come from Surabaya to study in Taiwan. It can be seen from the services offer by TEC. There is no such effort in developing Taiwan discourses over the Indonesian students e.g. maintaining alumni network or establishing research collaboration.

In order to obtain comprehensive analysis, interview session has been conducted to three students who represent three classification backgrounds of student in Taiwan; ethnic business network, government officials and scholars. Based on the interview with ethnic business network, the interviewee said after completing their study, most of OCS would return back home to support their family business. However when the interviewer asked about what kind of cooperation is possible to be conducted between Taiwan and Indonesia, the interviewee was confused due to the received lack of information from Taiwan's side. The interviewee further said there was no effort from Taiwan government to explain the future opportunity in business between Taiwan and Indonesia (Representative of Indonesian Overseas Chinese Student, 2013) The only thing they asked was only to promote and recommend their friend to study in Taiwan universities. This situation has neglecting the fact that almost 60% of Indonesia's economic is run by Indonesian Chinese people. Lack of effort to maintain the information of Taiwan to them would make their potential become invisible.

In the second interview session with government official particularly student from Aceh, the interviewee said, as foreign partners, Taiwan is one of the potential partners which compatible in developing Aceh through their capital and technology meet with Aceh's natural resources. The interviewee further said, the Government of Aceh is considering Taiwan as one of future partners especially to build special economic zone. However, lack of connection with Taiwan government makes this potential factor becomes invisible. Several attempts have been made through IETO to obtain information and connection to reach Taiwan government, according to the interviewee. Nevertheless, the development is still insignificant to establish contact between Aceh local government and Taiwan government. The interviewee also mentioned that their connection with Taiwan only occurs through ESIT when they arrive in Taiwan for the first time (Representative of Indonesian Aceh Student in Taiwan, 2013). Lack of attention to Indonesian students from Aceh makes Taiwan lost an enormous opportunity to establish further economic cooperation.

Furthermore, in interview with scholars, findings resulted that scholars perceive Taiwan's advanced research method as one of the potential research and academic exchange partner. Yet, lack of initiative from the Taiwan government to maintain the network with Indonesian scholars has made the connection only up to relation between scholarship giver and recipient. There is no certain academic

activity for them while they are in Taiwan as well as after they finish their study in Taiwan except studying in Taiwan's university (Recipient of Taiwan Scholarship from Indonesia, 2013). Lack of effort to further reach Indonesian scholars has made academic network opportunity missing. Thus, the scholars who study in Taiwan is only aimed to fulfil their pragmatic purposes to obtain their degree in order to get better position when they return to their institution in Indonesia. Up to this end, the Indonesia scholars in Taiwan become an invisible agent.

Concerning with the obstruction of Taiwan – Indonesia relations, regarding the understanding of cross-strait relations, all of the interviewees responded relatively similar. Their understanding of cross-strait relations is almost similar with perception of Indonesian government that Taiwan and Indonesia have a limited cooperation because of "One China Policy" which is acknowledged by Indonesia. This situation is acceptable concerning the issue is heavily political and most of students enrol in engineering or business as field of studies. However two of the interviewees are recipient of Taiwan scholarship provided by Taiwan government and they stated that no such effort from the scholarship committee in providing understanding on particular issues. Even the government official who came from Aceh who should took orientation for one month held by ESIT, one of Taiwan institution, said that topic regarding such issue was not subject of the orientation and made their perception remain the same. Therefore

Taiwan government through ESIT or other institutions should provide a comprehensive understanding of “One China Policy” in order to avoid misunderstanding among Indonesian people, particularly Indonesian students who study in Taiwan.

Lastly, network of alumni is not maintained appropriately. There is no network of Taiwan alumni particularly Taiwan scholarship alumni. After the completion of their study, their relation with Taiwan also finished. According to the interviewees, although not particular for Indonesian student, there is only ICDF which has global network of alumni. This situation has made Taiwan lose their leverage to deal with the alumni and, to some extent, lose opportunity to conduct collaboration with them. Clearly, a network of alumni for Indonesian student needs to be established not only to facilitate communication among them but as an institution for Taiwan’s government in actuating Indonesian students as agent of change to enhance Taiwan – Indonesia relations through every possible means.

In sum, the attempt to treat Indonesian students seems still to be put on the side-line by Taiwan. So far, Indonesian students only are only required to fulfil the regular requirement of students for Taiwan academic institution. This makes potential ability of Indonesian students to play role as agent of cooperation remains invisible. Although many efforts have been conducting by Taiwan through many

approaches to enhance relations with Indonesia, but the elaboration in utilizing academic cooperation is still far from such objective. Serious effort has to take into account in order to activate the epistemic community that has potential role in constructing new interest of Indonesia in enhancing their relation with Indonesia.

### **Conclusion**

This paper is the continuity of preliminary research on Indonesia students in Taiwan which previously elaborates only on the potential of Indonesian Students as a cooperation agent to enhance Indonesia-Taiwan cooperation. From the analysis, two conclusions can be drawn. First, Taiwan academic relations with Indonesia are still focusing on the effort to increase the number of Indonesian students in Taiwan and neglect their potential as agent of cooperation. This condition has made the students as agent become invisible. Second, Taiwan’s policy in academic cooperation with Indonesia is not in line with Taiwan’s effort to upgrade its relation with Indonesia. As an impact, Taiwan – Indonesia relation remains stagnant and invisible.

Findings from the analysis recommend Taiwan to maintain and give appropriate treatment to Indonesia student. It reaches through providing the understanding about cross-strait relations and maintaining network of alumni of Indonesian students from Taiwan particularly those who receive Taiwan scholarship. In addition, further research

has to be conducted to enrich the concept and effort. It can be reached by conducting comparative studies with other countries especially Malaysia and Singapore regarding the epistemic community role in shaping government relations and policy to Taiwan. Thus, the concept would be fruitful in building mutual benefit between Taiwan and ASEAN countries particularly Indonesia.

