

ARTICLES

Sectoral Growth and Income Inequality in ASEAN-5 Countries: Case of Low-Middle Income Economies

Dewa G. S. Raeskyesa

Revisiting Indonesia's Economic Diplomacy in the Age of Disruption: Towards Digital Economy and Innovation Diplomacy

Defbry Margiansyah

The Internationalization of "West Papua" Issue and Its Impact on Indonesia's Policy to the South Pacific Region

Floranesia Lantang
Edwin M. B. Tambunan

Assessing the Expectations and Limitations of ASEAN-EU Counter-terrorism Cooperation

Ali A. Wibisono
Aisha R. Kusumasomantri

Building Indonesia Through ASEAN Economic Community

Yunita Permatasari

JOURNAL OF ASEAN STUDIES (JAS)

Editor in Chief Tirta N. Mursitama

Managing Editors

Bina Nusantara University, Indonesia
Bina Nusantara University, Indonesia

Lili Yulyadi Arnakim
Moch Faisal Karim

International Editorial Board

Australian National University, Australia
Universiti Teknologi Malaysia, Malaysia
National University of Malaysia (UKM), Malaysia
University of South Florida, United States
KEDGE Business School, France
Leeds University, United Kingdom
National Cheng Keung University, Taiwan
American University, United States

Pierre van der Eng
Nanthakumar Loganathan
Kuik Cheng-Chwee
Abbas Mardani
Yahia H. Zoubir
Adam Tyson
Jenn-Jaw Soong
Amitav Acharya



JOURNAL OF ASEAN STUDIES

Volume 8 Number 1 2020

Contents

EDITORIAL

Continuing Contribution on ASEAN Studies

Tirta N. Mursitama

ARTICLES

Sectoral Growth and Income Inequality in ASEAN-5 Countries: Case of Low-Middle Income Economies 1-13

Dewa Gede Sidan Raeskyesa

Revisiting Indonesia's Economic Diplomacy in the Age of Disruption: Towards Digital Economy and Innovation Diplomacy 15-39

Defbry Margiansyah

The Internationalization of "West Papua" Issue and Its Impact on Indonesia's Policy to the South Pacific Region 41-59

Floranesia Lantang, Edwin M.B Tambunan

Assessing the Expectations and Limitations of ASEAN-EU Counter-Terrorism Cooperation 61-80

Ali A. Wibisono, Aisha R. Kusumasomantri

Building Indonesia Through ASEAN Economic Community 81-93

Yunita Permatasari

journal.binus.ac.id/index.php/jas

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.
- **Book Review:** The manuscripts should be approximately 1,500-4,000. The manuscripts must contain a critical evaluation of book by making argument and commentary on the particular book discussed.

Centre for Business and Diplomatic Studies

Centre for Business and Diplomatic Studies (CBDS) is established as part of the International Relations Department, Bina Nusantara (BINUS) University. Our aims are to undertake and promote research and deliberation on diplomacy, business, international relations and developmental issues particularly in Indonesia, Southeast Asia and Asia Pacific.

We also commit to build, connect and share research and others kinds of knowledge generating activities for the betterment of life of the people and earth. Our immediate constituency is International Relations Department, BINUS University and the larger constituency is the broader academic community of the BINUS University and other universities and institutions both national and international as well as policy community.

CBDS publishes scholarly journal, working papers, commentaries and provides training and consultancies services in the areas of diplomatic training, negotiations, commercial diplomacy, conflict resolutions for business, business and government relations, promoting competitive local government in attracting foreign investment, and understanding impact of regional economic integration on development specifically toward ASEAN Community 2015.

CBDS

Secretariat

Kijang Campus,
Binus University

Jl. Kemanggisian Ilir III No. 45, Kemanggisian / Palmerah Jakarta Barat
11480 +62.21 534 5830 ext.2453

+62.21 534 0244

<http://ir.binus.ac.id/cbds>

EDITORIAL

Continuing Contribution on ASEAN Studies

Warm greetings from Journal of ASEAN Studies (JAS). This edition is an exceptional one. JAS has been around for almost eight years in filling the gap in studies on ASEAN-related issue. To freshen up, in our eighth volume, we change the layout of the Journal so that it can be easy to read for our readers. The changes made are aimed at improving the quality of JAS to contribute to the development of ASEAN studies. These changes are also the first step in our ambition for JAS to be indexed in internationally reputable databases such as Scopus and the Web of Science (Thomson Reuters).

There are also restructuring in our editorial boards. Moch Faisal Karim PhD is our current managing editor along with Dr Lili Yulyadi. To create more effective communications, we have decided to rearrange the editorial board to be more focused on a particular area of expertise. We are thankful for scholars and practitioners who served in our previous editorial boards. They will keep helping us to develop the Journal through their knowledge and guidance as our reviewers.

Currently, we are happy to announce JAS will have eight scholars who serve as our international editorial board. Prof. Amitav Acharya of the American University and Assoc. Prof. Pierre van der Eng of Australian National University are still part of our editorial board since 2018. We would welcome Prof. Yahia H. Zoubir of KEDGE Business School, France, Prof. Jenn-Jaw Soong of National Cheng Keung University, Taiwan, Assoc. Prof. Nanthakumar Loganathan of Universiti Teknologi Malaysia, Malaysia, Assoc. Prof. Kuik Cheng-Chwee of National University of Malaysia (UKM), Assoc. Prof. Adam Tyson of Leeds University, United Kingdom, and Dr Abbas Mardani of the University of South Florida as our new editorial boards.

We are proudly presenting to all readers Volume 8, no 1, 2020. In this volume, several issues related to economic diplomacy and terrorism as well as the development of ASEAN in regards to economic diplomacy, terrorism, as well as its relations with other regions. This volume is comprised of five articles.

The first article, written by Dewa Gede Sidan Raeskyesa explores the relationship between growth in economic sectors, especially manufacturing, service, and agriculture, towards income inequality in ASEAN-5. In this article, Raeskyesa shows that the agricultural sector has been more inclusive than others, including manufacturing and services. Therefore,

it is suggested that this sector can be enhanced and become the focus of the development agenda for the sample countries.

The second article, written by Defbry Margiansyah examines how Indonesia's economic diplomacy engages with the potential of digital and new economic activities in facing the challenges of digital disruption. He argues that Indonesia's government has to pursue integrative strategies in its economic diplomacy by integrating new economy through the construction of "innovation diplomacy." He further shows that the existing economic diplomacy is strongly directed to "conventional" commercial diplomacy. At the same time, it gives insufficient space for a new economy to develop significantly, due to the absence of concept supporting the operation off innovation-focused economic diplomacy.

The third article, written by Floranesia Lantang and Edwin M.B. Tambunan examines the impact of the internationalization of Papuan issue on Indonesia's Policy on the South Pacific Region. They argue that the internationalization of "West Papua" issue through social media has contributed to a shift of Indonesia's policy to the South Pacific region from ignorance to initiative approach. However, they further argue that the initiative approach from Indonesia is merely narrowing the gap of the issue instead of reducing the internationalization of the West Papua issue.

The fourth article, written by Ali Wibisono and Aisha R. Kusumasomantri, assess the cooperation between the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) in the field of counterterrorism. In this article, Wibisono and Kusumasomantri argue that that the ASEAN-EU counterterrorism (CT) cooperation is not about the targeting of specific terrorist individuals, cells, or organizations. Instead, CT cooperation is about facilitating a more comprehensive security governance cooperation where European standards and experience are transferred to Southeast Asia for purposes of regional security and diplomatic relations.

The last article, written by Yunita Permatasari provides an overall assessment of the role of Indonesia's in ASEAN Economic Community. She argues that Indonesia should see the potential of the AEC and maximize it to benefit the strengthening of Indonesia's strength.

Finally, as the editor-in-chief, I would like to express my deepest gratitude to all authors who submitted their manuscripts to JAS. I would also like to extend my highest appreciation to all reviewers who have contributed to the quality of the manuscripts published in JAS. All parties that supported the Journal from the Indonesian Association for International Relations (AIHII), the Center for Business and Diplomatic Studies (CBDS) of the Department of International Relations, Bina Nusantara University, and Research and Technology Transfer Office (RTTO) Bina Nusantara University are also very much appreciated.

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

Editor-in-Chief Journal of ASEAN Studies

SECTORAL GROWTH AND INCOME INEQUALITY IN ASEAN-5 COUNTRIES: CASE OF LOW-MIDDLE INCOME ECONOMIES

Dewa G. S. Raeskyesa

School of Business and Economics, Universitas Prasetiya Mulya
Jln. BSD Raya Barat I, Kavling Edu I No. 1 BSD City, Serpong
Tangerang, 15339, Indonesia
dewa.sidan@pmbs.ac.id / raeskyesa@gmail.com

Received: 08th May 2020/ **Revised:** 15th July 2020/ **Accepted:** 15th July 2020

How to Cite: Raeskyesa, D. G. S. (2020). Sectoral Growth and Income Inequality in ASEAN-5 Countries: Case of Low-Middle Income Economies. *Journal of ASEAN Studies*, 8(1), 1-13. <https://doi.org/10.21512/jas.v8i1.6435>

ABSTRACT

This paper aims to explore the relationship between growth in economic sectors, especially manufacturing, service, and agriculture, towards income inequality. Furthermore, it utilizes panel data for low-middle income ASEAN countries. The result shows that the share of agricultural sector in GDP has a significant and negative relationship with income inequality. In fact, the effect is robust for the incorporation of control variables. Therefore, it underlines the importance of agricultural sector development for reducing inequality and also for fostering ASEAN economic integration.

Keywords: ASEAN, Developing Countries, Economic Development

INTRODUCTION

Low-middle income ASEAN countries (Indonesia, Myanmar, Vietnam, Lao PDR, and Philippines) have challenges during their economic growth process. As shown in Figure 1.1, on average, when the growth increases, the trend in income inequality follows (see Figure 1.1). In fact, between 2005 and 2017, several low-middle income countries such as Indonesia, Vietnam, and Lao recorded an increase in Gini ratio (ASEAN, 2019). This situation has the possibility to decrease the quality of economic growth.

In general, in addition to poverty and unemployment, inequality is an important indicator of economic development (Seers, 1969). Interestingly, this phenomenon is not always seen as negative, because it can be an incentive for working harder and taking more risks by generating innovation. According to Forbes (2000), for a short period of time, a degree of income inequality is good for economic growth (Forbes, 2000). However, when the trend keeps

increasing for a long period of time, then it jeopardizes the growth process and generates instability in the society (Alesina and Rodrik, 1994; Perrson and Tabellini, 1994; Barron, Jaffrey, and Varshney 2004).

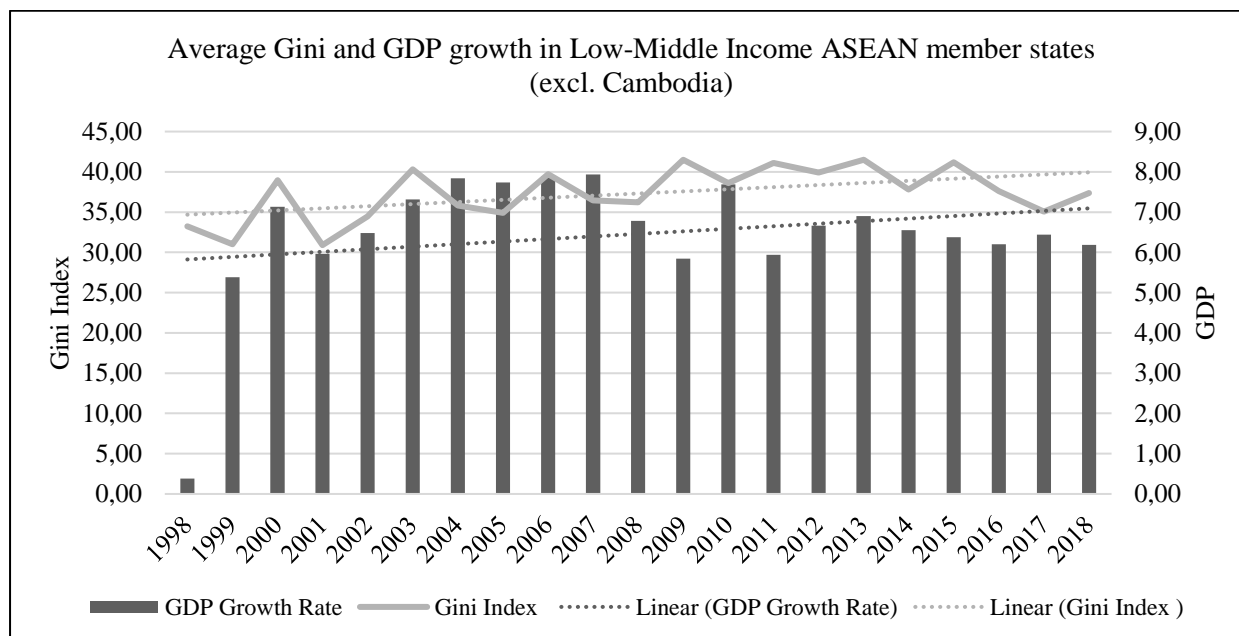


Figure 1 Average Gini and GDP Growth in Low-Middle Income ASEAN Member States (excl. Cambodia)

Source: World Development Indicators, The World Bank (Author's calculation)

Furthermore, as expressed by Paus (2017), income inequality and economic productivity are important affairs to be addressed by low-middle income countries to avoid the Middle Income Trap (MIT). In fact, this phenomenon can damage productivity and innovation through a number of channels, such as unequal education, which can damage human capital accumulation process, and results in low productivity and decreased economic growth (Paus, 2017). Therefore, lack of education and health services combined with deficiency in redistributive policies, such as conditional cash transfer and tax reform have become major factors for increasing income inequality in emerging and low-middle income economies (Brueckner, Dabla-Norris, and Gradstein, 2014; Dabla-Norris, Kochhar, Suphaphiphat, Ricka, Tsounta, 2015; Fournier and Johansson, 2016; Pratyasto and Panjaitan, 2019).

However, the ASEAN economy remains in a favourable condition, as the Gross Domestic Product (GDP) experienced a positive trend from 2000 to 2018, which placed the ASEAN group as the fifth largest economy in the world with US\$3,0 trillion. When the GDP is decomposed by economic sector, during the period of 2005-2018, the service sector experienced a decent growth, with an increase from 46,6% in 2005 to 50,9% in 2018. Therefore, the service sector was the leading in almost all ASEAN countries. However,

agriculture remains a major field in the member states, which are classified as low-middle income countries, such as Myanmar (24,6%), Cambodia (16,3%), Lao PDR (14,5%), Vietnam (14,3%), Indonesia (12,5%), and the Philippines (8,1%) (ASEAN Secretariat, 2019).

By conducting panel data analysis from the member states that are grouped as low-middle income countries, this study examines the relationship between income inequality. This was measured by the Gini Index and three economic sectors, namely manufacturing, service, and agriculture, which are indicated by their share of GDP. The results show that the agricultural sector has a significant and negative relationship with income inequality. In fact, the results are robust when the control variables are included. Hence, it indicated that agriculture has been more inclusive compared to two others, which are manufacturing and services. Therefore, it is important for the policy makers in these countries to focus on transforming the development of their agriculture, in order to generate inclusive growth. However, the study does not include Cambodia due to a severe lack of data.

The rest of the paper proceeds as follows. Section 2 presents the literature analysis, which consists of studies development on economic growth and inequality. Section 3 provides the econometrics method used for this study, while the result analysis is presented in Section 4. Lastly, the paper ends with the conclusion and policy implications in Section 5.

LITERATURE REVIEW

In general, studies on the topic of income inequality have attracted great attention from policy makers and social scientists, especially in the political economy. For example, Alesina and Rodrik (1994) studied the relationship between politics and economic growth. The basic message from their study is that inequality in income and land distribution hinders economic growth. Therefore, a redistributive policy is necessary (Alesina and Rodrik, 1994). However, Barro (2000) found that this phenomenon has a small effect on its relationship with economic growth (Barro, 2000). Furthermore, according to Forbes (2000), income inequality has a positive relationship with economic growth. Lopez (2003) argued that macroeconomic indicators such as financial development, small-sized governments, and trade openness corresponded to increasing inequality levels. In addition, in the globalization context, several researches found a link between income inequality and foreign investment activities (Feenstra and Hanson, 2003; Furceri and Loungani, 2015).

Also, several researches devoted attention to the nexus between technology and inequality. Ding et al. (2011) studied the impact of technology adoption in the agricultural sector, and found an increase of up to 15% in the income among farmers who adopted it. However, the impact on local income inequality is still low (Ding, Meriluoto, Reed, Tao, and Wu, 2011). Asongu et al. (2019) also contributed the analysis between inequality and technology using the education variable. Their study showed that this phenomenon hinders access to technology utilization, and concluded that several thresholds in its measurements such as the Gini and Atkinson Index should not be exceeded. This is important in order to maintain access to the internet and fixed broadband subscriptions. Such access to ICT is

important in supporting the inclusive education of 42 countries in sub-Saharan Africa (Asongu, Orim, and Nting, 2019).

In addition, institution or government capacities also play an important role in shaping inequality, especially in developing countries as expressed by the UNESCAP (2018), Chong and Gradstein (2004). In the context of ASEAN countries, Xu and Islam (2019) stated the importance of increasing institutions' capacity to tackle the inequality that exists within and across age cohorts among workers in Thailand, which emerged within the economic community. Moreover, institutions can exhibit such capacities through the form of social expenditures, such as education and health, as studied by Fournier and Johansson (2016). The study showed that social spending such as family benefits and subsidies can decrease inequality. Furthermore, it was suggested that the government needs to encourage the completion of secondary education as it helps decrease inequality (Fournier and Johansson, 2016).

These studies suggested a relationship between inequality and other aspects such as government, technology, and globalization. However, there are limited empirical research on the relationship between inequality and the economic sector, especially in low-middle income countries in the ASEAN region.

Growth in different economic sectors especially amongst ASEAN states is interesting to be studied. As mentioned previously, the agricultural sector plays a significant role among the members, which are classified as low-middle income countries. Meanwhile, the sector not only plays an important role as an output supplier but also influences food security affairs (OECD & FAO, 2017). Moreover, this sector remains the largest employer in a number of Asian countries, in which Vietnam, Thailand, and Myanmar are included as ASEAN members (Briones and Felipe, 2013). However, Industrial and service sectors are becoming a key engine for economic growth. In fact, for ASEAN countries, the expansion of the service sector has transformed it into a principal provider in terms of economic output and employment. This condition may affect the income elasticity of demand within the economy (Namini, 2017; Aldaba and Pasadila, 2010). Therefore, it raises a primary question: how do the economic sectors affect inequality in income, especially in low-middle income countries in the ASEAN region?

Recently, Namini and Hudson (2018) studied the impact of growth in different economic sectors and monetary policy on income inequality in developing countries. Their study concluded that the agricultural and industrial sectors have a significant and negative relationship with income inequality, whereas the growth of service sector has a positive effect. Furthermore, they confirmed the existence of Kuznet's inverted "U" in the industrial and service sectors (Namini and Hudson, 2018). This result resonates with other studies such as Imai (2016), who concluded that agricultural growth helps to lower income inequality both directly and indirectly in developing middle-income countries. Meanwhile, country-specific studies such as Gordón and Resosudarmo (2018) concluded that the agricultural sector is inclusive in Indonesia, as the share in GDP has a negative and significant relationship with inequality. Whereas both the manufacturing and service shares of GDP have positive and

significant effects. In fact, the effects are robust when the control variables are included. The study utilized panel data from 431 districts and cities in Indonesia during the period of 2000-2010 (Gordón and Resosudarmo, 2018). In other countries like Vietnam, agricultural activities play an important role in alleviating poverty and reducing inequality, especially in rural areas (Cuong, 2010).

This study aims to contribute to the current literature by exploring the relationship between three different economic sectors and income inequality, exclusively in low-middle income countries within the ASEAN region. Furthermore, this study incorporates other types of data from government spending as control variables that influence income inequality.

RESEARCH METHODS

This study uses data from ASEAN member states that belong to the group of low-middle income countries based on the World Bank classification. These countries are Indonesia, Myanmar, Vietnam, Lao PDR, and the Philippines. Despite the fact that Cambodia also belongs to this group, the country is not included in the analysis due to the lack of data in the Gini Index variable.

The data were accessed from the World Bank data portal, World Development Indicator, from 1998 to 2018, in which information collected on the Gini Index was used as a measurement, as well as a dependent variable. Moreover, being a popular measurement, the Index provides a convenient summary on degree of inequality measurement and simple illustration on the changes in equity at a given period over time (Haughton and Khandker, 2009; Farris, 2010). Furthermore, it satisfies one of the standards in inequality measurement which is 'Transfer Principle' (Trapeznikova, 2019). This criterion is important when it comes to comparison in income distribution across countries.

For the independent variables, this study uses economic sector contribution data on agriculture, forestry, and fishing value added (% of GDP); manufacturing value added (% of GDP); and services value added (% of GDP). The reasons for choosing these sectors are due to data availability and has been used frequently, as well as because the activity within the economic composition may affect income inequality level (Montalvo and Ravallion, 2010). Moreover, understanding the composition of economic sectors would be beneficial for policy maker to identify the potential fields to be developed (Riantika and Utama, 2017).

In addition, data for the control variables are based on total government expenditure on education (% of GDP), domestic health (% of GDP), final consumption (% of GDP), and total employment to population ratio 15+ (%) (Modelled ILO estimate).

Based on the condition of the data, this study conducts the unbalanced panel data analysis. Through this analysis, it manages to control individual heterogeneity and generates more reliable estimates from the dataset compared to other econometrics methods, such as time series and cross-section analysis (Gujarati and Porter, 2009).

In most cases, the panel data model is grouped into three categories, which are pooled OLS, fixed effect, and random effect model. Meanwhile, the pooled data has persistent coefficient for both intercepts and slopes. It usually pools all of the data and runs an ordinary least square model (OLS). This model can be specified as follows:

$$GINI_{it} = \beta_0 + \beta_1 MANU_{it} + \beta_2 SERV_{it} + \beta_3 AGRIF_{it} + dX_{it} + u_{it} \quad (1)$$

Where $GINI_{it}$ = Gini Index, $MANU_{it}$ = share of manufacturing sector in GDP, $SERV_{it}$ = share of services sector in GDP, and $AGRIF_{it}$ = share of agriculture, forestry, and fishing sector in GDP, X_{it} = control variables. Following Fournier and Johansson (2016) and Anderson et al. (2018), this study incorporated the government variables as a control because it is associated with inequality. In addition, other control variables such as employment-to-population ratio that measure condition of the labour market are also included in the analysis (Gordón and Resosudarmo, 2018).

Furthermore, because the pooled OLS model cannot control the unobserved individual effects since the heterogeneity of the countries is under consideration, it might affect the measurement of the estimated parameters. Therefore, in order to control for individual heterogeneity, this study used random effects model in which the difference across countries can be recorded within the model. By incorporating countries' individual effects, the random model can be constructed from equation (2) as follows:

$$GINI_{it} = \beta_0 + \beta_1 MANU_{it} + \beta_2 SERV_{it} + \beta_3 AGRIF_{it} + dX_{it} + v_{it} \quad (2)$$

Where v_{it} is a component of the random error term, which consists of between-country error (ω_{it}) and within-country error (ε_{it}) over time. Meanwhile, the random-effects model explains that a country's error does not correlate with the explanatory variables. However, when a country's error is correlated with the explanatory variables, then the study should use the fixed effect model to allow each country to have its own intercept. The fixed-effects model is specified as follows:

$$GINI_{it} = \beta_0 + \beta_1 MANU_{it} + \beta_2 SERV_{it} + \beta_3 AGRIF_{it} + dX_{it} + u_{it} \quad (3)$$

The Hausman Test was conducted to test for the possible existence of a correlation between a country's error and its explanatory variables. Meanwhile, the null hypothesis for this test is that there is no correlation between individual countries' error with its explanatory variable (i.e., random effect). When the hypothesis is being rejected, then it means the fixed-effects model is preferred. However, when the hypothesis is being accepted, then it prefers the random-effects model. This study also conducted the Breusch-Pagan LM test in order to choose the best between the random-effects and the OLS model. By doing this, the study utilized a single error component model i.e., either fixed-effects, random-effects, or OLS model.

ANALYSIS

Based on the panel regression, the study found that the F and Wald Test are significant at the 1% level for both models. This means the independent variables in both models can explain the behaviour of the dependent variable (i.e., they do not reject the null hypothesis). Moreover, based on the results from the Hausman Test, the fixed-effects model is statistically preferred over the random-effects model. Furthermore, from the fixed-effects model, the study found that the services sector (SERV) provided positive coefficient on income inequality, while manufacturing (MANU) and agriculture, forestry, and fishing (AGRIF) have negative coefficient. However, only the last variable gives significant relationship with p-value equals to 0,03 or 5% level (see Appendix, Table A1).

Also, when the model is added by other control variables, there are changes that emerge. Firstly, based on the Hausman and Breusch-Pagan LM test, the OLS model becomes the preferred choice. Secondly, the robust option is added during the OLS model with the aim to control heteroskedasticity. Therefore, it showed where the three appointed sectors in the economy have negative coefficients towards income inequality. However, only agriculture, forestry, and fishing (AGRIF) that have significant level and p-value of 0,006 (1% level), showed greater significance than the previous model where the control variables were not included. Moreover, the coefficient from the agricultural sector to income inequality remains the same at 0,096. In other words, a 1% increase in the agriculture share of GDP lowers inequality as measured by Gini Index up to 0,096 points (see Appendix, Table A2).

As the finding emphasized the significance of the agricultural sector on inequality, there are both empirical and theoretical elements found in the literature that support this finding. Therefore, the result of this study resonates with others such as Namini and Hudson (2018) who found that the agriculture sector has a greater impact compared to manufacturing in reducing income inequality in developing countries. Furthermore, other ASEAN country-specific studies such as by Gordón and Resosudarmo (2018) and Cuong (2010) concluded that the agricultural sector in Indonesia and Vietnam are associated with decreasing income inequality level within the country. Finally, this result not only indicated that the agricultural sector is more inclusive than others but also supports the idea from Menon (2012) regarding the importance of policy making in contributing to productivity in order to reduce inequality (Menon, 2012).

CONCLUSION

This study aims to explore the relationship between three economic sectors, namely manufacturing, services, and agriculture. Furthermore, it employs an annual panel data analysis ranging from 1998-2018 in ASEAN member countries classified as low-middle income countries.

In the first step, the study applied the Hausman test, whose results showed the fixed-effects model is preferred. Also, it showed that the agricultural sector is significant at 5% level.

Furthermore, control variables were incorporated in the next analysis in which the OLS model has been appointed with the robust option being added. The result showed an increase in significance in the agricultural sector on income inequality at 5% to 1% levels, with a coefficient that remains the same at 0,096.

Based on the results, it was concluded that the agricultural sector has been more inclusive than others, including manufacturing and services. Therefore, it is suggested that this sector can be enhanced and become the focus of development agenda for the sample countries. Furthermore, there are several policy implications drawn from this result. Firstly, because an increase in agricultural share of GDP is significant for reducing income inequality, land reforms and improvements are necessary to increase productivity and opportunities for people to participate in this growth creation, especially in rural areas (World Bank, 2003; Menon, 2012). In addition, enhancing the sector is beneficial not only for reducing inequality and creating better growth, but also for the integration process in ASEAN countries. The agricultural, forestry, and fishing sectors are among the most important components for ASEAN countries' single market and production, and they therefore foster the development of the ASEAN Economic Community project (AEC). They also improve the economic integration within the countries (Pangestu, 2009).

LIMITATIONS & FURTHER RESEARCH

The limitation of this study is exclusively on income as inequality dimension and Gini Index for the measurement. This is subject to imperfections as economies with equivalent Gini Index may have dissimilar income distribution. In other words, the Index does not explain what happens in the opposite tails, as it puts higher weight in the middle of the distribution. In context of inclusive growth policies, when one would like to understand what happens on the poorer one, it is suggested to use the Palma ratio instead of the Gini Index for the measurement, and use consumption data as focal point (Trapeznikova, 2019).

Moreover, using inequality in opportunities as other dimension for dependent variable is worth to be utilized for further research, for example, unequal access in education which may lead to human capital inequality is beneficial (Castelló and Doménech, 2002).

In addition, it is beyond the scope of the study to analyse the relationship between sub-sectors from the three main economic sectors on income inequality. As the study's result suggested the enhancement of agricultural, forestry, and fishing sector, it is important to note that the statistics may include commodities (sub-sectors) such as palm oil, which generates both positive and negative effect in terms of environmental and socio-economic aspects (Kubitza et al., 2019). Therefore, it should become a consideration in the policy making process.

ACKNOWLEDGEMENTS

The author wishes to thank the editor, two anonymous referees, and Albert Hasudungan, Ph.D for very helpful comments.

ABOUT THE AUTHORS

Dewa Gede Sidan Raeskyesa is a full-time economics lecturer in the School of Business and Economics at Universitas Prasetiya Mulya, Indonesia. His research focus is international economics, development, and policy, with focus on ASEAN region. The author holds a M.Sc degree in International Economics and Public Policy from Johannes Gutenberg Universität Mainz, and received a scholarship for Advanced Studies Program in International Economic Policy Research from Kiel Institute für Weltwirtschaft (Kiel Institute for The World Economy), both institutions are located in Germany.

REFERENCES

- Aldaba, R. M., & Pasadilla, G. (2010). The ASEAN Services Sector and the Growth Rebalancing Model. ADBI Working Paper Series No. 246.
- Alesina, A., & Rodrik, D. (1994). Distributive Politics and Economic Growth. *The Quarterly Journal of Economics*, 465-490.
- Anderson, E., D'Orey, M., Duvendack, M., & Esposito, L. (2017). Does Government Spending Affect Income Inequality? A Meta-Regression Analysis. *Journal of Economic Surveys*, 961-987.
- ASEAN. (2019). ASEAN Key Figures. Jakarta: ASEAN Secretariat.
- Asongu, S. A., Orim, S.-M., & Nting, R. (2019). Inequality, information technology and inclusive education in sub-Saharan Africa. *Technological Forecasting & Social Change*, 380-389.
- Barron, P., Jaffrey, S., & Varshney, A. (2014). How Large Conflicts Subside: Evidence from Indonesia. Indonesian Social Development Paper no. 18.
- Basri, F., & Putra, G. (2016). Escaping the middle income trap in Indonesia; an analysis of risks, remedies and national characteristics. Jakarta: Friedrich-Ebert-Stiftung Indonesia Office.
- Briones, R., & Felipe, J. (2013). Agriculture and Structural Transformation in Developing Asia: Review and Outlook. ADB Economics Working Paper Series No. 363.
- Brueckner, M., Dabla-Norris, E., Gradstein, M. (2014). National Income and Its Distribution. IMF Working Paper. WP/14/101
- Castelló, A., & Domenech, R. (2002). Human Capital Inequality and Economic Growth: Some New Evidence. *The Economic Journal*, pp. C187-C200

- Chong, A., & Gradstein, M. (2007). Inequality and Institutions. *The Review of Economics and Statistics*, 454-465.
- Cuong, N. V. (2010). Does Agriculture Help Poverty and Inequality Reduction? Evidence from Vietnam. *Agricultural Economics Review*.
- Ding, S., Meriluoto, L., Reed, W., Tao, D., & Wu, H. (2011). The impact of agricultural technology adoption on income inequality in rural China: Evidence from southern Yunnan Province. *China Economic Review*, 344–356.
- Dabla-Norris, E., Kochhar, K., Suphaphiphat, N., Ricka, F., Tsounta, E., (2015). Causes and Consequences of Income Inequality: A Global Perspective. IMF Staff Discussion Note. SDN/15/13
- Farris, F.A. (2010). The Gini Index and Measures of Inequality. *The American Mathematical Monthly*, Vol. 17, No. 10, pp: 851-864
- Feenstra, R., & Hanson, G. (2003). Global production sharing and rising inequality: a survey of trade and wages. In E. K. Choi, & J. Harrigan, *Handbook of International Trade* (pp. 146-185). Blackwell.
- Forbes, K. J. (2000). A Reassessment of the Relationship between Inequality and Growth. *American Economic Review*, 869-887.
- Fournier, J.-M., & Johansson, Å. (2016). The effect of the size and the mix of public spending on growth and inequality. OECD Economics Department Working Paper No. 1344.
- Furceri, D., & Loungani, P. (2015). Capital Account Liberalization and Inequality. IMF Working Paper/15/243.
- Gordón, I. G., & Resosudarmo, B. (2018). A sectoral growth-income inequality nexus in Indonesia. *Regional Science Policy and Practice*, 123–139.
- Gujarati, D. N., & Porter, D. (2009). *Basic Econometrics*. New York: Mcgraw-Hill International Edition.
- Haughton, Jonathan; Khandker, Shahidur R. (2009). *Handbook on poverty and inequality (English)*. Washington, DC: the World Bank.
- Imai, K. S., Gaiha, R., & Cheng, W. (2016). Does Agricultural Growth Reduce Inequality and Poverty in Developing Countries? RIEB Kobe University Discussion Paper Series.
- Kubitza, C. Dib, J.B., Kopp, T., Krishna, V.V., Nuryartono, N., Qaim, M., Romero, M., Klasen, S. (2019). Labor savings in agriculture and inequality at different spatial scales: The expansion of oil palm in Indonesia. EFForTS Discussion Paper Series, No. 26
- Menon, J. (2012). Narrowing the Development Divide in ASEAN: The Role of Policy. ADB Working Paper Series on Regional Economic Integration No. 100.
- Montalvo, J., and Ravallion, M. 2010. The Pattern of Growth and Poverty Reduction in China. *Journal of Comparative Economics*, 38(1): 2-16.
- OECD, & FAO. (2017). *Agricultural Outlook 2017-2026*. Paris: OECD Publishing.

- Pangestu, M. E. (2009). Competitiveness towards ASEAN economic community. *Journal of Indonesian Economy and Business*, 22-32.
- Paus, E. (2017). Escaping the middle-income trap: innovate or perish. ADBI Working Paper Series 685.
- Persson, T., & Tabellini, G. (1994). Is Inequality Harmful for Growth? *The American Economic Review*, 600-621.
- Riantika, I. B., & Utama, M. (2017). Penentuan Prioritas Pembangunan Melalui Analisis. *E-Jurnal Ekonomi Pembangunan Universitas Udayana*, 1185-1211.
- Pratysto, T., & Panjaitan, I., (2019). Eradicating Income Inequality in Lower Middle-Income Countries. *Jurnal Ekonomi Pembangunan: Kajian Masalah Ekonomi dan Pembangunan*, 20 (2), 2019, 222-231.
- Seers, D. (1969). The Meaning of Development. *IDS Communication* 44.
- Siami-Namini, S. (2017). Granger Causality Between Gross Domestic Product and Economic Sectors in Developing Countries: A Panel Co-integration Approach. *International Journal of Economics and Financial Issues*, 53-58.
- Siami-Namini, S., & Hudson, D. (2019). The impacts of sector growth and monetary policy on income inequality in developing countries. *Journal of Economic Studies*, 591-610.
- Trapeznikova, I. (2019). Measuring income inequality, *IZA World of Labor*, Institute of Labor Economics (IZA), 462-462, July.
- The World Bank (2003). Land policies for growth and poverty reduction. <http://documents.worldbank.org/curated/en/>
- UNESCAP. (2018). Inequality in asia and the pacific in the era of the 2030 agenda for sustainable development. The United Nations Economic and Social Commission for Asia and the Pacific.
- World Development Indicator. <https://databank.worldbank.org/source/world-development-indicators#>
- Xu, W., & Islam, S. (2019). What Does ASEAN Economic Community Bring to Older Workers? Examining Inequality in Old Age in Thailand's Fast-Ageing Society. *Journal of ASEAN Studies*, 86-97.

APPENDIX

Table A1

Panel data Models: Dependent variable (GINI)		
Independent Variables	Fixed Effect	Random Effect
MANU	-0,013 (-0,33)	-0,003 (-0,09)
SERV	0,063 (1,01)	-0,016 (-0,43)
AGRIF	-0,096* (-2,19)	-0,184*** (-5,01)
Constant	11,270* (2,49)*	12,489*** (6,15)
Model Summary		
R^2	0,1643	0,2190
F-Test	4,03**	
Prob > F	0,004	
Wald Test		28,32***
Prob > chi2		0,000
Hausman Test		20,54***
Countries Included	5	5
Total Panel Observations	105	105

Note: Significance level *** $p < 0,001$, ** $p < 0,01$, and * $p < 0,05$. The null hypothesis of the Hausman Test is that there is no correlation between individual countries' error with its explanatory variable. Values in parentheses are the t -value.