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# Night Market from H. Lefebvre's 'Space as Practiced': The Case of Davao City, Philippines

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## Abstract

*Guided by Lefebvre's (1991) notion of space as practiced, the night market is a result of actual and evolving activities of street vendors as they subsist in the area for their livelihood, as they interpret and apply the governing rules set by the Local Government Unit (LGU), and as they respond to emerging events in the areas such as the bomb blast which happened in 2016. With such experiences and responses, the narratives of the vendors reveal that as they occupy their spaces within the night market, they maximize the limited lot which the LGU has accorded to them, invent some rules which do not violate the policies set by the LGU so vendors can extend their stay in the place after the three-month rule, and capitalize on the potential of their experiences after the bombing incident by redefining themselves as survivors and as symbols of resilience in the city. It is through these actuations and positions that the vendors' manifest their strength and capacity to rise above structures and situations that regulate and confront the Roxas Night Market. Thus, the experiences of the street vendors when gleaned from the perspective of Lefebvre's space as practiced stand for an intent to convert or transform the night market into an arena of practice where their agency, identities, and quest for survival interface. When further appraised using Foucault's (1977) lens on power, such experiences also mean that the vendors articulate their participation in inventing and re-inventing the stories and meaning of the Roxas Night Market as a locus of transcendence and discipline.*

Key words: Roxas night market, space as practiced, Lefebvre, Foucault, power

## Introduction

As part of a growing list of activities in the Evening and Night Time Economy (ENTE), night markets are created to extend the day-time economic activities (Hadfield, 2014). This can be recognized in cities across the country which attempt to make urban evening life more interesting for the locales and its tourists by creating night spots such as night markets. As a growing urban

phenomenon, few researches, however, have been done to describe and understand the socio-cultural meanings of night markets – why it exists, and thrives, and the accounts of vendors as they subsist in the area.

In the country, Milgram's (2014) study of the Harrison Road Night Market in Baguio City to date stands as an example of a night market study which uses the social science perspective in



analyzing and interpreting its social meaning. While Milgram's work has its strengths, the work primarily looked into the interface between legality and illegalities in the night market, which occasion other areas and interest that are wanting of attention. For instance, there is a need to study the night market from the point of view of social space, and from the perspective of the vendors themselves. With the opportunity to contribute to night market studies, this paper aims to gather the stories of select street vendors, and the interpretation of such stories shall be taking-off from Lefebvre's concept of space as practiced (1991). This means that this study is interested to know the way street vendors manage and maximize their stall-sites, the manner by which they use their spaces as their interpretation of the rules set by the Local Government Unit (LGU), and their assertions over their spaces as response to incidents that have transpired within the night market with the bomb blast as the specific point of concern.

As a short background to Roxas Night Market, this site has been existing since 2014, and its creation was conditioned by a city ordinance which was approved by the city legislators of Davao City in December 2013. As livelihood space, it is composed of four units: (1) food section, (2) *ukay-ukay* (second hand items), (3) massage section, and (4) accessories section. For the food section, each vendor is provided with 1.8 x 3 meters, and 1.5 x 2.1 meters is allotted for the accessories and *ukay-ukay* sections. In the massage section, eight

organizations of massage therapists are accommodated. This means that each organization is allowed to put up tents not exceeding 5 x 4 meters. Given the spatial limitation, space use and maximization are primary interest for the 350 vendors. Moreover, the limitation in space is coupled with a limitation in time. As a livelihood space, vending can only take place between 5PM to 1AM on weekdays and 4PM to 1PM on weekends. Considering the three-month rule of the LGU, vendors can only avail and access such spaces in the night market for three months. As a consequence, four batches of vendors can access the area in a year resulting in an estimate of 1,400 vendors in the area.

The constraints with regard to space and time have conditioned the way vendors manage their spaces. From the interviews conducted, this research focuses on four narratives representing each of the four sections – massage, *ukay-ukay*, food and accessories. The key informants were selected based on these qualifications: (1) vendors in the night market for at least one year, (2) have experienced the three-month vending rule of the LGU, and (3) was in the area when the bomb blast happened. With these parameters, the informants can narrate their experiences and reflections with the nodes in the life of the night market hoping that their accounts will serve as microcosm on how vendors in the Roxas Night Market make the most of their time-bound and space-bound areas as new rules of the LGU and unexpected

incidents emerge in the story of the night market.

### Methodology

This study upholds the qualitative research frame in the social sciences. The specific methods used include key informant interviews, observations, on-site mapping, and participant observations, which help provide thick descriptions from which themes or patterns unfold (Peralta, 1996). For the interviews, the conversations revolve around the following concerns: (1) the processes involved in bringing their goods to Roxas Avenue, (2) the steps followed to assemble their vending stations, (3) the actual/concrete ways of managing their small vending spaces, (4) how vendors sell their goods to costumers, or invite potential clients for a massage for the massage therapists, and (5) eventually how vendors pack their goods, stalls and stations as they fold-up and close their livelihood space for the evening. Since space as practiced means staying in the field from start to finish, this approach required at least experiencing the entire duration or cycle from 4PM to 1AM. This method is needed to document the practices of the vendors as they go the rounds of operating and managing their stalls. With regard to participant observation, this was done in the stall of Ricky – an *ukay-ukay* (second hand clothes) vendor. This means filling the role of the vendor, entertaining the questions of potential buyers, and arranging the shoes in his shoe stall. This experience facilitated observations on how vendors

maximize their lots, address the questions of on-lookers, and the intersecting concerns of vendors, since at times, they receive calls or messages from family members. For the mapping of space stalls, maps were drawn on-site which was followed by comments from the vendors themselves.