Table A2

Panel Data Models: Dependent variable (GINI)	
Independent Variables	OLS
MANU	-0,004 (-0,20)
SERV	-0,029 (-0,97)
AGRIF	-0,096** (-2,82)
GOVEDUC	0,148 (1,82)

GOVCONS	0,069 (1,29)
GOVHEAL	0,056 (1,30)
EMPOPTOT	-0,296* (-2,61)
Constant	29,048*** (3,60)***
Model Summary	
R^2	0,331
F-Test	8,92***
Prob > F	0,0000
Hausman Test	9,66
Breusch-Pagan LM (Prob > chibar2)	0,00 (1,0000)
Countries Included	5
Total Panel Observations	105

Note: Significance level *** $p < 0,001$, ** $p < 0,01$, and * $p < 0,05$. The null hypothesis of the Hausman Test is that there is no correlation between individual countries' error with its explanatory variable. The null hypothesis of the Breusch-Pagan LM test is that variances across entities is zero. Values in parentheses are the t -value.

REVISITING INDONESIA'S ECONOMIC DIPLOMACY IN THE AGE OF DISRUPTION: TOWARDS DIGITAL ECONOMY AND INNOVATION DIPLOMACY

Defbry Margiansyah

Research Center for Politics – Indonesian Institute of Sciences
Jln. Jend. Gatot Subroto 10, DKI Jakarta 12710, Indonesia
defbry.margiansyah@lipi.go.id

Received: 7th May 2020/ **Revised:** 15th June 2020/ **Accepted:** 5th July 2020

How to Cite: Margiansyah, D. (2020). Revisiting Indonesia's Economic Diplomacy in the Age of Disruption: Towards Digital Economy and Innovation Diplomacy. *Journal of ASEAN Studies*, 8(1), 15-39, <https://doi.org/10.21512/jas.v8i1.6433>

ABSTRACT

With the rise of digital technologies and innovation disrupting the economy, the global phenomenon challenged the current concept and strategies of “conventional” economic diplomacy that have increasingly gained importance in contemporary foreign policy, including Indonesia. In the meantime, the digital economy had been significantly growing as a potential driver of growth and an inclusive economy which becomes central in the Indonesian development agenda. A new or innovation-based economy such as the digital economy did not only become one of the priorities in national policies but also emerge to be an essential variable to the foreign policy of Indonesia amid diplomatic deficit. This research examines Indonesia's economic diplomacy in optimizing the potential of digital and new economic activities in facing the challenges of digital disruption. By employing integrative diplomacy concept, this research argues that Indonesia's government should pursue intermestic, comprehensive and integrative strategies in its economic diplomacy by integrating new economy through the construction of “innovation diplomacy.” This research finds that the existing economic diplomacy is strongly directed to “conventional” commercial diplomacy, while it gives insufficient space for a new economy to develop significantly, due to the absence of concept supporting the operation of innovation-focused economic diplomacy. Consequently, it is suggested that Jakarta urgently has to reconceptualize its economic diplomacy more strategically in order to achieve “diplomatic sophistication,” by way of constructing “innovation diplomacy” as a subset of economic diplomacy.

Keywords: *digital economy, disruption, diplomatic studies, economic diplomacy, Indonesia's foreign policy, innovation diplomacy*

INTRODUCTION

The growing global competition and power asymmetries between political-economic systems have characterized contemporary international relations as indicated by the 2008 global financial crisis and the shifting of power balances to East Asia and Asia-Pacific. This tendency encourages a more significant role of the state in the national economy with more effective politico-economic strategies within domestic and foreign policies to anticipate the unexpected threats of security and development. In this sense, the economy grows to be a dominant discourse in policy agenda at international, regional, and national levels. Thus, national governments are more likely to apply economic instruments to achieve foreign policies' goals. Within this context, economic diplomacy gains importance for states in pursuing economic prosperity and political stability (Okano-Heijmans, 2013).

At the same time, the nature of the economy, in general, faces fundamental disruption by digital technologies and business models. The so-called disruption,¹ a buzzword in the last decade following the digital revolution presents new challenges and opportunities for both the public and private sectors. It does not only urge business leaders to rethink more coherent and effective strategies and corporate culture for value creation, but also government to reconsider new ways and approach in regulating society, optimizing economic opportunity, and fostering innovation (Deloitte Australia, 2012). The worldwide digital disruption has rendered the role of technology and innovation as new sources of economic value, and ultimately the significance of knowledge-based economy for the prosperity of countries while generated enormous influence of multinational tech companies in the world political economy.

In this regard, the profound change in technology and power diffusion to a much more extensive range of actors has created a “diplomatic deficit” in the traditional structure of international relations. The notion challenges the “classic” governance and diplomatic system in encountering with the speed and impact of emerging technologies. The formal diplomatic system is no longer sufficient to represent the interests of the most affected players by international decision-making (Donaldson & Younane, 2018). The diplomatic deficit also challenges formal diplomacy in the field of technology, innovation, and digital economy, emerging agendas in the age of disruption.

In response to the challenge in the areas, many countries and regional organizations come up with a breakthrough in their diplomacy initiative or approach in various ways in order to confront the impact of issues revolving around technology and innovation for the sake of political, security, or economic interests. The prominent instances are shown in France's Ambassador for digital affairs (previously Ambassador for Cyber-Diplomacy and the Digital Economy), Denmark's Techplomacy (Klynge et al., 2020) and Innovation Centre Denmark, Switzerland's SWISSNEX, The UK's Science and Innovation Network (Rüffin,

¹ disruption denotes the historical period where standardized processes and hierarchical structures are transformed into flexible and networked in the economy, political institutions, and social fabric (Owen, 2015).

2018), the Dutch innovation attaché (Leijten, 2019), and the US Science and Technology Adviser (Ruffini, 2017). Likewise, some initiatives or forum have been established by major regional actors to face new technological challenges and opportunities namely the “Global Tech Panel” launched by European Union External Action and the ASEAN Ministerial Meeting on Science, Technology, and Innovation (AMMSTI) in the Committee on Science, Technology, and Innovation (COSTI). During the Singapore’s ASEAN Chairmanship 2018, ASEAN leaders set a “resilient and innovative” vision for strengthening the grouping ‘s resilient against common threats, while promoting the economies to innovate and to utilize technology toward building more dynamic and connected community through smart cities and digital economy as major priorities (ASEAN, 2018; ISEAS, 2018).

Against this background, Indonesia, as an active international and regional player, acknowledges the fundamental effects of new technologies and innovation for economy and development. Economic diplomacy becomes central in the country’s foreign policy under Joko Widodo (Jokowi) administration with the principal aim of increasing trade and investment flows for export-led growth (The Jakarta Post, 2020). At the same time, the largest Southeast Asian country set several policy actions to develop a “latent” competitive advantage in the emerging digital economy. For Jokowi, the digital economy is seen as a new force to drive the more competitive economy through boosting social welfare and inclusive economic development, stated in his speech in Indonesia Digital Economy Summit 2020 (Jakarta Globe, 2020). Indeed, these concerns can be interpreted as the improvisational and innovative response of international actor toward the uncertainty of digital disruption that challenges the existing economic development and foreign policy agendas (Margiansyah, 2020).

In this context, it is vital to examine how the government of Indonesia develops the concept and conduct of economic diplomacy amid the rising importance of technology and innovation-based economy like the digital economy. The results of this research are then useful in seeing what concepts need to be developed to support economic diplomacy to strengthen the development of the digital and innovation-based economy. Such analysis is essential to understand how Indonesia’s foreign policy deals with a diplomatic deficit and the diffusion of power for achieving economic prosperity and political stability in the age of disruption. Therefore, this research aims to analyse Indonesia’s economic diplomacy in optimizing the digital economy potential and its challenges faced by the strategy of economic diplomacy.

With this respect, it is believed that the government of Indonesia has to pursue integrative economic diplomacy by integrating new economy like the digital, technology, and innovation-based economy through the construction of “innovation diplomacy” as a subset of Indonesia’s economic diplomacy. The new diplomatic instrument is essential to engage multi-stakeholders in multidimensionally emerging issues, enable domestic-international linkages, as well as build synergies between domestic actors in creating holistic policies for economic, technology, and human resource developments. Meanwhile, innovation diplomacy is very likely to allow Indonesia to adapt with new opportunities and coping with the diplomatically disruptive challenges, which are imperative to play strategic and innovative

roles to enhance the country's contribution to stability and prosperity-creation in the international affairs.

LITERATURE REVIEW

This research constructs the framework by applying the concept of integrative diplomacy combining with economic diplomacy. This framework is important to guide the analysis contextualizing the country's experience on economic diplomacy encountering diplomatic deficit and disruption. This analysis can subsequently provide some new insights within the literature of economic diplomacy, particularly in the case of Indonesia. By emphasizing technology and innovation inclusive to economic diplomacy, this research is essential to contribute in enriching scientific researches about Indonesia's economic diplomacy and foreign policy amid digital disruption. It is a vital contribution, given some literature of that areas mostly focusing on the topics of values and principles (Wanto, 2016), indexation (Sabaruddin, 2018), institutional problems (Killian, 2012), the roles of sub-state (Pujayanti, 2018), and social media (Pohan et al., 2017).

In the modern era, diplomacy is commonly understood as political activities of a sovereign state to secure and promote the national interests and values in its international relations without resort an action or means of coercion, propaganda, or the law. In achieving those objectives, a state formulates a foreign policy, an extension of domestic policy process and goals, implemented using dialogue, negotiation, and representation in managing the relations with other countries or various international actors. These tasks of state-centred diplomacy are chiefly performed or coordinated by state or diplomatic actors, namely the Foreign Ministry with its diplomatic infrastructures, as gatekeepers of domestic and international policy (Berridge, 2015; White, 2001).

Meanwhile, the rapid change landscape of world politics has affected diplomacy in the 21st century. It is marked by overlapping and complicated interactions between global, regional, and national diplomatic systems. Such a diplomatic environment makes the nature of international policy issues and agendas increasingly intermestic or interconnected (Manning, 1977). It turns the patterns and characters of contemporary diplomacy as a complex milieu. This complexity is characterized by the intermingling of "old" and "new" elements determining structures and processes, the integration between agendas and arenas that were once considered as relatively separated, and increasing emerging multi-stakeholder and network participating in diplomacy beyond professional diplomats. As a result, the dramatic change of the international environment challenges policymakers and diplomatic actors to consider their roles and functions in the structure of diplomacy, a determinant factor for the capacity of the state in managing and achieving its international policies, as well as responding the external pressures from the global arena.

As long as digital disruption is a concern, there are two notable impacts brought about to the concept of diplomacy. According to Hocking and Melissen (2015), diplomacy is redefined by changing and adapting its *processes* and *structures* to the digitalization.

Diplomacy and its functions, namely negotiation, representation, and communication, has undergone the adaptation by infusing technological innovation (internet and social media platform) to diplomatic practices, which is termed as digital diplomacy/e-diplomacy/cyber diplomacy. Concurrently, the structure and machinery of diplomacy have been reconfigured by that changing processes and, in turn, has arisen question about the relevance of the foreign ministry in the policy environment, particularly its efficiency and legitimacy. The change of diplomatic structure may provide the shift of a government's perception towards external pressures and demands. This impact urges us to see the role of foreign ministry as the integral component within a broader policy network called the national diplomatic system (NDS), the toolkit for national government's interaction and capacity for the pursuit of international policy goals. The NDS encourages "domestic" ministries and agencies to involve in the formulation and implementation of specific international policy, through integrated coordination and collaboration.

Table 1 State-centred and Integrative Diplomacy Differences

	State-centred diplomacy	Integrative Diplomacy
Context and location	State as unchallenged terminal authority. Diplomacy located outside domestic arenas. Diplomatic sites primarily intergovernmental. Primary purposes of diplomacy negotiated outcomes.	Multiple spheres of authority and legitimacy in diplomacy. Diplomacy crosses domestic-international arenas. Multiple diplomatic sites and domains. Purposes of diplomacy more complex: agenda setting and managing issues through 'thought leadership' and agenda setting.
Rules and norms	Clear normative expectation of behaviour derived from sovereignty-related rules. Centrality of protocol. Immunity of diplomatic agents. Influenced by diplomatic legacy of secrecy/confidentiality.	Underdeveloped rules. Clash of sovereignty and non-sovereignty-based rules. Openness, accountability and transparency. Institutional tensions in expanded patterns of diplomatic communication. Clashes of expectations between stakeholders.
Communication patterns	Hierarchical information flows focused on governments. Relations with stakeholders defined in quasi-hierarchical terms as "outreach".	Multidirectional flows of information underpinned by media and social networking. Open and inclusive networks but which can be fluid and unstable. Public diplomacy mainstreamed into diplomatic structures and processes.
Actors and roles	Diplomats whose credentials are based on principles of	Multiple participation based on varying models involving

sovereignty. Non-state actors as consumers of diplomacy. Structures: focused on ministries of foreign affairs. Emphasis on guild-like qualities of the diplomatic profession; clearly defined roles with emphasis on the diplomat as gatekeeper between domestic and international policy environments	stakeholders whose credentials are based on interests and expertise rather than status. Non-state actors as producers of diplomacy. Structures more diffuse: more broadly constituted national diplomatic system. Diplomat as internal coordinator in expanded international policy environment and external boundary-spanner. Redefinition of roles as facilitators and entrepreneurs in complex policy environments.
--	--

Source: Hocking et al., 2012.

As seen in Table 1, this research employs the concept of “integrative diplomacy” developed by Hocking et al. (2012) as the framework of analysis is powerfully relevant to explain diplomatic activities in the context of digital disruption. The concept is based on “a whole of government,” an approach denoting collaborative works or actions carried out by across governments ministries, agencies, and public officials for providing a shared solution and achieving a common goal towards particular issues and problems. Integrative diplomacy emphasizes the importance of effective collaboration on diplomacy by integrating various change and continuity, agendas and arenas, process and structure, and various state and non-state actors to diplomacy. Due to its contrast to state-centred diplomacy, integrative diplomacy acknowledges the diplomatic environment consisted of complex and multifaceted networks and patterns of interactions with distinctive context and location, rules and norms, communication patterns, actors, and roles as summarized in Table 1.

Technology - innovation and diplomacy are generally understood as separate issues. Since most countries currently treat innovation embedded in their economic and trade policies, technology and innovation are focused on tip market scale for improving the production and promotion of domestic technology and technologically innovative products and services, through internationalization of innovation-based economy. In that respect, using state-centred diplomacy is not enough to examine the changing nature of economic diplomacy amid a highly dynamic of global economic affairs and digital disruption, as the traditional diplomacy highly accentuates on the exclusivity of state authority, hierarchical information flows, confidentiality, and domestic-international antagonism. Therefore, this research adopts integrative diplomacy to allow the integration of technology and innovation notions into a broader discourse of economic diplomacy.

In addition to the key analytical framework, it is crucial to clarify the definition of economic diplomacy used continuously in this research to avoid conceptual confusion. Economic diplomacy is defined as a set of diplomatic activities or issues relating to a foreign economic policy aimed at obtaining economic benefits from foreign relations based on national interests (Berridge, 2015; Rana & Chatterjee, 2011; Woolcock & Bayne, 2013). It

treats the economy not only as a modality to strengthen the country's development and economic well-being but also to achieve political stability and national security. The concept of economic diplomacy must be understood comprehensively as part of a broad country strategy that integrates political, strategic, and economic interests in constructive relations with international actors. The implementation of economic diplomacy includes a continuous relationship between domestic policymaking and international negotiations, such as the establishment of a regulatory framework, norms, and procedures for the practice of market and trade activities between countries (Woolcock & Bayne, 2013).

The strategy of economic diplomacy is characterized by the use of both political and economic capacities in influencing the dynamic of international negotiations in order to enhance welfare or national political stability. At the practical level, economic diplomacy covers main issues related to trade diplomacy (negotiating economic and free trade agreements), commercial diplomacy (investment promotion, export, tourism, and business advocacy), and development cooperation (official development aid, science, and technology cooperation, technology transfer, and other technical assistance and collaboration) (Okano-Heijmans, 2016; Rana & Chatterjee, 2011).

RESEARCH METHODS

This research attempts to gain a deeper understanding of how government of Indonesia develops the concept and conduct of economic diplomacy amid the rising importance of technology and innovation-based economy. Referring to such a purpose, this research is an exploratory qualitative research based on the grounded theory method. The research design opted is not simply used to find relevant answers to the research question through analysing existing data and documents, but rather to enable the analysis applying different ideas or concepts for addressing relevant challenges to Indonesia's economic diplomacy, particularly amid disruptive technological innovation and diplomatic deficit. The grounded theory method was adopted considering its approach of systematic data collection and analysing (Glaser & Strauss, 2006) that allows flexibility on changes in research and analysis processes. Though lack of published work in international relations uses the method (Tucker, 2014), the grounded theory method enabled the author to apply existing theoretical statements and then develop it based on the result of further analysis and re-examination of the collected data.

In this research, the author himself become the instrument of qualitative data collection and data analysis for acquiring the core of study, which is the examination of the state perception of the age of disruption and its embodiment in the concept and practice of economic diplomacy. Data collection technique is mostly relied on secondary data dan academic literatures, involving official documents, research reports, scientific books, journal articles, expert opinion, and other kind of publications. Those main data sources enable the researcher to focus on undiscovered points and ideas of previous studies or international relations research on similar issue, such as economic diplomacy and technological revolution

or disruption. Furthermore, facts and finding are interpreted by exploiting inductive reasoning as data analysis technique through which research question guided examination process to focus on exploring salient factors or variables neglected by various perspectives or viewpoints in prior studies.

ANALYSIS

Digital Economy: A Catalyst of Technology and Innovation Development

Digital disruption has generated rapid development of the digital economy, which unstoppable in terms of value, market, and business in terms of value, market, and business (Britton & McGonegal, 2007). The benefits of digital economy enable to create more inclusive and sustainable prosperity through various channels, such as lowering production cost, increasing existing market efficiency, enhancing market size, creating new markets, improving quality and productivity, developing micro, small, and medium-sized enterprises (MSMEs), and promoting new opportunities to other sectors (Dahlman et al., 2016). This is the reason why the digital economy, a form of the knowledge economy, becomes a new concern of development for various countries to maximize its enormous value for innovation growth, social prosperity, and economic well-being (OECD, 2017).