After the descriptive section of the study, the analysis part ensues. The spatial aspect of the vendors' accounts will be magnified and interpreted using the lens of Lefebvre (1991), and this will be critically appraised through Foucault's notion of power (1977). In so doing, the productive relation between the narratives of the vendors on their practices within the night market as social space, and the meaning of the Roxas Night Market as space as practiced will be occasioned and critically looked into.

### Theoretical Framework

This study is guided by Lefebvre's notion of space as practiced which refers to daily routines within the context of urban realities. More to the point Lefebvre holds that "The spatial practice of a society secretes that society's space; it propounds and presupposes it, in a dialectical interaction; it produces it slowly and surely as it masters and appropriates it. From the analytic standpoint, the spatial practice of a society is revealed through the deciphering of its space" (Lefebvre, 1991). This means that through the practices of individuals, social spaces or areas are created, re-created or transformed into locations of meanings. While these meanings may form

contradictions, this notion of space as practiced admits that there is this built-in tension in space-making which ensures or guarantees that there is room for exchange of influence, change, accommodation, opposition that condition and regulate the dynamism in social spaces. In the case of the Roxas Night market, its meaning as a social space is cultivated and formed by the practices of vendors, by their intentions as they make the most of their limited time and space, and by their responses to emerging changes such as the imposition of new rules, and the unfortunate bomb blast. With these combined conditions, the presence, experiences and agency of vendors in the area shape or form the meaning of the night market as a practiced space. This conversely means that in the absence of street vendors, the night market will lose its meaning as space as practiced.

Such critical component of the study is also enriched when coupled with Foucault's take on power, noting that power is comparable to a capacity to govern, or "to structure the possible field of action of others" (1977). Since power takes place and makes manifest its bearing in a social relation, Foucault adds that power only makes sense within the context of the possibility of resistance. He adds that because of such nature, "the relation between power as the capacity to inform-influence, and to resist – to simultaneously challenge, question, modify the influence, points to the peculiar nature of power" (1977). Hence, with Foucault's stance on power, the practices of vendors within their limited

spaces in the night market can be construed as questions, or as their way of asking the LGU if the night market itself will suffice to give them opportunities to improve their conditions, or the condition of the informal sector such as street vending in the city.

## Results and Discussions

### *Narratives*

The following narratives were selected to help describe the Roxas Night Market as space as practiced:

(1) *Dhoy as Massage Therapist.* Dhoy is from Lake Cebu, South Cotabato. He started working as massage therapist in the night market in 2013 after he inquired with Ate Fely – massage therapist in the area, on how one can become part of the group. This inquiry, however, has been conditioned by his prior observations on how massage therapists go about their work and engage their customers, since he was first part of the night market as assistant to the stall of his elder brother in the accessories section. Given his curiosity, Dhoy wondered how he could possibly become a massage therapist. When asked for his motivation to work, he shared that he has a child in South Cotabato. Despite having no clear knowledge on how to do proper massage, he enrolled himself in a training, since he saw the potential of having better income with massage in a busy place like Roxas Night Market. Up to this day, he shares that "*makalingaw ang massage ug makahatag pud ug income*" (Giving massage is fun and interesting, and it can provide income).

With regard to income, Dhoy recalls that in 2013, he used to earn Php 700 per night when there were fewer massage therapists. Since he is already a member of a massage therapist organization, Dhoy also needs to allocate 5% for every massage service to the organization and Php 10.00 for the rental fee for the chair he is using. For instance, if he gives whole body massage which costs Php 200.00, he needs to give Php 20.00 to the organization as part of his contribution to the monthly space fee which the organization needs to settle. When asked if such rates burden him, Dhoy mentioned that the rates and fees are reasonable and necessary so the organization of massage therapists can address its obligations to the LGU.

How do you compare your present income to your income in 2013? Dhoy laments that today, he can only bring home around Php 300 to 400 a day. He explains that the decrease in income is attributed to the increased number of massage therapists, and that fewer people avail of the massage service especially as a result of the bombing incident. In order to survive and deal with the pressing constraint, Dhoy has become keen in keeping track of the cellphone number of his clients for home massage services, and he has upped his tools of the trade by investing on a good selection of oils, and scents, and even buying a comfortable pillow for clients who may have back pain. Since I also experience some difficulties with my lower back, I tried his personalized service and even observed the reaction of other massage therapists in

the vicinity. When Dhoy, opened his kit, and inquired if I prefer lotion, oil or powder, I felt privileged that such options are offered especially that massage therapists will only just usually use coconut oil. Having an element of surprise to his options, I also realized how Dhoy values hygiene as he underscored the fact that he always uses clean towels for every client.

Equipped with options, his fellow massage therapists expressed that the tool kit has been Dhoy's trademark in the area. Since he brings clean towels every night, Dhoy also shared that after his work, he needs to soak all the used towels which he needs to wash in the following day. This is part of the cycle that he has to observe and at times endure especially if he feels unwell. Dhoy knows that he needs to maintain such edge so he can keep the interest of clients and perhaps attract more in the landscape of increasing and competing number of therapists. When there is no client, Dhoy also stands near the entrance of the massage area or at the exit point of the food section to greet possible customers or entice them for a massage for the evening. This is the part of his work which reminds him of the uncertainty of his work, especially if it is rainy season, and now, when the night market is slowly overcoming the scars caused by the bombing incident.

Given that Dhoy has a child to support in South Cotabato, and now, he needs to take care of his ailing mother, he just hopes that he will not have health problems so he can fulfill his

responsibilities to his family. When sick, do you also avail of the massage service from your colleagues? Dhoy said that he has a group of friends whom he can request if there is a need for him to receive a massage therapy. He notes, however, that such service is not for free. Knowing the kind of strength exerted in giving a massage, Dhoy still pays his friend. But this time, instead of paying Php 200.00 for a whole-body massage, he just gives Php 100.00. What about a signature massage? Is a massage therapist keen to developing his own massage style? Dhoy remarked that having your own massage style is a key element. This is something which a massage therapist needs to discover or develop. Dhoy also realized that having a group of massage therapists with various signature massage approach will also be good for the organization as a whole.

(2) *Ricky as ukay-ukay vendor*. Being an *ukay-ukay* shoe vendor, has allowed me to do participant observation in his work space. I asked him if I can be his assistant for the evening as we install, and sell the items in his rack. After installing the make-shift post, and hanging the shoes, Ricky explained that unlike other shoe vendors, he does not lump all shoes so as to maximize the small space that each stall has. Ricky has a different concept of maximizing space. He explains that after his years of experience displaying shoes, he realized that customers prefer to stay longer in a stall if each shoe displayed has sufficient space for it to stand out. "*Dili kinahanglan itapok gyud tanan*" (It is not necessary to lump everything). Noting that in a shoe sack – which he bought for

Php 3,000.00, he selects and sorts the good quality shoe pairs from the rest. Explaining that a good quality shoe can be sold for Php 1,500.00, he thinks that it will be faster for him to recover his capital if he pays special attention to such type of shoes. This is the reason why Ricky will only hang the quality shoes in his rack and leave the rest at the back of his stall. Since I was there to participate for the entire evening, I started to believe in what Ricky was explaining, since we were flocked by a group of four to five potential buyers who stayed longer than usual. For Ricky, giving his costumers reasons to stay longer to assess his goods increases the chance that they will end up buying a pair of shoes. As his assistant, I also realized that such approach also makes the life of Ricky easier, since he can almost memorize the features of his select shoe pairs. Having such information and mastery is crucial especially for customers who have an eye for good items in the *ukay-ukay* section. Ricky is aware of the presence of some buyers who will try to find a few good buys which they will re-sell over the internet. These were the kinds of concerns that Ricky had as he patiently shared to me some of his realizations on the kinds of customers that visit the *ukay-ukay* section in the night market. In between the folding beds, Ricky also allocates a space so his buyers can have an area to move around. This space also helps Ricky, since it allows him to move freely at the rear part of his stall where some of his items are kept in sacks.

With Ricky's understanding of his work space and the kind of goods that he

has been selling for years now, Ricky does not worry with the other shoes that he will no longer display in his stall. He specified that he will simply bring the other shoes in a fiesta in a far-flung area and sell the shoes at a very cheap price. Ricky notes that such approach has always worked for him, since people will no longer think twice buying a pair of shoes for Php 100.00 or even for Php 50.00. What about the three-month rule of the LGU? How does one prepare for the end of one's contract in the night market and the possibility of re-gaining the space after 3 or 6 months?

To such question, Ricky shared that he plans of sharing a space with another vendor in the *ukay-ukay* section. At this point, Ricky expressed that he has been in talks with his brother-in-law over such possibility, and shared that his in-law is amenable to such arrangement. "*Lahi ra man gud kung naa ka diri sa Roxas.*" (It is just different when you are here in Roxas selling). This was Ricky's driving point in stressing how the night market has made his life easier and better in terms of having more reliable and steady income compared to the other posts in the city which he has previously explored. "*Kami na man guy adtuan diri*" (It is the people who come to us in this area). He is also not worried over the legality of the proposed arrangement, since there is no policy that states that sharing of space is not allowed. Moreover, the person who will be selected during the draw lots will also be in the stall physically – in this case, Ricky's brother-in-law would need to be in the night market every time the

presence or attendance of vendors is checked. After the draw lots, however, Ricky was no longer part of the night market after I surveyed the place two nights after the drawing of lots was concluded. His absence may mean two things: (a) his brother-in-law was not drawn, or (2) his proposed arrangement with his brother-in-law did not push through. His absence also implies that I would need to wait for another three months or so to see if Ricky will be in action in one of the spaces in the *ukay-ukay* section of the Roxas Night Market in the near future.

In closing the evening, Ricky started picking up the empty sacks which were hidden beneath the folding beds. In doing this routine, Ricky was quick to identify which shoes should be grouped together in a sack. When this sorting was done, he then removed the wood frame of his stalls, tie them together, and kept them in a corner. He also made sure that his area is clean, and that it is litter free. Once the entire stall is dis-assembled and folded, and the space is cleared of any garbage, Ricky texted somebody who soon arrived with a tricycle. This is where Ricky lodged his tools of the trade, and informed me that his items are kept in a nearby house which has then served as repository for the items and good owned and sold by the *ukay-ukay* vendors. The following day, I walked around the vicinity of Roxas Avenue and I discovered three houses which were converted into *ukay-ukay* housing stations.

(3) *Nur's Eatery*. Unlike the massage area and the *ukay-ukay* section, a different type of space and time use maximization unfolds in the food section in the night market. Nur occupies a stall in the food section of the night market. During the first round of selection of vendors after the closure of the night market as ordered by the city mayor, she was one of the few who were lucky enough to continue in their enterprise. Nur also recalls how the other vendors who were not selected cried and expressed their dismay over the new system of the LGU in the selection process. But contrary to what people expect, Nur was actually not happy that her name was called. It can be recalled that she is the only vendor whom I discovered who was hesitant with her new space, since she preferred to vend near her home where she can take care of her only daughter. Nur complains that with the schedule of the night market, she always finds her daughter playing video games near their residence. She worries over her daughter's safety including the kind of food that her daughter eats. With her selection, she is now obliged to be in the night market on a daily basis. Sharing the stall with her sisters, she now has a laminated ID which shall serve as the inspector's basis in checking if the person in their list is actually on site.