The digital economy is a prominent narrative in Indonesia's development agenda and a part of the effort to shift its economic structure from resource-based economy to knowledge economy in facing global competition (Shetty et al., 2014). It is increasingly considered due to an increasing number of nationwide internet penetration where the users constitute around 171.17 million in 2018 (APJII & Polling Indonesia, 2018). The growth of e-commerce businesses and digital start-ups has provided broader market opportunities for micro, small, and medium businesses or industries through the concept of economic sharing. The great dynamism of the digital economy in Indonesia is evidenced in the report of Google & Temasek/ Bain (2019) titled e-Conomy SEA 2019. The data depicts that the size of Indonesia's internet economy in 2019 is estimated USD 40 billion in size, in which this gross merchandise value (GMV) contributed over 3 per cent to GDP in the same year. The country also becomes the fastest growing one in Southeast Asia, with an average growth of 49 per cent during the 2015-2019 period. Indonesia's digital economy has spawned the biggest local unicorns, one-billion-dollar start-up or tech companies, in the region, such as *Traveloka*, *Tokopedia*, *Go-Jek*, and *Bukalapak* (Google et al., 2019; Google & Temasek, 2018). Those unicorns potentially give Indonesia a new source to growth and investment significantly, and hence digital economy is projected to be the primary driver of economic growth in 2045 (Republika, 2019).

Acknowledging the massive potential of the digital economy for growth and prosperity has encouraged the government of Indonesia to set up a vision to be the region's largest digital economy in 2020. The government targeted e-commerce transaction USD 130 billion worth and creating 1000 technopreneurs with a business value of USD 10 billion in 2020. To achieve this goal, in 2017, Jokowi issued Presidential Regulation (*Perpres*) No. 74 /

2017 about the Road Map of the Electronic-Based National Trading System 2017-2019 (Kominfo RI, 2016; Sekretariat Kabinet RI, 2017). Although the existing policy had some obstacles (Salahuddin, 2018), it can be seen as a part of the initial effort to create a conducive ecosystem to the internet economy by opening up various access to MSMEs to the state supports.

With this respect, Jokowi's cabinet subsequently introduces the so-called Making Indonesia (MI) 4.0 to unleash digital economy potential maximally through industrial revitalization. The policy aims to invigorate the digitization of the productive sector, specifically the manufacturing industry (Ministry of Industry, 2018). The MI initiative is an important policy to reinforce the promotion of local products in e-commerce and MSM industries technology adoption, as the current state of the digital economy is predominantly occupied by information, financial, and services sectors (Google et al., 2019; Kominfo RI, 2016).

However, there are existing institutional and socioeconomic issues challenging the Indonesian digital economy. First, the road map on the digital economy has been a short-lived policy merely containing what-to-do list, instead of grand strategy, and strategic goals, systematic planning, and technical mechanism to achieve its primary purpose. As a result, the responsible government actors have different perception in policy implementation, which hence created partial understanding and fragmented targets among stakeholders (Salahuddin, 2018).

Second, the digital divide remains an underlying problem among Indonesian society to access the internet economy. The problem should not be understood beyond infrastructure issues between urban and rural areas, namely education, institutions, and digital skills. Although some nationwide infrastructure gap may be narrowed down by providing more information communication technology (ICT) facilities, the rest of the division problems remains intact. Among those are 1) income or financial status and technophobia cause a low motivation of using the internet; 2) contribution of internet users between West-East and urban-rural areas in the countries is still unequal; 3) low education level disfavours Indonesian digital skills; 4) because of low digital skills, usage of internet or digital technology produces the limited benefits of productive activities for society (APJII & Polling Indonesia, 2018; Hadi, 2018). The remaining digital divide demonstrated how digital technology development has not been able to overcome inequality that inclines to favour skilled and high-income groups, instead of unskilled and low-income workforces (Fuady, 2019).

Third, the growing cyberspace in Indonesia is vulnerable to cybercrime and cyber-attack by which Indonesia label as the world's largest source of cyberattacks, as shown by some reports. Such an analysis demonstrates how cyber legislation, cybersecurity awareness among citizens, and incomprehensive data protection law become the main factors engendered cyber vulnerabilities (Paterson, 2019). Fourth, the wave of local start-ups or tech-companies acquisition by foreign investors challenges the Indonesian effort to promote local products and exports and to empower MSMEs in its national digital economy (Kominfo RI,

2016). For instance, products sold via e-commerce in Indonesia are dominated by imported consumer goods that constitute around 90 per cent (Liputan6.com, 2019). This tendency is very likely to be a severe threat for local businesses when inflow foreign investment is characterized by market-seeking and resources-seeking investors. Hence, more proactive regulations on imports are critically required to gain a quality foreign investment in boosting the sustainable and inclusive digital economy (CNBC Indonesia, 2019).

Finally, the problem of innovation capabilities is still lagging behind major countries in Southeast Asia. The drawbacks are indicated in Global Innovation Index 2019. The report reveals that Indonesia tends to rely on market sophistication (credit, investment, trade, competition, and market scale), rather than to exploit the capacities and capabilities in strengthening its digital economic potential. The report furtherly shows that aspects of the regulatory environment, knowledge workers, knowledge creation, and knowledge diffusion of Indonesia are severely weak and inconducive (Cornell University et al., 2019).

The digital economy issues above represent a big picture of technology and innovation challenges for Indonesia in attaining a sustainable, competitive, and robust economy. In the meantime, the emerging digital economy is placed as an essential indicator to target improved value-added in the real sector, one of strategy in strengthening economic resilience and quality growth, on recently mid-term development policy 2020-2024 (Bappenas, 2019b). In general, the current innovation is poorly performed and limitedly available due to a lack of science, technology, and innovation (STI) culture, including its base and resource. The government is required to prioritize several vital factors to encourage more innovation-related activities and enabling conditions facilitating STI, knowledge creation, and knowledge diffusion. Among those essential factors are conducive R&D ecosystem, rising R&D expenditure, intellectual property right/IPR protection, financing mechanism, integrated innovation system, academia-industry linkage, local innovation involvement (Damuri et al., 2018; Margiansyah, 2017a, 2017b).

The government's policies, however, have presented inadequate efforts to overcome existing problems of national technology and innovation. The Road Map E-commerce in 2017 and Road Map for Industry 4.0 in 2018 have not concerned with important aspects regarding strong enforcement of IPR, data protection, cross-border e-commerce, recognition of digital goods and services, and incentive for MSMEs and local product. The two initiatives tend to merely focus on issues of domestic institutions and stakeholders while neglecting the role of innovative activities and international policy instruments in supporting the new economic potential.

Furthermore, those policies still adopt inward-looking strategies, as those have not recognized the importance of international cooperation and collaboration in encouraging technological upgrading and innovation capacity-building sufficiently. It is revealed by no apparent role of the Ministry of Foreign Affairs (MoFA) found within the respective official documents. Inappropriately addressing these matters is remarkably essential, taking into account that technological capacities and innovation capabilities are critical aspects for accelerating industrial revitalization, productivity, technological upgrading, and ultimately

escape middle-income trap (Damuri et al., 2018; Paus, 2017). Thus, the government needs to reconsider its policy effectiveness in developing technology and innovation beyond a business-as-usual approach.

To achieve robust innovation capabilities, I argue that Indonesia's government should pursue intermestic, comprehensive, and integrative strategies by finding a niche instrument within existing policies. This attempt can be started from an internationalization effort that refers to the extension of domestic policy on the digital economy into a broader international economic agenda. As long as internationalization is concerned, foreign policy tools should be revisited in-line with STI-oriented vision. So that, the diplomatic instrument needs to be recalibrated to disruption trends by integrating the digital economy as a new focus on existing economic diplomacy. The next section will explain further about existing economic diplomacy and its relevance to the digital economy issue, as well as its prospect to strengthen the Indonesian new economy.

Recalibrating Economic Diplomacy Towards Digital Economy

The pursuit of economic diplomacy is highly prioritized in the current foreign policy since the president took office. This is a different diplomacy's strategy from his predecessor that tends to conduct a multi-direction or total diplomacy (Parameswaran, 2014). Economic diplomacy is a focus on the foreign ministry reform agenda, one strategy of strengthening and restructuring diplomatic infrastructure, within his four foreign policy priorities² (Connelly, 2015). The emphasis on economic diplomacy as a result of Jokowi's pro-people approach in reshaping the conduct of diplomacy or known as down-to-earth diplomacy. This attempt is expected to present direct benefits of diplomacy to the interests and prosperity of the people and the state through quality growth (Kemlu RI, 2015).

By employing the approach on economic diplomacy, Jokowi has attempted to reshape the role of diplomats into salespeople and embassies into economic showrooms. The president requested all diplomats to devote around 90 per cent of a diplomatic mission to economic diplomacy. It was expected to perform a better effort in representing and protecting Indonesia's economic interests in international affairs. Hence, the president has appealed to intensify his government to exploit foreign policy as the main instrument to boost the economy beyond the MoFA. Prioritizing economic diplomacy should be understood as the strategic response to reap maximum economic gains from economic and geopolitical challenges, as well as the shift in the world's centre of economic gravity to Asia (Weatherbee, 2016).

At least, there are three implications of such pro-people diplomacy to Jokowi's vision of international affairs. Firstly, the meaning of friendship is changed in Indonesia's foreign

² Four foreign policy priorities under Jokowi administration 2014-2019 were explicitly stated in *The Nawacita*, nine priorities of Jokowi-Kalla, namely (1) the promotion of Indonesia's identity as an archipelagic state and maritime nation; (2) the enhancement of global role as middle power; (3) the expansion of Indonesia strategic engagement in Indo-Pacific; (4) the promotion of greater role, interest, and aspiration of the people in the formulation and implementation of foreign policy

relations. The countries are perceived as real friends only for those who can provide benefits for national interests, while those who cannot give many advantages are likely to be eschewed. This doctrine is in contrast to Yudhoyono's "a thousand friends, zero enemies" doctrine (The Jakarta Post, 2014; Weatherbee, 2016). Secondly, bilateralism and economic cooperation become principal focuses of Jokowi's international agenda. These tendencies have been shown by his desire to increase more bilateral strategic partnerships and his participation in economic-related forums like G20, APEC, ASEAN, and East Asia Summit. Jokowi has actively engaged in those summits due to its strategic values in bringing direct and concrete business deals for Indonesia's social and economic developments (Kemlu RI, 2015). Lastly, Jokowi tends to prioritize specific sectors in foreign policy agenda, particularly one that directly links to the people's economic welfare and has vast potential for growth. In his first term, Jokowi strongly emphasized the maritime sector as the core of his Global Maritime Fulcrum doctrine. The sector is crucial due to their economic potentials are worth USD 1.2 trillion a year and likely to create new jobs for 40 million citizens (Cabinet Secretariat, 2016b). Accordingly, these implications should be used as underlying assumptions to analyse the direction of Indonesia's foreign policy under the Jokowi office in upcoming years.

Those assumptions implied that the economic-oriented foreign policy is susceptible to a rapidly changing environment of the global economy and has to be able to readjust to it. To that ends, economic diplomacy has to discover the new market and emerging business opportunities for supporting the more significant contribution of Indonesian products and investment to economic growth. According to Jokowi, in the second term's inauguration speech, his administration would focus on economic and human development agendas, including the transformation of the economy from resources-dependent to high-value-added manufacture and modern services, which arguably based on the digital economy (Investor Daily, 2019; Kompas.com, 2019). It is in contrast to his first term's stressing the critical importance of maritime as the future for Indonesia (Cabinet Secretariat, 2014). Since the global maritime fulcrum is no longer the heart of Jokowi's foreign policy, the maritime sector as the priority sector has been replaced by emerging economic sectors deemed to have immediate impacts on growth (Tim Jokowi-Amin, 2019).

In translating the Jokowi's goals, the MoFA has renewed Indonesia's foreign policy priorities by presenting the "4+1"³ The concept for the next five years, which places economic diplomacy will be the number one priority. There are several strategic moves in improving economic diplomacy. It constitutes focuses on capitalizing domestic and traditional markets, while innovatively penetrating non-traditional markets learned from experience market expansion in Africa via Indonesia-Africa Forum 2018 and Indonesia-Africa Infrastructure 2019. Simultaneously, these efforts are reinforced by continuing existing strategies, namely the trade and investment negotiations (CEPA/FTA/PTA) and the integrated promotion of trade and investment, including boosting outbound investment. The

³ The 4+1 priorities of foreign policies consist of (1) improving the economic diplomacy (2) protection diplomacy (3) sovereignty and nationality diplomacy (4) Indonesia's role in the region and the global. The "plus" one is about the improvement of diplomacy infrastructure.

tool of diplomacy will also be optimized to protect strategic economic interests, particularly from discriminatory acts like in the case of the EU biofuel ban against Indonesia's palm oil. The preceding moves will be encouraged by the so-called economy 4.0 comprising digital industries, creative economy, and human capital to improve industrial productivities and open up lower-middle groups wider access to international markets (Kemlu RI, 2019a, 2019c).

Of six strategic moves, the last action has showcased government recognition of the importance of internationalization for new economic activities based on digital technologies and innovation. However, some important questions remain unclear; how the MoFA will perform its strategy to drive economy 4.0 in economic diplomacy agenda; what instruments will be employed to practice this action; and with what institutions or stakeholders will the MoFA cooperate or collaborate to perform in achieving this focus. As a consequence, the Indonesian government needs to develop a new instrument of economic diplomacy based on the spirit of digital transformation, which the MoFA seeks to improve within its diplomatic infrastructure (Kemlu RI, 2019a). This new instrument should be able to substantiate the digitalization of diplomacy and maximize the digital diplomacy tools in the conduct of economic diplomacy more effectively.

With this respect, prioritizing the digital economy, including technological innovation, has been an important element of domestic policies in the Jokowi's era, but increasingly became national interests in international affairs. Since the president took office, several official documents are underscoring the critical role of the digital and innovation-based economy in national development. For instance, those include two editions of Medium-Term National Development Plan 2015-2019 and 2020-2024, Vision Indonesia 2045, and Jokowi-Amin vision and mission statement for the 2019 concurrent elections (Bappenas, 2014, 2019a, 2019b; Tim Jokowi-Amin, 2019). In the context of foreign relations, the digital economy has initially been articulated at the 2016 US-ASEAN Summit (Cabinet Secretariat, 2016a) and resonated more seriously at the 2019 Osaka G-20 Summit. During the latest summit, Jokowi accentuated the digital economy and inclusiveness as the main idea voiced to address economic and social inequalities between countries. Subsequently, Indonesia offered the initiative of establishing the Inclusive Digital Economy Accelerator Hub (IDEA Hub), an international platform for curation, governance, exchange experiences, and ideas about a digital economic model that are inclusive for governments and businesses among G20 countries (Kemlu RI, 2019b).

Jokowi's articulation should be interpreted as the government's attempt to exploit the digital economy potentials at home and to maximize latent opportunities abroad through internationalization strategy. The strategy refers to the aims of inviting the active participation of the international community, developed economies, and diplomatic partners for the global digital economy development. For Jokowi, the domestic digital economy is placed as an important indicator to target improved value-added of the real sector in a strategy of strengthening economic resilience and quality growth. In this regard, bringing the digital economy in the strategic international forums implies Jokowi's a manoeuvre to make the potential sector as an emerging intermestic sector. In turn, the internationalization of the digital economy to some extent affects the future conduct of Indonesia's economic diplomacy

by which the concept is commonly understood as the use of foreign policy tools to gain economic rewards for national development.

This tendency indicates that the "4+1" formula underlining economy 4.0 and digital transformation represents the MoFA effort of recalibrating the prior focus and strategy of economic diplomacy with the Jokowi's strategic vision above. The attempt includes the digital or innovation-based economy into a framework of diplomacy. This is an important measure presented in order to improve the inward-looking policy digital economy by establishing a more holistic environment. Taking into account that kind of innovation-based economy requires an ecosystem that enables a multiagency/actors collaboration to work mutually (Perez, 2010). Therefore, the new concept of economic diplomacy should be able to formulate an instrument or a mechanism that includes stakeholders of government, business, academia, and technological innovation professionals.

However, Jakarta's concept and conduct of economic diplomacy merely focused on commercial diplomacy, emphasizing on promotional activities that project the country's economy and foreign investment portfolio (Intan, 2019). Those activities, such as the expansion of new export to non-traditional markets, improvement of foreign investment, and boosting foreign tourists, have been accentuated in the MoFA strategic plan in 2015-2019 and foreign policy priorities in 2019-2024 (Kemlu RI, 2015, 2019a). Commercial diplomacy is conceptually a subset of economic diplomacy, mainly consisting of trade, tourism, investments (TTI) promotion, and business advocacy. By focusing on commercial diplomacy as the main strategy, it displayed that Jakarta simply concerns to pursue business ends for the national development as its foreign policy goal. (Okano-Heijmans, 2011).

As a consequence of the commercial-oriented measure, some important strategies are missing in the Jakarta's economic diplomacy. Among them are regional dynamics, a holistic, unambiguous coordination mechanism, clear international economic cooperation policy (Djumala, 2015; Intan, 2019), a holistic concept, and an emerging economy in the diplomacy. Indeed, the strategies have to be supported with an intermestic approach in domestically strategic economic policies wherein the MoFA included, unlike in the earlier the Road Map of e-Commerce and Making Indonesia 4.0.

In the context of disruption, commercial diplomacy alone is insufficient to cover a multidimensional nature of the new economy like the digital economy and industries, along with their various stakeholders in the triple or quadruple helix sense. Jakarta needs to consider the digital economy problems as a part of economic diplomacy tasks. The strategy should be able to overcome critical issues such as digital divide, data protection, IPR, cyber threats, foreign investment on tech companies, and poor performance of technological and innovation capabilities through multilateral, plurilateral, and bilateral cooperation. Although the MoFA has already made a breakthrough by including the digital economy as a part of bilateral economic cooperation with Sweden in November 2019 (Kemlu RI, 2019d), Indonesia entails the more precise concept of economic diplomacy dealing with the economy 4.0 for gaining more strategic outcomes and ensuring effective conduct. That concept must be not merely pursuing business ends of the digital economy, but strategic gains for Indonesia's

human resource, technology, and innovation developments. Therefore, Indonesia's economic diplomacy is lack of capacities, and conceptual clarity in engaging with multidimensional issues and agents/stakeholder as integrative diplomacy suggested.

Therefore, I argue that Jakarta urgently has to reconceptualize its economic diplomacy more strategically in order to achieve "diplomatic sophistication." The term is defined as an awareness of current diplomatic actors to adapt and change towards new opportunities and challenges beyond traditional areas or dimensions by developing novel capacities or using existing efforts as ways of maximizing possible advantages. It is a very important behaviour to confront with a diplomatic deficit and digital disruption. It should not merely seek a welfare-enhance effect, but rather to achieve the strategic goals of a government following the political logic for more contribution to international affairs and stability in an innovative way (Okano-Heijmans, 2011).

Constructing Innovation-focused Economic Diplomacy

The prior section demonstrated how the concept of Indonesia's economic diplomacy needs to be strategically revisited following the digital disruption. This can make the digital economy as a turning point to reconceptualize the concept. That economic diplomacy concept promptly requires the focus on technology and innovation upgrading, which subsequently integrates those capabilities with the productive sector (Elisabeth et al., 2016). Revisiting economic diplomacy can be understood as an effort of using foreign policy for better optimizing opportunities of rapid technological change and disruptive economy for the country's development, on the one hand, strengthening the capacity building of human resources through outward-looking technology and innovation development on the other.

To that ends, this article suggests Indonesia develops what is called "innovation diplomacy"⁴ As an integral part of economic diplomacy, despite no agreed definition and recognized as under construction concept in scientific literature, the innovation diplomacy is mostly referred to the use of a full spectrum of foreign policy tools to achieve national innovation interests in the international political arena, which allows a state to strategically engage in the field of international scientific exchange and transfer of technology (Carayannis & Campbell, 2011). The concept involves the use of diplomatic instruments to foster innovations ("*diplomacy for innovation*") and the use of innovation to improve the interstate relations or broader politico-strategic purposes ("*innovation for diplomacy*") built on foreign policy-innovation policy nexus. Innovation diplomacy is not merely constituted by science and technology diplomacy but also embedded in trade and foreign economic policy (Leitjen, 2017). Thus, innovation diplomacy in this study should be understood as a part of economic

⁴ innovation diplomacy theoretically encompasses various efforts of connecting between conceptual and practical realms involving different development aspects (socioeconomic, culture, technological, and institutional) through well-designed initiatives. Those efforts aim to articulate "the ideas and solutions with markets and investors markets and investors ready to appreciate them and nurture them to their full potential" (Carayannis & Campbell, 2011).

diplomacy with the focus on achieving national gains in trade, investment, technology, human capital, and innovation-based economic activities.

At the implementation level, innovation diplomacy involves a number of strategic activities and tools to obtain mutual benefits from international collaboration and economic cooperation for boosting national innovation capabilities. For instance, the government starts to promote its innovation attraction and potential to exert influence and soft power in foreign affairs through establishing a framework condition such as IPR, R&D partnership, business-academia linkage, IPR, trade conditions, information sharing in international innovation or economic partnerships. At the same time, it develops practical toolkits to encourage and enable multi-stakeholder collaboration by incentivizing collaborative R&D partnerships, providing various forms of policy dialogue, improving information and capabilities accesses, reaffirming national priorities for innovation with targeted partners, and addressing globally shared innovation challenges. Those activities and toolkits are performed by engaging several ministries and agencies (Bound, 2016).

Furthermore, innovation diplomacy bridges a wide range of players, dimensions, and interests into a larger network of innovation to internationalize domestic technology and innovation-based industries. These players include not only foreign and economic ministries, but also national innovation agencies and academia, industries, philanthropic, and influential non-governmental organizations, civil society, and regional and multilateral institutions (Bound, 2016; Leitjen, 2017). Therefore, innovation diplomacy aims to provide (1) the *access* of inbound capacities building on the country's technological and innovation development, (2) the *promotion* of domestic new economy products and potentials to international markets and environments, (3) the *influence* of the state in regional, inter-regional, and international relations of technology and innovation (Flink & Schreiterer, 2010).

For Indonesia, innovation diplomacy should be constructed as a subset of economic diplomacy with some additional tasks focusing on technological innovation. Simultaneously, the diplomacy initiative needs to be understood as a new form of digital diplomacy bolstering strategic foreign policy arenas that treat technology and innovation sectors as primary interlocutor, more than just digitalization of public diplomacy or diplomatic communication tools. Indeed, this concept is inspired by lessons learned from the Danish "techplomacy" initiative represented by the so-called Tech-ambassador in the heart of tech industries, Silicon Valley and Beijing (Frijs-Madsen, 2018; Klynge et al., 2020). However, the initiative should be initially mandated with a commercial goal rather than political for gaining currency in Indonesia's foreign policy, taking account of the incumbent government's strong emphasis on economic benefits. Once the conduct of innovation diplomacy is well-established, its mandate must be extended into a political one for regional and global affairs.

With this respect, the government of Indonesia is required to create several new duties and responsibilities in order to operationalize the innovation-focused economic diplomacy initiative, as listed below:

1. Indonesia needs to appoint Digital/Cyber/Tech/Innovation ambassadors or special envoys, supported by a technology or innovation division in the embassies, that is

mandated to engage with tech and innovation-based industries formally and to build a coalition among responsible governments on technological and emerging economic issues. The positions should be posted in the world's most innovative countries/cities with advanced digital technologies and innovation powerhouse.

2. The functions of the ambassador and tech/innovation division should be mainly focused on (1) the formalization of communication and dialogue with tech companies or stakeholders, (2) the collection of information and new knowledge regarding new opportunities and dynamics of technology and innovation worldwide for companies, universities, and research institutes, and policymakers at home, (3) the promotion of Indonesia's digital and technological industries to new export, market, and investment opportunities abroad, (4) the strategic communication and engagement on Indonesia's international roles in the tech sector for opportunities and challenges of technological change and digitalization bilaterally and multilaterally.
3. Indonesia's innovation centre should be established in leading innovative cities/countries for strengthening the function of the economic division. The centre is not necessarily a new entity but can be included within the Indonesian Trade Promotion Center (ITPC) network abroad.
4. Science, technology, or innovation attachés should be assigned as innovation intelligence who maps potential markets, products, sectors, competitors, investors, and consumers and seeks opportunities for potential funding, capacity building for creative and knowledge workers, learning process for domestic tech-companies and technopreneurs in leading technology and innovation centres.
5. The attaché position must be performed not limited to government officials but has to be highly capable and experienced professional experts and practitioners mastering theoretical, institutional, and technical matters of the fields for the country's economic and social development.
6. All responsible policy actors or government bodies and stakeholders have to be synergized their paradigms and be included in producing diplomacy strategies with reference to knowledge and evidence-based practice in the decision-making process.

Linking innovation diplomacy with the grand concept of economic diplomacy would enable Indonesia to facilitate multifaceted interests and the nature of economy 4.0 based on technology and innovation capabilities. Of course, its effectiveness depends on the mutual support of diplomatic infrastructures, within which tools of diplomacy can be innovatively developed in concert with digital transformation and disruption. This way could render the existing economic diplomacy, and ultimately foreign policy is adaptable and responsive to opportunities and challenges that emerged from digital disruption and geopolitical shift more appropriately. As a subsequent effort, stronger diplomatic or international linkages in tech and innovation sectors could provide the government a platform to address critical issues within the digital economy and tech sectors by way of an intermestic and integrative approach. All of such attempts are aimed to generate more effective and comprehensive measures in dealing with digital technologies and global economic challenges to Indonesia.

CONCLUSION

Based on the analysis above, the diplomatic deficit and digital disruption have created a sense of urgency for Indonesia to recalibrate its foreign policy through responsive and innovative strategies of economic diplomacy. The foreign policy has arguably been disconnected to the main goals of domestic policies related to the digital economy and another new economy like Industry 4.0 or e-commerce roadmap. In those policies, government still adopts inward-looking, incomprehensive, and fragmented strategies, while disregarding the critical importance of international cooperation and collaboration in the implementation of the “domestic” policies.

Building innovation diplomacy as a subset of economic diplomacy is can be viewed as a new way to recalibrate its foreign policy tools in facing digitally disruptive challenges. This diplomatic instrument would allow Indonesia to link strategically domestic or inward-looking policies, such as the digital economy and industry 4.0, to internationalization effort. Moreover, the new instrument is essential to engage with major non-state players from multi-level stakeholders and to deal with multidimensionally emerging issues around the international dynamic of technological change and disruptive innovation in a more strategic manner. In the meantime, innovation diplomacy would improve synergies between responsible “domestic” government actors and relevant stakeholders in consolidating common interests and aspirations in international policy and diplomacy, including bridging different paradigms and understandings. It is a compelling way to render existing diplomacy adaptable and responsive to unexpected and unprecedented challenges, and opportunities emerged from digital disruption and power balances shift phenomena.

Coping with the limited capacity of economic diplomacy and digital economic strategies that remain domestic-oriented should be focused on Indonesia's strategic response. Otherwise, the vision of Jokowi to internationalize the digital economy as a component of foreign policy and to exploit technology and innovation as latent unlimited resources for future prosperity and development faces significant obstacles. Thereby, the innovation-focused economic diplomacy would enable the government to effectively address critical issues of the digital economy and tech sectors through a more integrative approach.

Therefore, this study has brought about at least four implications to the study of Indonesia's economic diplomacy and foreign policy in general. *First*, technology and its related phenomena should be no longer perceived as an exogenous or external factor, but as an endogenous or internal factor in reshaping the actor's behaviours or policy preferences and determining changes and continuities in the world politics. *Second*, technology should be seen beyond technical matters but involves institutional and politico-strategic dimensions in understanding certain actions of the sovereign states or actors. *Third*, economic diplomacy has to be understood as political action consisting of power-play and business ends, as long as national interests in economic and technological-related issues is a concern. A similar study on this topic inclines to conceive the concept of economic diplomacy as a non-political strategy or action, which treats it as a mere concern of economist, trade practitioners/policymakers, or business professionals. *Fourth*, analyses on the conduct of

economic diplomacy must not be understood as an exclusive issue of the state or foreign ministry, but rather a strategic issue comprising multi-stakeholder, which links state and non-state actors in formulation and implementation of economic diplomacy strategy. *Fifth*, economic diplomacy and foreign policy should not only explore technology-related issues with state-centric approach exclusively focusing on state self-interests but rather employing various approaches emphasizing on state behaviours as an integral part of collective interests and common goods shared by broader international communities.

In context of digital disruption, the underlying reason why this article encouraging non-state centric approaches to be applied in the study of economic diplomacy and foreign policy is because the consequences of technological changes are relatively different and varies for some countries in spatio-temporal context and experience. They are impossible and undesirable things to do if many scholars use the state-centric paradigm to gains analytical explanation on the cause-effects of technological transformation for the international actors or states in a more holistic and innovative manner.

ABOUT THE AUTHORS

Defbry Margiansyah is a researcher at Research Center for Politics – the Indonesian Institute of Sciences (P2P-LIPI), Jakarta, Indonesia. Defbry Margiansyah can be reached at defbry.margiansyah@lipi.go.id. The earlier draft of this article was presented at the 8th International Conference on Business, International Relations, and Diplomacy (ICOBIRD) at BINUS Campus, Jakarta, on 9-10 October 2019.

REFERENCES

- APJII, & Polling Indonesia. (2018). *Penetrasi & Profil Perilaku Pengguna Internet Indonesia 2018* (Laporan Survei S 20190518). Asosiasi Penyelenggara Jasa Internet Indonesia.
- ASEAN. (2018). *ASEAN Leaders' Vision for a Resilient and Innovative ASEAN*. ASEAN. <https://asean.org/asean-leaders-vision-for-a-resilient-and-innovative-asean/>
- Bappenas. (2014). *Lampiran Peraturan Presiden Republik Indonesia Nomor 2 Tahun 2015 Tentang Rencana Pembangunan Jangka Menengah Nasional 2015-2019*. Bappenas. <https://www.bappenas.go.id/id/data-dan-informasi-utama/dokumen-perencanaan-dan-pelaksanaan/dokumen-rencana-pembangunan-nasional/rpjp-2005-2025/rpjmn-2015-2019/>
- Bappenas. (2019a). *Indonesia 2045: Berdaulat, Maju, Adil, dan Makmur*. Kementerian Perencanaan Pembangunan Nasional.
- Bappenas. (2019b). *Rancangan Teknokratik: Rencana Pembangunan Jangka Menengah Nasional 2020-2024*. Kementerian Perencanaan Pembangunan Nasional. <https://www.bappenas.go.id/files/rpjmn/Narasi%20RPJMN%20IV%202020-2024%20Revisi%2014%20Agustus%202019.pdf>

- Berridge, G. R. (2015). *Diplomacy: Theory and Practice* (Fifth Edition, New edition, 5th edition). Palgrave Macmillan.
- Bound, K. (2016). Innovating Together? The Age of Innovation Diplomacy. In S. Dutta, B. Lanvin, & S. Wunsch-Vincent (Eds.), *The Global Innovation Index 2016: Winning with Global Innovation*, 91–95). Cornell University, INSEAD, and the WIPO.
- Britton, D. B., & McGonegal, S. (2007). *The Digital Economy Fact Book* (Ninth Edition). The Progress & Freedom Foundation.
- Cabinet Secretariat. (2014, October 20). *Pidato Presiden Joko Widodo pada Pelantikan Presiden dan Wakil Presiden Republik Indonesia, di Gedung MPR, Senayan, Jakarta, 20 Oktober 2014*. Sekretariat Kabinet Republik Indonesia. <https://setkab.go.id/pidato-presiden-joko-widodo-pada-pelantikan-presiden-dan-wakil-presiden-republik-indonesia-di-gedung-mpr-senayan-jakarta-20-oktober-2014/>
- Cabinet Secretariat. (2016a, February 16). *President Jokowi Meets with 3 Digital Economy CEOs*. Sekretariat Kabinet Republik Indonesia. <https://setkab.go.id/en/president-jokowi-meets-with-3-digital-economy-ceos/>
- Cabinet Secretariat. (2016b, June 15). *Maritime Sector Can Move National Economy, President Jokowi Says*. Sekretariat Kabinet Republik Indonesia. <https://setkab.go.id/en/maritime-sector-can-move-national-economy-president-jokowi-says/>
- Carayannis, E. G., & Campbell, D. F. J. (2011). Open innovation diplomacy and a 21st century Fractal Research, Education and Innovation (FREIE) Ecosystem: Building on the quadruple and quintuple helix innovation concepts and the “Mode 3” knowledge production system. *Journal of the Knowledge Economy*, 2(3), 327. <https://doi.org/10.1007/s13132-011-0058-3>
- CNBC Indonesia. (2019, August 5). *Pengamat Sebut 93% Produk Toko Online Impor, Benarkah?* Cnbcindonesia.Com. <https://www.cnbcindonesia.com/tech/20190805122400-37-89863/pengamat-sebut-93-produk-toko-online-impor-benarkah>
- Connelly, A. L. (2015). Sovereignty and the sea: President Joko Widodo’s foreign policy challenges. *Contemporary Southeast Asia*, 37(1), 1–28.
- Cornell University, INSEAD, & WIPO. (2019). *The Global Innovation Index 2019: Creating Healthy Lives—The Future of Medical Innovation*. https://www.wipo.int/global_innovation_index/en/2019/
- Dahlman, C., Mealy, S., & Wermelinger, M. (2016). *Harnessing the digital economy for developing countries*. <https://doi.org/10.1787/4adffb24-en>
- Damuri, Y. R., Aswicahyono, H., & Christian, D. (2018). Innovation Policy in Indonesia. In M. Ambashi (Ed.), *Innovation Policy in ASEAN*. Economic Research Institute for ASEAN and East Asia (ERIA). <http://www.eria.org/publications/innovation-policy-in-asean/>

- Deloitte Australia. (2012). *Digital Disruption: Short Fuse, Big Bang?* Deloitte Touche Tohmatsu.
<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Building%20Lucky%20Country/deloitte-au-consulting-digital-disruption-whitepaper-230217.pdf>
- Djumala, D. (2015, January 2). *Revisiting Economic Diplomacy*. The Jakarta Post.
<https://www.thejakartapost.com/news/2015/01/02/revisiting-economic-diplomacy.html>
- Donaldson, A., & Younane, I. (2018, February). *A Diplomatic Deficit? The Rise of Non-State Actors*.
<https://www.britishcouncil.org/research-policy-insight/insight-articles/diplomatic-deficit-actors>
- Elisabeth, A., Sambodo, M. T., Hidayat, A. S., Syafarani, T. R., Muna, M. R., Wuryandari, G., & Luhulima, C. P. F. (2016). *Grand Design Kebijakan Luar Negeri Indonesia (2015-2025)*. Yayasan Pustaka Obor Indonesia.
- Flink, T., & Schreiterer, U. (2010). Science diplomacy at the intersection of S&T policies and foreign affairs: Toward a typology of national approaches. *Science and Public Policy*, 37(9), 665–677.
- Frijs-Madsen, J. (2018, February 9). *The Future of Globalization and International Trade Exemplified through Modern Danish Economic Diplomacy*. Lecture at the University of Oslo, International Trade, Oslo.
<https://www.uio.no/studier/emner/sv/oekonomi/ECON1410/v18/pensumliste/guest-lecture-international-okonomi-jarl-frijs-madsen.pdf>
- Fuady, D. A. H. (2019). Teknologi digital dan ketimpangan ekonomi di Indonesia. *Masyarakat Indonesia*, 44(1), 75–88. <https://doi.org/10.14203/jmi.v44i1.803>
- Glaser, B. G., & Strauss, A. L. (2006). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Aldine Transaction.
- Google, & Temasek. (2018). *e-Conomy SEA 2018: Southeast Asia's internet economy hits an inflection point*. Google-Temasek. <https://www.thinkwithgoogle.com/intl/en-apac/tools-resources/research-studies/e-conomy-sea-2018-southeast-asias-internet-economy-hits-inflection-point/>
- Google, Temasek, & Bain & Company. (2019). *e-Conomy SEA 2019: Swipe up and to the right: Southeast Asia's \$100 billion internet economy*. Google-Temasek-Bain. https://www.blog.google/documents/47/SEA_Internet_Economy_Report_2019.pdf
- Hadi, A. (2018). Bridging Indonesia's digital divide: Rural-urban linkages? *Jurnal Ilmu Sosial dan Ilmu Politik*, 22(1), 17–33.
- Hocking, B., & Melissen, J. B. M. (2015). *Diplomacy in the Digital Age* (Clingendael Report). Netherlands Institute of International Relations Clingendael.
- Hocking, B., Melissen, J., Riordan, S., & Sharp, P. (2012). *Futures for Diplomacy: Integrative Diplomacy in the 21st Century* (No. 1). Netherlands Institute of International Relations Clingendael.