In managing her stall, the space where Nur is stationed is divided according to the following: grilling station, display section of chicken liver, chicken barbeque which she sells for Php 65.00. She also offers *pastil* for Php 20.00 which is

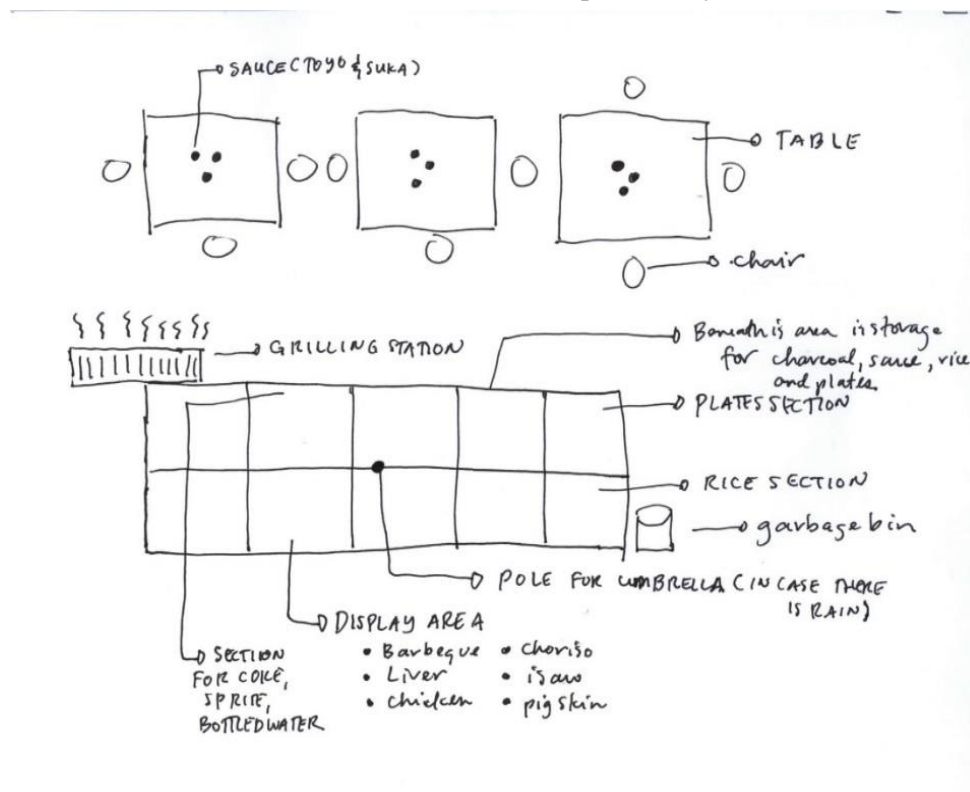
a local Muslim food and plain rice for Php 10.00. In the stall, bottled water is also available for Php 15.00. Given the different items sold in her vending space, Nur is stationed at the *pastil* and bottled area. This is also the place where I frequently eat so I can observe how Nur proceeds with her tasks, and manages the entire stall. Given the multitude of people who wait for their barbeque and *pastil*, Nur shared her team can only start eating around 11pm when the number of people eventually decreases. This also means that they would need to first bear-with hunger, since they need to attend to their customers.

Interestingly, the rear section of the bike in Nur's stall has been converted into a grilling station. This is one of the creative and practical maximization of space in the area, which many of the vendors in the food section also have. The bike-grilling station after the night market operation will then resume with its role as mode of transportation as the vendors pile up their tables, things, and bring back their makeshift vending stall to their homes. This is also the reason why Nur works with his male nephew so he can take charge of the delivery of goods and items to the vending site and bring back such items to their residence. Since Nur chose to sell barbeque, she also shared her difficulty in preparing the chicken liver, barbeque and *pastil*. This is the day-time job that many of the night market vendors need to do in preparation for the night market operations. When asked as to how she manages the income of her stall, she quipped that she simply takes note of her

expenses and daily income. With her busy schedule, she also cited some instances when she no longer can properly record her expenses. On this point, I thought of the need for vendors to have basic financial literacy which may be of help in assessing the purchasing, preparations, and vending process and identify which section is in need of intervention.

Since her tables were marked by a local soy sauce brand, I inquired if such tables were provided by the said company. Nur noted that some companies actually offer such items as long as the

vendors will patronize their products. For Nur, such arrangement is acceptable, since it is a win-win situation for vendors and the company. She added that most of the sauces in the night market are also tied-up to a brand, or company which offered them tents, tables and discounts in purchasing the select products. When compared to the other sections in the night market, it is the food section which also appears to have better condition in terms of tents, and tables, since private companies already made their presence felt via their concept of corporate social responsibility.



Map of Nur's Vending Station with its Different Functions

In this map, the small vending space is maximized by incorporating various elements which facilitate the transactions with the vendors. Also, the persons in Nur's stall are assigned to fulfill different roles: (a) for grilling, (b)

selling, (c) in-charge of rice, and (d) another is tasked to clean and arrange the tables. These are the roles that figure in a vending stall to conform with the pre-conceived functions with a stall. In this stall, Nur is responsible for the



preparation and distribution of rice and pastil.