- Intan, R. (2019, November 26). *The Missing Strategy in Indonesia's Economic Diplomacy*. The Diplomat. <https://thediplomat.com/2019/11/the-missing-strategy-in-indonesias-economic-diplomacy/>
- Investor Daily. (2019, October 21). *Presiden Janji Transformasi Ekonomi*. investor.id. <https://investor.id/business/presiden-janji-transformasi-ekonomi>
- ISEAS. (2018, June 30). Special Issue: ASEAN Matters for Singapore and Southeast Asia. *ASEAN Focus*, 4. <https://think-asia.org/handle/11540/8596>
- Jakarta Globe. (2020, February 27). *Jokowi Hopes to Unleash Indonesia's Digital Economy Potential*. Jakarta Globe. <https://jakartaglobe.id/tech/jokowi-hopes-to-unleash-indonesias-digital-economy-potential>
- Kemlu RI. (2015). *Rencana Strategis 2015-2019 Kementerian Luar Negeri Republik Indonesia*. Kementerian Luar Negeri RI. <https://www.kemlu.go.id/AKIP/Rencana%20Strategis%20Kemlu%202015-2019.pdf>
- Kemlu RI. (2019a). *Penyampaian Prioritas Politik Luar Negeri Republik Indonesia 2019-2024*. Kementerian Luar Negeri Republik Indonesia.
- Kemlu RI. (2019b, June 29). *Presiden Jokowi Bawa Usulan IDEA Hub di KTT G20*. Kementerian Luar Negeri Republik Indonesia. <https://kemlu.go.id/osaka/id/news/1357/presiden-jokowi-bawa-usulan-idea-hub-di-ktt-g20>
- Kemlu RI. (2019c, November 14). *Indonesian FM Presents the Diplomacy Priorities 2019-2024 to the House of Representatives*. Ministry of Foreign Affairs of the Republic of Indonesia. <https://kemlu.go.id/portal/en/read/786/berita/indonesian-fm-presents-the-diplomacy-priorities-2019-2024-to-the-house-of-representatives>
- Kemlu RI. (2019d, November 21). *Ministry of Foreign Affairs Organizes The Sixth Indonesia Sweden Bilateral Consultation Forum To Strengthen Economic Diplomacy*. Portal Kementerian Luar Negeri Republik Indonesia. <https://kemlu.go.id/portal/en/read/803/view/ministry-of-foreign-affairs-organizes-the-sixth-indonesia-sweden-bilateral-consultation-forum-to-strengthen-economic-diplomacy>
- Killian, P. M. E. (2012). Paradigma dan problematika diplomasi ekonomi Indonesia. *Global & Strategis*, 6(2), 170–185.
- Klynge, C., Ekman, M., & Waedegaard, N. J. (2020). Diplomacy in the digital age: Lessons from Denmark's TechPlomacy initiative. *The Hague Journal of Diplomacy*, 15(1–2), 185–195.
- Kominfo RI. (2016). *Study Ekonomi Digital Indonesia: Sebagai Pendorong Utama Pembentukan Industri Digital Masa Depan*. Kementerian Komunikasi dan Informatika. <https://balitbangsdm.kominfo.go.id/berita-seminar-hasil-penelitian-study-ekonomi-digital-indonesia-sebagai-pendorong--19-193>

- Kompas.com. (2019, October 20). *Naskah Lengkap Pidato Presiden Joko Widodo dalam Pelantikan Periode 2019-2024*. <https://nasional.kompas.com/jeo/naskah-lengkap-pidato-presiden-joko-widodo-dalam-pelantikan-periode-2019-2024>
- Leijten, J. (2019). Innovation policy and international relations: Directions for EU diplomacy. *European Journal of Futures Research*, 7(1), 4.
- Leitjen, J. (2017). Exploring the future of innovation diplomacy. *European Journal of Futures Research*, 5(20).
- Liputan6.com. (2019, December 13). *Barang Impor Masih Dominasi Penjualan via E-Commerce*. liputan6.com. <https://www.liputan6.com/bisnis/read/4133418/barang-impor-masih-dominasi-penjualan-via-e-commerce>
- Manning, B. (1977). The Congress, the Executive and Intermestic Affairs: Three Proposals. *Foreign Affairs*, 55(2), 306–324.
- Margiansyah, D. (2017a). *Disconnecting Technological Inferiority? Evaluating State Action on Industrial Technological Development in “Post-Orde Baru” Indonesia* (Master Thesis). Albert-Ludwigs Universität Freiburg, Freiburg.
- Margiansyah, D. (2017b). The limits of industrialization in post-orde baru Indonesia: State-Corporatism and Technological Inferiority. *Journal of Indonesian Social Sciences and Humanities*, 7(2), 119–138.
- Margiansyah, D. (2020). Inovasi dan ketidakpastian: Menuju perspektif baru kekuasaan dalam politik global. *Jurnal Penelitian Politik*, 17(1), 141–156.
- Ministry of Industry. (2018). *Making Indonesia 4.0: Indonesia’s Fourth Industrial Revolution*. www.kemenperin.go.id/download/1842
- OECD. (2017). *OECD Digital Economy Outlook 2017*.
- Okano-Heijmans, M. (2011). Conceptualizing economic diplomacy: The crossroads of International relations, economics, IPE and diplomatic studies. *The Hague Journal of Diplomacy*, 6(1–2), 7–36.
- Okano-Heijmans, M. (2013). *Economic Diplomacy: Japan and the Balance of National Interests*. Martinus Nijhoff Publishers.
- Okano-Heijmans, M. (2016). Economic Diplomacy. In C. M. Constantinou, P. Kerr, & P. Sharp (Eds.), *The SAGE Handbook of Diplomacy* (pp. 552–563). Sage Publications.
- Owen, T. (2015). *Disruptive Power: The Crisis of the State in the Digital Age*. Oxford University Press.
- Parameswaran, P. (2014). Between aspiration and reality: Indonesian foreign policy after the 2014 elections. *The Washington Quarterly*, 37(3), 153–165.
- Paterson, T. (2019). Indonesian cyberspace expansion: A double-edged sword. *Journal of Cyber Policy*, 4(2), 216–234.

- Paus, E. (2017). *Escaping the Middle-Income Trap: Innovate or Perish*. Asian Development Bank. <https://www.adb.org/publications/escaping-middle-income-trap-innovate-or-perish>
- Perez, C. (2010). Technological revolutions and techno-economic paradigms. *Cambridge Journal of Economics*, 34(1), 185–202.
- Pohan, S., Pohan, H., & Savitri, I. N. (2017). Digital diplomacy-maximizing social media in Indonesia's economic and cultural diplomacy. *Advances in Social Science, Education and Humanities Research (ASSEHR)*, 81, 372–390.
- Pujayanti, A. (2018). Peran daerah dalam diplomasi ekonomi. *Jurnal Politica Dinamika Masalah Politik Dalam Negeri dan Hubungan Internasional*, 7(1).
- Rana, K. S., & Chatterjee, B. (2011). *Economic Diplomacy: India's Experience*. CUTS International.
- Republika. (2019, July 23). *Ekonomi Digital Jadi Motor Pertumbuhan Ekonomi 2045*. Republika Online. <https://republika.co.id/share/pv3iki284>
- Rüffin, N. (2018). *Case Study: Science and Innovation Diplomacy Agencies at the Nexus of Research, Economics, and Politics* (EL-CSID Working Paper No. 10). Institute for European Studies.
- Ruffini, P.-B. (2017). *Science and Diplomacy: A New Dimension of International Relations*. Springer.
- Sabaruddin, S. S. (2018). Strengthening Indonesian commercial and trade diplomacy by designing a clustering of Indonesian export market destination. *PORTES*, 12(23).
- Salahuddin, R. (2018, October 3). *Capaian Dan Kendala Pelaksanaan Perpres No.74 Tahun 2017 Peta Jalan Sistem Perdagangan Nasional Berbasis Elektronik (Road Map E-Commerce) Tahun 2017-2019*. https://ditjenpdt.kemendesa.go.id/index.php/download/getdata/Capaian_dan_Kendala_Road_Map_e-Commerce.pdf
- Sekretariat Kabinet RI. (2017, Agustus). *Inilah Perpres No. 74 Tahun 2017 tentang 'Road Map E-Commerce' Tahun 2017–2019*. <https://setkab.go.id/inilah-perpres-no-74-tahun-2017-tentang-road-map-e-commerce-tahun-2017-2019/>
- Shetty, P., Akil, H., Fizzanty, T., & Simamora, G. (2014). *Indonesia: The atlas of Islamic World Science and Innovation Country Case Study*. Creative Commons.
- The Jakarta Post. (2014, November 17). *Foreign friendships must benefit RI: Jokowi*. The Jakarta Post. <https://www.thejakartapost.com/news/2014/11/17/foreign-friendships-must-benefit-ri-jokowi.html>
- The Jakarta Post. (2020, January 9). *'We all should focus on economic diplomacy,' Jokowi tells Indonesian envoys*. The Jakarta Post. <https://www.thejakartapost.com/news/2020/01/09/we-all-should-focus-on-economic-diplomacy-jokowi-tells-indonesian-envoys.html>

- Tim Jokowi-Amin. (2019, January 17). *Meneruskan Jalan Perubahan Untuk Indonesia Maju: Berdaulat, Mandiri, Dan Berkepribadian Berlandaskan Gotong Royong—VISI MISI Ir. H. Joko Widodo dan Prof. Dr. K.H. Ma'ruf Amin*. <http://perludem.org/2019/01/17/visi-misi-dan-program-pasangan-calon-presiden-dan-wakil-presiden-pemilu-2019/>
- Tucker, T. (2014). *Grounded Theory Generation: A Tool for Transparent Concept Development* (SSRN Scholarly Paper ID 2685879). Social Science Research Network.
- Wanto, H. R. (2016, February). *Diplomasi Ekonomi Sebagai Salah Satu Instrumen Penting Dalam Politik Luar Negeri*. *Tabloid Diplomasi*. <http://www.tabloiddiplomasi.org/index.php/2017/03/29/diplomasi-ekonomi-sebagai-salah-satu-instrumen-pentingdalam-politik-luar-negeri/>
- Weatherbee, D. E. (2016). *Understanding Jokowi's Foreign Policy*. ISEAS Publishing.
- White, B. (2001). *Diplomacy*. In *Globalization of World Politics* (Vol. 15). Oxford University Press.
- Woolcock, S., & Bayne, N. (2013). *Economic Diplomacy*. In A. F. Cooper, J. Heine, & R. Thakur (Eds.), *The Oxford Handbook of Modern Diplomacy*. Oxford University Press.

THE INTERNATIONALIZATION OF “WEST PAPUA” ISSUE AND ITS IMPACT ON INDONESIA’S POLICY TO THE SOUTH PACIFIC REGION

Floranesia Lantang¹ and Edwin M. B. Tambunan²

^{1,2} Department of International Relations, Faculty of Social and Political Sciences,
Pelita Harapan University
MH Thamrin Boulevard 1100, Kelapa Dua, Tangerang
Banten 15811, Indonesia

¹ Floranesia.lantang@uph.edu, ² Edwin.tambunan@uph.edu

Received: 12th May 2020/ **Revised:** 20th May 2020/ **Accepted:** 01st June 2020

How to Cite: Lantang, F. and Tambunan E. M. B. (2020). The Internationalization of “West Papua” Issue and Its Impact on Indonesia’s Policy to the South Pacific Region. *Journal of ASEAN Studies*, 8(1), 41-59, <https://doi.org/10.21512/jas.v8i1.6447>

ABSTRACT

This research argues that the internationalization of "West Papua" issue through social media has contributed to a shift of Indonesia's policy to the South Pacific region from ignorance to initiative approach. Underlying this argument is a growing concern of Indonesia regarding the use of social media by Papuan pro-independence activists that resulted to the increasing awareness and support towards the independence of West Papua from Pacific countries as human rights problems become the highlight of West Papua's issue. The method used in this research was qualitative research method focusing on descriptive analysis of the internationalization of West Papua issue on social media. This research results show that initiative approach from Indonesia is merely narrowing the gap of the issue instead of reducing the internationalization of the West Papua issue.

Keywords: *West Papua, Indonesia, South Pacific Region, Social Media*

INTRODUCTION

Papua or internationally known as "West Papua" remains a long-standing sensitive issue of Indonesia when dealing with the South Pacific region. The issue lies in the intersection of sovereignty and humanitarian values. While there are at least four major agendas of the Pacific countries to Papua such as human rights, development, limited access to media, and poverty, human rights remain becoming the centre of attention among countries in the region. The concern on human rights is escalating due to the use of social media platform by the Papuan

activist to mobilize their support and audiences towards West Papua issue. On the other side, The Indonesian government and public also use social media to disseminate positive progress in West Papua without revealing the whole picture of West Papua.

Social media, as part of online platforms, provide a space for individual and community to share their point of view through words, pictures, video, film, and graphic. According to Kaplan (2010), social media is a group of internet-based application aims to exchange contents made by the user (Encyclopedia of social network analysis and mining, 2014). Social media consists of platforms such as Facebook, YouTube, Instagram, WeChat, Tumblr, TikTok, Weibo, Google+, Reddit, Twitter, Snapchat, and many more platforms available online. Among these platforms, Facebook, YouTube, and Instagram are at the top three of the most used platforms until 2019 (Our World in data, 2019). As these platforms offer ease and speedway in disseminating information, it is inevitable that social interaction is now turning more to social media. For Papuan activists, the use of social media is effective and efficient due to the tight media restriction in West Papua.

This research elaborates on the use of social media in internationalize the issue of West Papua and how does it impact the Indonesian government policy to the South Pacific region. This research also provides the background of the problem in West Papua and response from the Indonesian government towards the problems. In addition, this research explains the use of social media platforms, mainly Facebook, YouTube, and Twitter in disseminating West Papua issues. Eventually, a series of findings related to the shift of the Indonesian government's policy from offline to online initiatives to the South Pacific region is explained.

ANALYTICAL FRAMEWORK

Understanding the West Papua's Problem

The Indonesia Institute of Science (LIPI) in 2011 addressed that state's human rights abuses is one of the four roots of the problem in Papua together with the failure of development, discrimination and marginalization towards Papuan people, and historical and political status of Papua (Widjojo, 2010). The concern on human rights is not without reason as many gross human rights violations remain unresolved in Papua since Papua was integrated into Indonesia. This was exacerbated with the claim from the Free West Papua (FWP) organization that the Indonesian government through the Indonesian Military (TNI) handpicked just 1.026 'representative' people, out of population of one million, and threatened to kill them and their family if they do not vote for integration into Indonesia. The FWP also added that the Indonesian military has systematically murdered and tortured Papuan.

The violations of human rights in Papua culminated when Papua was under President Soeharto's administration. During the New Order era, Papuan were oppressed and tortured by the state under a series of operation conducted by the Indonesian National Military (TNI). These operations were an order from President Soeharto in fighting the separatist groups, the

Free Papua Organization (OPM) (International Crisis Group, 2006). The operations include *Operasi Sadar* (1965-1967), *Operasi Barathayudha* (1967-1969), *Operasi Wibawa* (1969), operation in the Jayawijaya (1977), *Operasi Sapu Bersih I and II* (1981), *Operasi Galang I and II* (1982), *Operasi Tumpas* (1983-1984), *Operasi Sapu Bersih* (1985) (Tebay, 2009). Total of Papuan killed during these operations is estimated at 2348 people. However, many of the victims remain unreported. Additionally, around more than 10.000 Papuans were fleeing to Papua New Guinea to escape from the Indonesian military. Nonetheless, only around 7.500 Papuans succeeded to escape in PNG, particularly in the East Awin and the Western Province of PNG (Al Rahab, 2016).

Even after the New Order Era, a series of human rights violations remain existing both in highlands and coastal of Papua. Biak Numfor tragedy in 1998, Abepura tragedy in 2000, Wasior tragedy in 2001, Wamena tragedy in 2003, Uncen tragedy in 2006, violent altercations against Yawan Wayeni in 2009 and Mako Tabuni in 2012, Paniai tragedy in 2014, and Mapenduma tragedy in 2016 (Erdianto, 2017) added the complexity of human rights violations in the region. Setara Institute reported that the human rights cases in Papua increased from 16 cases in 2015 to 68 cases in 2016. The highest cases occurred on 16th of May, 10th of April, and 9th of December, when the peaceful demonstration was carried out in 7 places in and outside Papua. These series of demonstration held as the support for Papuan people for the United Liberation Movement for West Papua (ULMWP) to be accepted as the full member of Melanesian Spearhead Group (MSG). The demonstration ended with a repressive response and the arrest of protesters. Similarly, Amnesty International in its report in 2018 "*Sudah, Kasi Tinggal Dia Mati*" records 69 suspected killing cases by security forces in Papua between January 2010- February 2018. From 69 cases, 34 cases were involved police, 23 cases involved military, and 11 cases involved both police and military (Amnesty International, 2018).

In an effort to resolve a series of human rights violations in Papua, the Indonesian government has been working to formulate policy and conduct several actions. Under the 2001 special autonomy for Province Papua Chapter XII Article 46, The province of Papua has been given an authority to establish *Komisi Kebenaran dan Rekonsiliasi* (Truth and Reconciliation Commission). According to the law, the task of this Commission is to clarify the history of Papua, and to formulate reconciliation process in Papua. The establishment of this special Commission should be proposed by the governor and arranged under the Presidential Regulation (Pemerintah Provinsi Papua, 2001).

However, the truth and reconciliation commission law annulled in 2016 after enacted since 2014. Furthermore, despite the draft for establishing the Commission later proposed in 2015, there has been no effort in assessing this draft until recently. Instead, the Indonesian government, through the Coordinating Minister of Political, Legal, and Security affairs established their own team called as an integrated team in addressing Papuan human rights issues in 2016. Luhut explained that the team will work together with the National Commission on Human Rights (Komnas HAM), legal experts, and eight Papuan representatives (Sekretariat Kabinet Republik Indonesia, 2016a). Shortly after the Commission was formed, series of demonstration held by Papuan in Indonesia and Australia. The Papuan rejected the establishment of Luhut's team as it was totally contradicted with the requirement in the 2001

special autonomy that the team should only be proposed by Governor and arranged by the President. On June 16th, 2019 in Yogyakarta, 300 Papuan students conducted a demonstration to reject Luhut's team and demand that Indonesian government give a right for self-determination (Sucahyo, 2016). The protests against Luhut's team were also coming from 2000 West Papua National Committee (KNPB) in Jayapura, and Free West Papua activists in Canberra (Rumagit, 2016; Tabloid Jubi, 2016).

Until recently, there has been no report from Luhut's special team in addressing human rights problems in Papua. While the progress on human rights remains a long-standing issue on the internationalization of West Papua, other issues such as the failure of development, poverty, gender, good governance, the welfare of indigenous of Papuan now emerge. These issues have become the concern of new actors, especially NGOs, youth organizations, and tribal chiefs in Papua and West Papua Provinces. Concerns on these issues are certainly related to the fact of the low level of the Human Development Index and prosperity in Papua and West Papua Provinces. The latest statistical report from the Provincial website reported that Papua remains at the bottom sequence of the Human Development Index in Indonesia, despite a slight incline from 57,25 to 58,05 in 2016 (Badan Pusat Statistik Provinsi Papua, 2019). Papua is still known as the poorest province in Indonesia with a percentage at 28,54, West Papua Province places the second last position with a percentage at 25,43. The poor people are concentrated in the rural area. The contribution of food commodity towards the poverty line is higher than non-commodity (housing, clothes, education, health) with comparison 75,36:24,64 (Berita Resmi Statistik Provinsi Papua, 2016). In response to this economic challenges, former President Susilo Bambang Yudhoyono and the current President Jokowi has been implementing a series of acceleration program to support economic growth in Papua. Jokowi has made several policies such as the Trans-Papua road, one fuel price policy, infrastructure projects, and electricity projects. Considering the geographical challenge as the main factor of economic inequality in Papua, The Trans-Papua road is becoming the heart of Jokowi's development policies in Papua. This project is estimated to cost 12,5 trillion rupiah and targeted to be done by the end of 2019. The 4.325 kilometres of Trans-Papua road project will connect twelve main roads in Papua and West Papua Provinces mainly from big cities such as Merauke, Wamena, Jayapura, Timika, Nabire, Manokwari, Sorong (Presiden IR. H. Joko Widodo, 2015). This project aims to accelerate the distribution of goods and movement of people from one area to another area to become more effective and efficient.

Another realization of economic progress by President Jokowi to Papua is through the 'one fuel price policy'. Although Jokowi realized that the implementation of this policy will cause Indonesian state-owned energy company (Pertamina) to suffer losses of IDR 800 billion (Sekretariat Kabinet Republik Indonesia, 2016b), the matter of social justice is important to improve the welfare of the Indigenous People of Papua which for too long live with significant economic inequality. In October 2016, Jokowi launched this policy with the aims of reducing the fuel price in Papua that was previously ten times higher than the price in Java. While the average price of premium is IDR 6.450 per litre, the price in Papua could reach IDR 50.000-100.000 per litre (Amindoni, 2016). This initiative was considered as the most significant contribution from Jokowi, as for a long period of time, Papuans have been burdened under the

high cost of fuel. Additionally, this was the first time for Papuan to enjoy the equality of fuel price with other provinces in Indonesia.

Following this, Jokowi also launched five electrical infrastructures project in Papua and West Papua Province in order to address the power supply shortage in these two Provinces (Budiman, 2016). These electrical projects will be conducted in Waena, Genyem, Jayapura, Holtekamp, and Sentani. The estimated cost of this electricity project is 989 *milyar rupiah* (989 billion dollars) (“Presiden resmikan 6 infrastruktur”, 2016). Jokowi’s presence also ended up a thirteen-year struggle of *mama-mama Papua* or Papuan women in demand of a proper traditional market in Jayapura. *Pasar mama-mama* will accommodate more than 120 Papuan women to sell their goods, mainly fruits and vegetables to make a living for their family. This market consists of five floors standing on a 2,400 square-meter plot of land formerly belonging to land transportation company PT Damri (Somba, 2016).

While a series of economic policy implemented by President Jokowi in Papua and West Papua Provinces has contributed to reducing a little gap of poverty in the region, the security approach has to worsen Papua's view on Jakarta. Jokowi's political-security approaches to Papua is somehow contradictory to his goals in creating Papua as the "Land of Peace" (Atmanta, 2014). In Jokowi's first two years, there were an increasing military deployment as well as the establishment of a new military base in Papua. Currently, Papua still becomes the most heavily militarized regions in Indonesia with a number of militaries estimated at 45,000 troops plus an additional 650 soldiers stationed near the PNG border (Sebastian, 2015). In addition, according to the report from Indonesian Ministry of Defence, the enforcement includes a new military command area in Manokwari (Kodam XVIII Kasuari), West Papua Province, Naval base in Biak and Merauke, and border defence program empowerment (“Coordinating Minister Luhut ensures”, 2016c).

Recently in August 2019, around 6000 personnel of TNI and Indonesian Police were sent to Papua and West Papua to maintain security in the region due to a series of anarchist actions by demonstrators. The troops were deployed to areas such as Jayapura, Manokwari, Sorong, Paniai, Deiyai, Nabire, and Fakfak. This massive deployment is a response towards a series of demonstrations that led to anarchist acts in the Provinces. The demonstrators demand justice against act of racism towards Papuan students in Surabaya and criticize internet shutdown by the government in Papua and West Papua provinces (Sebastian, 2015).

For most non-Papuans in West Papua, the presence of the military is important as the activity of separatist groups is unpredictable and sometimes results in violence. There were many cases in the past where separatist group demonstrations in Papua have caused death or injury of innocent peoples, particularly against non-Papuan. However, for most of Papuan, the increasing presence of military forces will more likely escalate tension in the region. Not to mention a series of human rights violations towards Papuan which involving military in the Provinces.

RESEARCH METHOD

The method used in this research is qualitative research method focusing on descriptive analysis. Sources of data used in this study were obtained from literature studies, especially on the analysis of the internationalization of West Papua issue on social media. Data analysis techniques in this study was carried out in three stages, namely data reduction, data display, and conclusion.

ANALYSIS

West Papua Issues in Social Media

As the use of the internet becomes global, Papuan pro-independence activists also gain benefit in disseminating their interests, especially in echoing human rights problems in Papua. While previously their activities were hugely depending on offline activities such as demonstration and long march, the current trend is now also engaging social media, particularly since Facebook, Twitter, and YouTube is popular. The increasing use of social media might also be related with the Indonesian government's regulations that prohibit any kind of self-determination activities and tight media restriction in Papua. In August 2014, for instance, two French reporters were arrested for filming a documentary on West Papua's independence movement in Wamena for Europe's Arte TV (Aljazeera, 2014). In such a situation, most of the activists deal with difficulties in disseminating their interest to the outside world. Thus, social media platforms such as Facebook, YouTube, Twitter, and Website have been helpful in making their issue known. However, since social media depends on the internet connection, the shutdown of the internet might become an issue for the activists. Indonesian government decision to restrict/cut off internet access in West Papua in late August to early September 2019 has triggered anger among activist and Papuan people in the Provinces.

Following the strategic logic of the Papuan pro-independence activists in social media, their ultimate goal is to gain support for the freedom of West Papua. They begin by addressing human rights violations through pictures and videos in order to attract the heart and the mind of the reader, then building a case by explaining that Papua is occupied by Indonesia due to abundant of natural resources instead of humanizing the people. Eventually, the activists invite the reader to take part in supporting Free West Papua.

Recently, there are many social media accounts used by the activists to disseminate information about West Papua. As provided in Table 1, some of the accounts are primary accounts-only broadcast information about West Papua, and the rest are secondary accounts - broadcast all information regarding self-determination around the world including West Papua.

Table 1 List of Primary Accounts in Social Media in Disseminating West Papua Issues
(Individual and Groups)

Facebook	Twitter	YouTube	Website
Free West Papua Campaign Australia	@FreeWestPapua	Papua Merdeka	freewestpapua.org
Free West Papua Campaign West Papua News	@PurePapua	Free West Papua NL	ulmwp.org
West Papua Melbourne	@PapuanV	Free West Papua Campaign West Papua Liberation Organization	ipwp.org
	@wellipPrai (personal account)	West Papua Liberation Organization	voiceofwestpapua
	@HermanWaingagaiaai (personal account)	Lewis Prai Wellip (personal account)	Bennywenda.org (personal account)
		Free West Papua TV on YouTube	humanrightspapua.org
		West Papua Media Alerts	
		Wpna2010	

Facebook has been used both to disseminate information and organize upcoming activities by using a feature of Facebook Group. The activists broadcast their messages through video, pictures, and description of particular issue about West Papua. Problems such as human rights, self-independence, discrimination, and the lobby of the MSG for the independence of West Papua at the UN are still the centre of West Papua's issue on Facebook. Support from the local and foreign community by raising the West Papuan flag, body paintings, and mural art also often appears on Facebook, as seen in Figure 1.

Another important agenda of internationalizing West Papua issue is to gain support from foreign countries, especially the Pacific countries. This is not surprising as Pacific countries have become a more secure place for the activists rather than staying in Indonesia during Soeharto's administration. The activists remain to stay in the Pacific countries to have free travel access around the region. Most importantly, because the activists also gain support from the official and leader of the Pacific countries.



Figure 1 Newest Cover Photo of Free West Papua Account as per August 5th, 2019.
Source: (Free West Papua Campaign, n.d)

Table 2 Secondary Accounts on Social Media in Disseminating West Papua Issues

Twitter	YouTube	Website
@youngsolwarapacific	Journeyman Pictures	Redpepper (UK)
@iAwareNow	Survival International	Radio New Zealand (RNZ)
	International Center on Nonviolent Conflict	
	The Calvary Church of All nations	
	Minority rights group international	
	Ibuka	

Beside the primary sources, other accounts which focusing on the advocacy of indigenous peoples and minority rights are now contribute in the internationalization of West Papua issue (see Table 2). These accounts are mainly found on YouTube, organization websites, and twitter.

"Young Solwara Pacific" account on Twitter claimed to be a platform for activists from Pacific countries to share a common concern on issues impacting Pacific people and islands (Youngsolwara Pacific, n.d). This account appears on the top list of "West Papua" keywords on Twitter even though this account was just recently joined Twitter on August 2019. Account "I Aware Now" reports a series of human rights atrocities by the Indonesian government. This account also contributes to sharing issues of West Papua on Twitter (Aware Now, n.d). On YouTube platform, most of the accounts spread the news of West Papua and often repost some of the videos from the primary sources account.

Beside the primary and secondary sources, traditional media also plays a dominant role in raising the internationalization of West Papua issue, as provided in Table 3. Medias such as

Aljazeera and SBS are now using social media platform, mainly YouTube, to publish documentary and disseminate issues from West Papua to the world. Mostly, their contents about West Papua seemingly only emphasizes on the unending violence in the region without providing progress from the Indonesian government.

Table 3 List of Media Broadcasting Papua's Issue

Media	Topic	Years	
Aljazeera	Papua: Indonesia's silent war	2008	
	101 east-Papua's Aids crisis	2008	
	Activist's death angers Papuan	2010	
	New evidence of torture in West Papua	2011	
	Indonesian forces raid Papuan independence gathering	2012	
	Violence escalating in Indonesia's Papua province	2012	
	Indonesian official defends policies in West Papua	2013	
	Goodbye Indonesia People & Power	2013	
	Amnesty: Indonesian forces behind unlawful killings in Papua	2018	
	Papua: Neglect threatens remote Indonesian tribes	2018	
	Papuan Indonesia admits slow response to Papua's health crisis	2018	
	SBS	Indonesia's Brutal Attack on West Papuan rally	2011
		Freedom Flotilla Journey to West Papua	2013
West Papua's Fight for Independence		2014	

While the information regarding West Papua issues on social media remains unbalance in providing a comprehensive situation in the region, it still has an influence on the public, even government official. Movements such as We Bleed Black and Red Movement, Fiji Solidarity Movement for West Papua's Freedom, and Walsolwara Voice for West Papua has been effective in gaining support from the public in the South Pacific region. Fiji Solidarity Movement, for example, managed to gather around 100 people in 2015. Similarly, the Wansolwara event in Madang, Papua New Guinea also succeed in campaigning West Papua issue for around 100 individuals representing the pacific islands (Titifanue et al. 2016). Social media even influence government official's perspective on the West Papua issue. This is proved by the statement made by Papua New Guinea's Prime Minister O'Neill being quoted saying, "Pictures of brutality against our people appear daily on the social media, and yet we take no notice". Furthermore, O'Neill also emphasizes that PNG, as a regional leader in the South Pacific region, must take the lead to become vocal in raising this concern through mature discussion with Indonesia (Garrett, 2015). Despite the concern on West Papua triggered through social media, a sense of belonging due to Melanesian origin become the major reason for supporting West Papuan.

The Shift of Indonesia's Policy to the South Pacific Region: From Ignorance to Initiative Approach

The increasing use of social media by the Papuan pro-independence activists has contributed to the growing concern on West Papua issue in the Pacific islands. Social media not only helps to disseminate content on ongoing problems in West Papua but also impact to social activism in the region. Nevertheless, it is important to note that support from the South Pacific region towards West Papua is not only triggered by social media, but also by the cultural similarity and historical relations even before West Papua became part of Indonesia.

Historically, the relations between West Papua and the South Pacific region has been shaped when West Papua was still under Dutch administration. During this time, the South Pacific region has become an important arena for the pro-independence movement. In 1950 until 1960, Papuan were involved in the establishment of the South Pacific Commission and Pacific Conference of Churches represented by Pastor Kabol and Maloali (Imparsial, 2017).

However, the relations between West Papua and South Pacific sharply declined shortly after Indonesia took over the region from the Dutch. Limited access to travel and oppression towards West Papuan under New Order Era depress the West Papua-South Pacific relations. This broken tie later reopened by Kiribati, under President Teburoro Tito, who declared its support for West Papuan self-determination together with Nauru and Vanuatu, and Tuvalu, at the 2000 UN Millennium Summit in New York. This support was the first step taken by the South Pacific countries after nearly 30 years of silence as their activities are always constrained by Australia and PNG, which reaffirm 'territorial integrity of Indonesia'. Uniquely, the support from President Teburoro Tito was made based on culture alone, despite a series of human rights violations in Papua. This cultural-based support still becomes the most profound foundation of Pacific countries in supporting Papuan pro-independence activists due to the similarity of the race between West Papua and South Pacific islands as part of the Melanesian race (Maclellan, 2015).

The West Papua-South Pacific relations gained a momentum in 2015 when United Liberation Movement for West Papua was approved as a member of Melanesian Spearhead Group (MSG), and became an observer, under the support of Solomon Islands, Vanuatu, and *Front de Libération Nationale Kanake et Socialiste* (FLNKS) (LIPI, 2017). The issue of human rights in Papua also raised by countries such as Vanuatu, Solomon Islands, Tonga, Nauru, Marshall Islands, and Tuvalu to be investigated by the United Nations (Human Rights and Peace for Papua, 2019). More recently, this issue also raised by Papuan pro-independence activist, Benny Wenda, to be discussed in 2019 Pacific Islands Forum in Vanuatu (The Guardian, 2019).

In response to the internationalization of West Papua issue, the Indonesian government has just conducted a series of offline and online initiatives, especially to the South Pacific Region. Previously, there is no significant effort made by the Indonesian government to address the West Papua issue. The Indonesian government tends to ignore this issue by switching the concern on human rights to ongoing development progress in Papua. However, since social

media is widely used to spread the West Papua issues, the Indonesian government is now beginning to put a more serious concern towards West Papua issues. Offline initiatives such as economic, cultural, and educational cooperation have now become the focus of the government. Additionally, social media is also used to counter the information from the Papuan pro-independence activists in social media.

In the economic sector, the Indonesian government initiated a multilateral forum to strengthen relations with South Pacific countries. The Indonesia South Pacific Forum (ISPF) was held in March in Jakarta and attended by 15 South Pacific countries. This forum aims to facilitate Indonesian entrepreneurs to exchange, expand, and strengthen their relationship and friendship with the South Pacific countries. The main goal of this forum is to accelerate business growth by investing in the region (Indonesia South Pacific Forum, 2019). It is explained that the ISPF will provide a platform of dialogue between Indonesia and South Pacific region, especially to accelerate business cooperation and people to people contact between academics and civil society (Marsudi, 2019).

In the cultural sector, Indonesia initiated the 2019 Pacific Exposition which was held in July 2019 in Auckland, New Zealand, with support from Australia and New Zealand. This event was attended by 20 member countries of the South Pacific region, including Indonesia, represented by various artists and high officials from Papua, West Papua, East Nusa Tenggara, Maluku, and North Maluku. Range of activities such as Tourism forum, Business Investment Forum, Pacific Arts and Cultural Festival, and Sound of Pacific Concert enliven this event (Kementerian Luar Negeri Republik Indonesia, 2019c).

In the education sector, Indonesia also strengthens its cooperation with Papua New Guinea and at the same time encourage people to people relations between Indonesia-South Pacific countries by annual program Journalist Visit Program (JVP). The participants are journalists which has a big influence and high rating of the subscriber in their own country. In JVP 2019, South Pacific countries such as Papua New Guinea, Fiji, Kiribati, Nauru, Solomon Islands, Vanuatu, and Tuvalu attended this program in three cities in Indonesia namely Jakarta, Yogyakarta, and West Papua. Participants represent various media platform from electronic, online, and printed media. The topic discussed in this program is development, infrastructure, creative industry, and transportation. The output of this program is a publication made by the participants to be shared in their own country (Kementerian Luar Negeri Republik Indonesia, 2019b).

According to the report from the Ministry of Foreign Affairs of Indonesia, one of the participants from Vanuatu has a different view of Indonesia before joining the program. Vanuatu's journalist claimed that the international media does not provide balance information about Indonesia and tends to spread the negative content of Indonesia. The JVP 2019 is a good initiative in showing the reality of Indonesia instead of merely depends on online news. Similarly, Solomon Islands' journalist argued that the output of this program would be shared to the government in each country as this program helps the journalist to have a better understanding about Indonesia-Pacific relations (Kementerian Luar Negeri Republik Indonesia, 2019a).