(4) *Sohaya in the Accessories Section.*

Sohaya is in the accessories section of the night market, since her friend offered to her half of the space or stall-site. Since there are two of them in this stall, Sohaya contributes half of the monthly dues and fees for the electricity use. In her work space, one can observe that Sohaya only has one long table, since the other half will be occupied by the items owned by her good friend. In this respect, Sohaya would need to contend with the small space available to her, and she adds that their location also makes it more challenging for them to sell, since the stall is near the section of the canal where customers seldom visit. If given the choice, Sohaya prefers to sell in the adjacent lane near the free pass area, since it is where the visitors of the night market walk through. Despite the limitations of her location, Sohaya just hopes that something can be done to improve the access of customers to their space. Since Sohaya and friend were not drawn in the next round of vendors, Sohaya may take notice of the fact that today, the LGU has broadened the space between the two lanes so more vendors will pass through the stalls near the canal section of the Roxas Avenue. This concern has been addressed since the space between stalls were expanded to encourage more patrons of the night market to visit the stalls near the canal area.

In the course of our conversation, I also asked if she plans of selling other

goods in the night market area. She opined that she prefers selling accessories, since it requires lesser capital when compared with the food, and *ukay-ukay* sections. Sohaya adds that she also does not worry with the storage of her goods and she need not concern herself with expiry dates. When asked if Sohaya has a source for her accessories, she said that many of her items are from Uyanguren Street which is also the China Town of the city. This is an instance which supports my hypothesis that the Roxas Night Market can also be considered as an extension of China Town, and is China Town's evening economic sibling. Especially with the accessories section, most of the goods on display can actually be seen and bought in China Town, which, however, closes at around 5pm. It is on this note that the Roxas Night Market can be considered as an extension of the economic fervor in China Town at day-time, and is also contributory to the vigor of the China Town in Davao City. Is Sohaya aware of such point? She said that the Chinese Business People in Uyanguren are lucky, since their goods are still sold even at night time through the presence of the Roxas Night Market.

On the day of the interview, rain unfortunately poured which meant having lesser income for the evening. This also means having to immediately put-up a huge plastic cover so their goods will not be drenched. Since the rain continued, Sohaya called it a night as she decided to put back all her items – such as socks, handkerchief, and other accessories, back to her huge rainbow-colored plastic bag.

This action also meant that it was time to also wrap-up our conversation, since Sohaya was already looking at the tricycle which will ferry her goods back to their house.

### *Unfolding Themes from the Narratives*

From the narratives of the informants, the following themes emerged: (1) working for the family, (2) practical innovations, (3) contingency plans, and (4) family concerns.

(1) *Working for the Family.* The limited space and time that a vendor in the night market deals with have conditioned their efforts to make the most of what such delimitations can offer. This is a common approach that intersects in the four different yet interrelate accounts of space and time use. Also, this is where the structuring role of space and time figures in the experience of the vendors (Giddens, 1979). An important approach that can be observed is how the individual's efforts intersect with the need to work with a group of people, family, or with other vendors. If this point is made pronounced, each stall in the night can be reckoned as an effort of a community of individuals (Nirathron, 2006). This means that the motivation for work, the efforts to maximize space and time, and the importance of upholding the rules set by LGU suggest the varied concerns that each stall in the night market considers, deals with or tries to acknowledge or respect. This is the reason why Dhoy, for instance, reminds himself of the need to work better as a massage therapist for his child, and now, for his ailing mother. His desire to be

better brings him back to the reasons why he wants to make his chances of finding clients improve. The motivation to help the family is also true for Ricky, Sohaya and Nur. Despite the varied circumstances, they all agree with Dhoy that their efforts will hopefully bear meaning in the lives of the family members who in one way or another depend on them for their economic sustenance.

In order to make a difference in the lives of loved ones, the narratives suggest that in practicing one's creativity and resilience in the accorded space also means working well with others, or finding a sense of refuge from the opportunities which others may want to share (Nirathron, 2006). This is the clear case of Sohaya who was able to find in her friend the generosity to partition half of her space so they can both continue in their economic endeavors in the Roxas Night Market. Without her friend, I, too, would not be able to meet Sohaya who can be considered as an example of a young vendor who may as well change the kind of vendors in the future – educated and willing to find a balance between formal and informal work.

(2) *Practical Innovations.* Converting the rear part of a bicycle into a grilling area is a viable manifestation of an innovative output of vendors in the food section in the night market. A closer look at their ways and means as they operate their makeshift stalls condition the need to make the most of what a limited space and time has to offer (Low, 2017; Dovey,

1999). This creative tactic was also demonstrated by Dhoy who did not want to settle with the usual practices of fellow massage therapists. By preparing and investing his own version of his tools of the trade, he can always claim in the massage area that his approach to his work is reflective and sincere. The idea emerged because of his keenness in observing practices surrounding his area. Through observation, he was able to initiate himself into the world of massage therapists, and through other rounds of observation he imagined what his customers need to make their stay as clients of massage services unique and physically rewarding.

Another strategy that Ricky projected and which Sohaya used is to navigate themselves in the rules stipulated by the LGU. By having a shared vending space, both Ricky and Sohaya give themselves more chances of extending their stay in the night market. This is a practice that is also done by other vendors in the area, and for them, it is acceptable as long it will not cause trouble to other vendors. Nur also demonstrated that she actually needs to share her space so she can sell more, and perhaps add more to her savings. Will the government allow such approach if everyone will adapt such method? From a critical lens, such disposition is also conditioned by the necessity to fight the constraints and difficulties brought about by poverty (Nirathron, 2006). Moreover, the critical perspective is reminiscent of Bourdieu's *habitus* (1990), the night market as space as

practiced also points to the vendors' mastery of their spaces.

While the confined space gives the impression that it should require less mastery, it is the other way around, since the small space is saturated with various elements that need to work together. This mastery or cognitive map has also become intuitive for the vendors. The accounts of Ricky and Dhoy, for example affirm such points, since they have already started innovating and distinguishing themselves from the other practices of vendors. For Ricky, he has learned that it is better to prioritize quality shoes in the display section, and the small spaces where the potential buyers can navigate with; while Dhoy knows that giving customers options and showcasing a tool box sets him apart from the other massage therapists. Such insight has been conditioned by his years of experience and work, and some observations with his fellow therapists. This is why up to this day, Dhoy still manages to survive and support the needs of her child in Cotabato City. This is where vendors also showcase their mastery of the logic or principle behind vending as a social and entrepreneurial activity.

(3) *Contingency Plans*. Nur is a good example for this theme. While admitting that she prefers to work near her abode, she also underscores her capacity to work and vend elsewhere if it so happens that she will no longer be selected, or her sisters in the next round of the drawing of lots. The kind of preparedness that she has speaks of the

ready plan, or plan B if in case, the night market will no longer be accessible for another three months or so. The same spirit of readiness can also be seen in the narratives of Ricky, Sohaya and Dhoy who have been into vending services and goods for years. The experience has provided them options in case some of their goods will not be sold in the night market, as in the case of Ricky, or the accessories of Sohaya can still be sold in other parts of the city which Sohaya has done even when she still in her elementary years, or Dhoy's effort to beef-up his relation with clients who can just text or call him for home service type of massage. Given these options that they have created as they practice their skills and craft in their spaces in the night market, the vendors in the Roxas Night Market can be said to have the laid down contingency plans so they can still survive, or outlive the challenges that may ensue in the process of finding a sense of permanence in the time-bound and space-bound structures of the night market.

(4) *Family of Vendors.* Vending is a family enterprise. As family, this also expands to relatives and even close friends. This is the reason why Nur was still in the night market despite hoping that her name will not be drawn during the first batch of vendors. When I visited her stall, and ate at her vending site, she was surrounded by her relatives who also sold food and were assigned to fulfill specific functions in their stall-site. The scene made me understand why Nur decided to vend still, since it means giving economic opportunities to her relatives.

Like Sohaya, she was also fortunate to have a close friend generous enough to share a space with her. This also explains why Sohaya shared that if her name will be drawn, her friend can also vend with her. This seemingly working partnership means that vending is not an individual activity. It involves the family, relatives and friends. Ricky, in the management of his vending stall, applies the same logic.

The socio-cultural nature of vending in the night market means that it embodies certain community values and expectations. These values and expectations assume even greater depth when gleaned within the context of the family (Nirathron, 2006). Since many of the vendors are migrants, their shared stories and experiences mean that it will be difficult, if not anti-thetical for them to not consider the benefits of working together. This also explains why the context and concept of a family is a crucial element in understanding the space-use practices of vendors.

#### *Analysis: Space as Practiced as Locus of Meaning*

When gleaned from the perspective of Lefebvre's space as practiced (1991), the vendors have articulated their capacities to convert or transform the night market into an arena of practice where their agency, identities, and quest for survival interface. This ability is conditioned by their mastery of street vending as an enterprise, a way of life, and coupled with the necessity to live and take advantage of the night market as livelihood opportunity. Such is the case

since the vendors have decided to face the difficulties that they regularly encounter as they continue to street vend. It is because of such commitment or assertion that the night market can be taken to mean as an expression of their effort and struggles to survive and decently live. The changes and changing arrangements in the night market which is generally a characteristic in urban landscapes (Low, 2017) have somehow helped shape the way street vendors deal with their vending spaces. As changes in urbanity increase, the street vendors also find themselves in changing situations that force them to respond as part of the process of survival.

A concrete example of such unexpected change is the three-month rule imposed by the LGU. When the rule was implemented, the street vendors were initially distraught by the news. They were initially unconvinced by the seemingly anti-poor stance of the LGU. Noting how the city mayor was serious in addressing the violations of some street vendors, the other vendors who were not remiss with their obligations complained of the blanket punishment. It is this seemingly inherent contradiction in space as practiced that lets Lefebvre argue that space making or space production subsists or grows from such types of tension. In the absence of this dialectical spirit, space will only be produced by a privileged vantage point such as the LGU's and it will purposely impose its position to other entities who can also be agents of space production.

Noting the patterns in the logic of practiced space, Lefebvre adds that what accounts as the obvious day to day practices are fulfillments of the plan or design created the planners. In the case of the night market, the LGU expects its plan to be visible which is its measure of success. But from the lens of the street vendors, such design also stands as an invitation for innovation. Take the case of Sohaya who invoked her choice to share her space with a friend to increase her chance of staying in the night market for at least another three months. This plan manifests the inherent dialectics in space making. In space as practiced, what seems to be good and acceptable to the planners or designers may be reinvented along the way.

Also noting how practicing agents come from different perspectives and backgrounds, the evident practices in the night market can also be compared to the tip of the iceberg. This means that underneath the visible practices, less visible actuations, dispositions and negotiations emerge and come-in and re-define the logic of practice in the area. More so if the street vendors think of the changes in the governance of the place as a test of their capacities to survive or make the most of emerging situations. Given that such is the disposition of the street vendors, it can be inferred that the street vendors will always have a say in how the night market as a practiced space will take shape. This is actually the undertone of the two themes that emerged from the narratives of the vendors: practical innovations and contingency plans.

The practices and dispositions of the vendors when the bomb blast happened in the area also revealed the way the street vendors managed the night market as practiced space. Dealing with the least expected and terrifying situation, the vendors took the challenge to assist the LGU in reclaiming the area from fear and insecurities. How did this ensue? Showing their strength in confronting their fears with the terror brought about by the incident, and recalling their experience with bombing incidents from where they were originally from, the vendors helped the City, and not just the LGU in retrieving the sense of security and safety in the area which the bomb blast dislodged. Making sense of Lefebvre's notion of space as practiced which is also fueled by the aspiration for 'a firmly grounded everyday life', such account points to the vendors' intent to decipher the incident not as a moment of retreat or surrender but as a case where they can communicate their stance that they will hold-on to the livelihood spaces. This show of commitment further shows strength in their identity as vendors, the urgency to resume in their livelihood engagement to earn again, and the meaning of the night market in their lives as a space which have productively and uniquely interfaced with their day to day practice. Although a critical stance may point out that such commitment to the night market is a result of an absence of better options in the city, the decision to reclaim the night market also underscores the point that for the vendors, the night market is a space that belongs to them. Despite knowing that they will be losing

their spaces after three-months to other street vendors, they still put premium to the possibility of returning to Roxas Night Market in the near future, and their contribution to some street vendors whom they also know and have become friends with.

In relation to Foucault's notion of power, the vendors' position to decipher and reinterpret the events in the life of the night market can also be taken to mean as the vendors' re-appropriation of the night market as a space where they demonstrate two interrelated sides of power which Foucault (1977) refers to as transcendence and discipline. For instance, the vendors' power as transcendence is revealed in the way they treat their working space armed with a sense of flexibility and possibility. As the LGU imposed the three-month rule, the vendors pushed the boundaries of their imagination as their limited spaces where further confined by the rule. As time asserted its hold on space, the vendors realized that such change should be met with strategies. This is where the transcendental capacities of the street vendors are showcased. Knowing that the LGU exercises a governing power, the vendors elected to make use of their imagination through their practical innovations. As they also take lessons from their efforts and experiences in street vending in the past, one clear position that they have argued is that one should not succumb or yield to unfolding structures that aim to delimit options.

But despite such efforts to remain defiant, this question should still be

considered: Will vendors eventually accede to the limitations in space and time as their access to the night market is consistently challenged? This is a question which the LGU should also consider as a point of reflection given that the LGU has always asserted its power over informal work such as street vending. Also, will the contract between two vendors agreeing to share their spaces be eventually prohibited given that such innovation is not yet considered violative of any rule set by the LGU?

Recognizing the importance of immediately confronting the terror which the bomb blast has sown, the LGU – in an indirect fashion, sought the help of the vendors in reclaiming the night market from fear by encouraging them to go back to their post. This is where the LGU recognized that the street vendors are also in possession of a transcendental power. Knowing that the LGU cannot reclaim that night market on its own, its request to the street vendors to immediately resume vending means that the LGU also displayed its vulnerability. This is confirmed by the vendors' remark that they were shocked to note that it was the first time that they were being requested to vend again. In previous engagements with the LGU, the vendors have always been in a defensive mode fearing that they will be evicted or blacklisted.

Recalling that the vendors were once disciplined as an entire group when the LGU decided to have the night market closed for 13-days due to violations of a few vendors, they remembered how they

were dispersed and found themselves unsure of their immediate future. Despite such experience, the street vendors still recognized and appreciated how the LGU officials approached and invited them to continue vending in the area after the bombing episode. Noting Foucault's concept of discipline, this is where the vendors helped discipline two things: (1) the terror that emerge from the occurrence, and (2) the LGU as street vendors demonstrated how they can assist the LGU and the city deal with the effects of the terrorist attack and regain the city's over-all sense of courage.

Will the night market be closed once more in the future? Given how the vendors helped the city deal with the effects of terrorism, the vendors hope that the night market will remain, that night market as a vending space will be made more accessible by increasing the number of vendors each quarter, and that the LGU will not forget the vendors' contribution in helping the city move-on from the terrorist incident. More to the point, the construction of the memorial marker will hopefully serve as the reminder that the street vendors have helped in the healing process of the city as a whole. Since the marker has assumed a symbolic value, will the LGU continue to acknowledge the assistance that it has received from the street vendors in reclaiming Davao City's secure and peaceful aura or mantle? Or, will the memorial marker be a remembrance of how the people of Davao together with the LGU joint forces to squarely deal with the effects of the terrorist attack? There are other queries

which the vendors hope will not slip into oblivion to help discipline or influence the LGU's decision with regard to the fate of the night market in the city's future urban landscape.

### Conclusion

The Roxas Night Market as practiced space gleaned from Lefebvre's position of the production of space speaks of a rhythm which the street vendors have created as response to the governing rules implemented and imposed by the LGU. This rhythm, when closely looked at, is made possible by the vendors unique take of the vending spaces, and their assertion of their right to claim the livelihood spaces legitimized by the LGU, and the vendors' commitment to express their stamp on the role and meaning of the night market in relation to the city's story of rebuilding itself from the terror caused by the bombing incident. Although difficulties arose due to the rules imposed by the LGU, the street vendors decided to maximize the limited vending time and space. It is this commitment to ensure that the night market stays where the street vendors locate and propose their interpretation of the night market as space as practiced.

The logic of practice that permeates the night market is further nuanced by the transcending and disciplining sides of the vendors seen through the lens of Foucault (1977). This means that the experiences and situations of the vendors when seen from such lens inform and enforce daily habits which make-up the fabric of the Roxas Night

Market as space as practiced (Lefebvre, 1991).

Hence, the practices of vendors in the night market, their interpretation of their spaces along the rules set by the LGU, the vendors' relations with their family and fellow members, and their reflections with the bombing incident have contributed to the conditioning of actions and decisions that uniquely subsists in Roxas Night Market. In construing the night market as practiced space, the street vendors have shown that the place is a site of learning new skills, testing old abilities, and carving identities within the shifting and changing urban landscapes of the city.

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