Besides conducting offline initiatives, a series of websites are now used by the supporter of Indonesia to counter information of West Papua issues from the Papuan pro-independence activists. However, the information provided by the websites also framing an unbalance information of West Papua issues. In contrast with the Papuan pro-independence information, Indonesia's online initiatives aim to convince the readers that human rights violations are no more an issue in the region. There are several websites used to disseminate positive progress in West Papua without framing the reality of human rights violations in the region, which are:

- 1) kitorangpapua.news;
- 2) papuanews.id;
- 3) westpapuaupdate.com;
- 4) westpapaterrace.com;
- 5) onwestpapua.com;
- 6) freewestpapua.co.nz;
- 7) westpapuaarchive.com;
- 8) cenderawasi-pos.com;
- 9) tabluidjubi.online;
- 10) harianpapua.com;
- 11) kabarpapua.net;
- 12) freewestpapua-indonesia.com;
- 13) papuatoday.id; detikpapua.online;
- 14) papuainframe.co.id;
- 15) papuamaju.com; and
- 16) kabarpapua.online,

Nevertheless, a collaboration report has revealed that these websites are fictitious as they have no clear addresses, sources, and contact person ("Free West Papua supporters", 2016; Zuhra, 2018). There are six agendas of these fictitious media which mainly to convince the reader about: zero human rights violations in Papua; The Indonesian government has done a lot of improvement in Papua; foreign intervention is an effort to occupy Papua; TNI and Police in Papua are working better; Papuans are now live in a peaceful condition; and the pro-self-determination groups in Papua are criminals (Zuhra, 2018).

Assessing the Impact of Indonesia's Initiative (Offline and Online) Approach to the South Pacific Region

Series of offline initiatives by the Indonesian government and online initiative were conducted by the supporter of Indonesia mark a new chapter of Indonesia-South Pacific relations. In practice, the offline initiative not only encouraged the government to government relations but also people to people contact. Most importantly, it also helps the public and government in the South Pacific countries to obtain balanced information regarding the West Papua issue. This is proven by the testimony given by the participant of the Journalist Visit Program in 2019 from Vanuatu and Solomon Islands who fulfilled Indonesia's invitation to visit West Papua. Journalists from Solomon Island and Vanuatu both agreed that the JVP 2019

provides a better understanding of Indonesia-Pacific relations since media mostly disseminate negative content about Indonesia. Similarly, The Salomon Islands is now reviewing its position on West Papua issue after a visit to the region in 2018. The delegation of the Solomon Islands explained to the media that the visit helps the country to have a balanced picture of the condition in West Papua. The delegation further addresses that there have been lots of improvements since the era of democracy in Indonesia (Dateline Pacific, 2018).

While there have been many initiatives made by the Indonesian government to the South Pacific countries, it is somehow merely narrowing the gap of information on the West Papua issue. The initiatives have not yet cover and even resolve the underground issue and human rights problems in West Papua, thus causing the internationalization of West Papua issue remains a long-standing topic discussed in the South Pacific countries. There are five factors underlying this argument: (1) the increasing awareness of bias information from public in social media; (2) the unresolved past human rights violations by the Indonesian government; (3) the increasing use of military approach in Papua despite the progress of development in the region; (4) the increasing number of social justice problems exacerbated by corruption, collusion, and nepotism in Indonesia; (5) the emergence of new actors in supporting Papuan independence complicate the effort in conducting diplomacy and peaceful resolution.

As the number of internet users in the South Pacific islands is increasing, online efforts must be taken seriously. This is important because the internet is more likely to become the first source of information for the public due to its access which is only limited by the availability of the network. All information shared on the internet could be easily accessed by the public and shared to other people. In fact, individuals and even government official in the pacific region has been influenced by online news and pictures shared on the internet. The use of social media even triggers the rise of social activism in supporting West Papuan independence in countries such as Fiji and Papua New Guinea. This shows that the power of social media has impacted the public in the PNG, although the government confirms their recognition of the territorial integrity of Indonesia. On the other side, the use of social media by the supporter of Indonesia seemingly not as effective as the public becoming aware of fictitious media.

Another factor that weakens Indonesia's initiative approaches is the unresolved human rights in West Papua. The violations against human rights in the region even continue to increase since West Papua became part of Indonesia. While there has been a series of policies made by the Indonesian government to resolve this case, it is seemingly lack of willingness to implement this policy into action. Following this, Indonesia's response towards South Pacific countries' concern on human rights in West Papua in the international forum which tends to deny series of past human rights violations in the region will more likely show its weakness in strengthening human rights in the country.

The other factor which is still related to human rights violations is the increasing use of the military approach in the Provinces. While the deployment of troops to the Provinces is expected to reduce the tension of conflict, it is somehow aggravating the trust issue between Papuan and non-Papuan in the Provinces. On the other side, this military approach does not

address the core of the problem, instead of exacerbating the problem. In the case of series demonstrations due to act of racism towards Papuan students in Surabaya, the government is supposed to arrest the perpetrators who accused the Papuan students of throwing the Indonesian flag, instead of unilaterally accusing and arresting them. In addition, Imparsial reported that military is not only involved in killing Papuans but also in securing illegal logging business, supplying liquor in the Provinces, even forcing the Papuan to give their customary land rights (Imparsial, 2011). These practices are no longer even public secret as Papuan are becoming aware of military involvement in many sectors in the Provinces.

Alongside the increasing use of military approach, social justice problems which exacerbated by corruption, collusion, and nepotism (KKN) in Indonesia tend to escalate the issue of West Papua overseas. The high number of KKN in Indonesia by elites and officials in Jakarta exacerbates public confidence in the accountability of the government sector. Thus, it seems likely to build assumption that development progress in West Papua will hugely depend on the leadership and good governance factors. This means that the change in leadership and governance could impact the progress in West Papua. Despite the fact that KKN also ranks high in the local level, especially in West Papua, progress at the central level will be seen more as an indicator of good governance progress in Indonesia.

The last but the most important factor which is believed to hamper Indonesia's initiatives in declining South Pacific countries support towards West Papua issue is the emergence of new actors especially NGOs and Youth organizations. LIPI map that OPM is not the only actor fighting for independence. Other actors such as *Tentara Pembebasan Nasional Papua* (TPNP), *Presidium Dewan Papua* (PDP), *Dewan Musyawarah Masyarakat Koteka* (DEMMAK), *Panel Papua*, *Satgas Papua*, *Dewan Revolusioner OPM*, *Komite Nasional Papua Barat* (KNPB), *Font Nasional Mahasiswa Papua*, *Gerakan Mahasiswa Pemuda dan Rakyat Papua* (GEMPAR), *Garda Papua*, *Asosiasi Mahasiswa Pegunungan Tengah Papua*, *Gerakan Rakyat Demokratik Papua* (GARDEP), and *Forum Independen Mahasiswa* have been actively voicing the independence of West Papua in many sectors (LIPI, 2017). These new actors have tendency to complicate Indonesia's initiative progress and peace process in the region. Therefore, interests of these actors must be also taken into consideration especially in formulating policy to the West Papua.

CONCLUSION

The internationalization of the West Papua issue has become the concern of Indonesia in the South Pacific region, especially since Jokowi took power. This growing concern is not only because of the statement made by the South Pacific countries in the international forum such as United Nations General Assembly but also caused by the circulation of news and photo regarding human rights violations in West Papua.

The use of social media has become the major tool for the Papuan pro-independence activists and new actors such as NGOs and Youth organization in voicing the issue of West Papua. As a result, public and government official in the South Pacific countries such as PNG,

Fiji, and Vanuatu are also influenced by the dissemination of information in social media. Series of support from demonstration, mural arts, and statement from the government official has been shown by the Pacific islanders to the Papuan peoples.

In response to this growing concern on West Papua issue, the Indonesian government, as well as the supporter of Indonesia have been conducting offline and online initiatives especially in countering unbalance information regarding West Papua issue. Under the Ministry of Foreign Affairs, the Indonesian government initiated bilateral and multilateral forum and cooperation to strengthening Indonesia ties with the region. Cooperation in economic, business, and educational sector become the heart of these initiatives. Besides these offline initiatives, social media is also used by the supporter of Indonesia in framing Indonesia's positive images to social media users. While Indonesia's offline initiatives have marked closer relations with the South Pacific region, it is somehow merely narrowing the gap of information on the West Papua issue.

The concern on the West Papua issue will always become a long-standing issue for the South Pacific region due to five main factors. Firstly, the use of social media as a counter-propaganda seemingly will not be effective as social media users are becoming aware of fictitious media. Secondly, the unresolved past human rights violations will continue to bring down Indonesia's position in the international forum, especially in the South Pacific region. Thirdly, the increasing use of military approach despite the progress of development in the region will impact on trust issue between Papuan to Indonesia. Fourthly, the increasing number of social justices exacerbated by KKN adds the escalation of West Papua issue as the pro-independence activist are now fighting not only for independence but also for soft issues such as the failure of development and poverty. Lastly, the emergence of new actors in supporting the independence of West Papua, mainly NGOs and Youth organizations in Papua tends to complicate the initiatives process of the Indonesian government in the future.

ABOUT THE AUTHORS

Floranesia Lantang is a lecturer of International Relations at the Pelita Harapan University. She received her Master of National Security Policy from the Australian National University. Her research interests include societal security, border management, Papua, and Indonesia-Australia relations.

Edwin M.B Tambunan is a lecturer of International Relations at the Pelita Harapan University and a member of *Forum Akademisi untuk Papua Damai*. He received his Doctoral degree at Flinders University specializing in conflict resolution.

REFERENCES

- 2 tahun pemerintahan Jokowi-JK, bangun perbatasan untuk antisipasi konflik antar negara. (2016b, October 27th). *Sekretariat Kabinet Republik Indonesia*. <http://setkab.go.id/2-tahun-pemerintahan-jokowi-jk-bangun-perbatasan-untuk-antisipasi-konflik-antar-negara/>
- 6.000 pasukan gabungan TNI-Polri dikirim, Kapolri sebut Papua mulai kondusif. (2019, September 1st). *Tribun News*. <https://www.tribunnews.com/nasional/2019/09/01/6000-pasukan-gabungan-tni-polri-dikirim-kapolri-sebut-papua-mulai-kondusif>
- Al Rahab, A. (2016). Operasi-operasi militer di Papua pagar makan tanaman? *Jurnal Penelitian Politik*, 3(1), 3-23. <http://ejournal.politik.lipi.go.id/index.php/jpp/article/view/420/234>
- Amindoni, A. (2016, October 18th). One-fuel price policy will create social justice in Papua: Jokowi. *The Jakarta Post*. <http://www.thejakartapost.com/news/2016/10/18/one-fuel-price-policy-will-create-social-justice-in-papua-jokowi.html>
- Amnesty International. (2018). *Sudah, Kasi Tinggal Dia Mati: Pembunuhan dan Impunitas di Papua*. <https://www.amnesty.org/download/Documents/ASA2181982018INDONESIAN.PDF>
- Atmanta, D. (2014, December 30th). Jokowi's Christmas peace for Papua: Will it last long? *The Jakarta Post*. <https://www.thejakartapost.com/news/2014/12/30/jokowi-s-christmas-peace-papua-will-it-last-long.html>
- Aware Now. (n.d). *Aware Now*. https://twitter.com/aware_now
- Badan Pusat Statistik Provinsi Papua. (2019, May 16th). *Indeks Pembangunan Manusia (IPM) provinsi Papua tahun 2018*. <https://papua.bps.go.id/pressrelease/2019/05/06/424/indeks-pembangunan-manusia--ipm--provinsi-papua-tahun-2018.html>
- Berita Resmi Statistik Provinsi Papua. (2016, Maret 5th). *Keadaan kemiskinan di provinsi Papua Maret 2016*. http://papua.bps.go.id/website/brs_ind/brsInd-20160718145603.pdf
- Budiman, A. (2016, October 17th). Jokowi inaugurates electricity infrastructures in Papua. *Tempo.co*. <https://en.tempo.co/read/news/2016/10/17/056812761/Jokowi-Inaugurates-Electricity-Infrastructures-in-Papua>
- Coordinating Minister Luhut ensures integrated team address Papuan human rights issues work independently. (2016c, June 20th). *Sekretariat Kabinet Republik Indonesia*.

<http://setkab.go.id/en/minister-ensures-integrated-team-address-papuan-human-rights-issues-independently/>

Encyclopedia of social network analysis and mining. (2014). *Social media, definition, and history*.

https://link.springer.com/referenceworkentry/10.1007%2F978-1-4614-6170-8_95#howtocite

Erdianto, K. (2017, May 19th). *Pemerintah Prioritaskan Penuntasan Lima Kasus Pelanggaran HAM di Papua*.

<http://nasional.kompas.com/read/2017/01/30/20540371/pemerintah.prioritaskan.penuntasan.lima.kasus.pelanggaran.ham.di.papua>.

Free West Papua Campaign. (n.d). *Free West Papua Campaign*.

<https://www.facebook.com/freewestpapua/>

Free West Papua supporters rally against Minister Panjaitan in Canberra. (2016, June 9th). *Tabloid Jubi*. Retrieved from:

<http://www.tabloidjubi.com/eng/2016/06/09/free-west-papua-supporters-rally-against-minister-panjaitan-in-canberra/>

Garrett, J. (2015, February 6th). Papua New Guinea's prime minister Peter O'Neill vows to speak out against Melanesian 'oppression' in West Papua. *ABC News*.

<https://www.abc.net.au/news/2015-02-06/png-pm-vows-to-speak-out-against-oppression-in-west-papua/6074572>

Human Rights and Peace for Papua. (2019). International Debate on West Papua.

<http://humanrightspapua.org/resources/210-international-debate-on-west-papua#a2013>

Imparsial. (2011). *Sekuritisasi Papua: Implikasi Pendekatan Keamanan terhadap Kondisi HAM di Papua*. Jakarta: Imparsial.

Imparsial. (2017). *Oase Gagasan Papua Bermartabat: Waa...Waa...Waa...* Jakarta: Imparsial.

Indonesia anger as West Papua independence raised at Pacific Forum. (2019, August 12th). *The Guardian*.

<https://www.theguardian.com/world/2019/aug/12/indonesia-angered-as-west-papua-independence-raises-its-head-at-pacific-forum>

Indonesia South Pacific Forum. (2019). What is the Indonesia-South Pacific Forum?

<https://isfp.kemlu.go.id/about/what-is-the-indo-pacific>

International Crisis Group. (2006). *Papua: Answers to Frequently Asked Questions*.

<https://www.refworld.org/pdfid/4517d6884.pdf>

Kaplan, A. M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59-68.

- Kementerian Luar Negeri Republik Indonesia. (2019a, July 8th). *Jurnalis Pasifik dan Afrika Kunjungi Indonesia*.
<https://kemlu.go.id/portal/i/read/442/berita/jurnalis-pasifik-dan-afrika-kunjungi-indonesia>
- Kementerian Luar Negeri Republik Indonesia. (2019b, July 11th). *Everything Starts from Friendship: Through 2019 Pacific Exposition, Indonesia initiates Pacific momentum*.
<https://kemlu.go.id/portal/en/read/450/berita/everything-starts-from-friendship-through-2019-pacific-exposition-indonesia-initiates-pacific-momentum>
- Kementerian Luar Negeri Republik Indonesia. (2019c, July 16th). *Membuka Pikiran dan Memberi Perspektif Baru Tentang Indonesia*.
<https://kemlu.go.id/portal/id/read/462/berita/membuka-pikiran-dan-memberi-perspektif-baru-tentang-indonesia>
- Launching single fuel price policy, President Jokowi: This is a matter of social justice, not money. (2016a, October 18th). *Sekretariat Kabinet Republik Indonesia*.
<http://setkab.go.id/en/launching-single-fuel-price-policy-president-jokowi-this-is-a-matter-of-social-justice-not-money/>
- LIPI. (2017). *Updating Papua Road Map: Proses Perdamaian, Politik Kaum Muda, dan Diaspora Papua*. Jakarta: Yayasan Pustaka Obor Indonesia.
- Maclellan, N. (2015). Pacific diplomacy and decolonization in the 21st century. In Greg Fry and Sandra Tarter (eds.), *The New Pacific diplomacy* (pp. 263-281). Canberra: ANU press.
- Marsudi, R. L. P. (2019, March 21st). *New era of Indonesia-South Pacific engagement*".
<https://www.thejakartapost.com/academia/2019/03/21/new-era-of-indonesia-south-pacific-engagement.html>
- Our world in data. (2019). *The rise of social media*. <https://ourworldindata.org/rise-of-social-media>
- Pemerintah Provinsi Papua. (2001, November 21st). *UU 21 Tahun 2001- Otonomi Khusus Bagi Provinsi Papua*. <https://walhi.or.id/wp-content/uploads/2018/07/uu-otonomi-khusus-papua.pdf>
- Presiden Ir. H. Joko Widodo, (2015, April 4th) "*Presiden Prioritaskan Pembangunan Infrastruktur Papua*".
<http://presidenri.go.id/infrastruktur/presiden-prioritaskan-pembangunan-infrastruktur-papua.html>
- Presiden resmikan 6 infrastruktur kelistrikan Papua dan Papua Barat. (2016, October 18th). *Direktorat Jenderal Energi Baru Terbarukan dan Konservasi Energi (EBTKE)*.
<http://ebtke.esdm.go.id/post/2016/10/18/1385/presiden.resmikan.6.infrastruktur.kelistrikan.papua.dan.papua.barat>
- Rumagit, A. (2016, June 15th). Masyarakat Papua gelar demo tolak tim pencari fakta. *Antara*

Papua. <https://papua.antaranews.com/berita/455871/masyarakat-papua-gelar-demo-tolak-tim-pencari-fakta>

Sebastian, L. C., & Syailendra, E. A. (2015, June 12th). *Can Jokowi Bring Peace to West Papua? The Diplomat*. <http://thediplomat.com/2015/06/jokowis-challenges-in-negotiating-peace-in-papua/>

Somba, N. D. (2016). Papua's 'Pasar Mama Mama' ready to open before Christmas. *The Jakarta Post*. <http://www.thejakartapost.com/news/2016/12/07/papuas-pasar-mama-mama-ready-to-open-before-christmas.html>

Solomons govt approaches new position on West Papua. (2018, May 23rd). *Dateline Pacific*. <https://www.rnz.co.nz/international/programmes/datelinepacific/audio/2018646165/solomons-govt-approaches-new-position-on-west-papua>

Sucahyo, N. (2016, June 16th). Masyarakat Papua tolak tim bentukan Menko Polhukam. *VOA*. <https://www.voaindonesia.com/a/masyarakat-papua-menolak-tim-bentukan-menko-polhukam/3379084.html>

Tebay, N. (2009). *Dialogue between Jakarta and Papua: A perspective from Papua*. Mission. http://www.europarl.europa.eu/meetdocs/2009_2014/documents/droi/dv/508_nelestebay_/508_nelestebay_en.pdf

Titifanue, J., Tarai, J., Kant, R. & Finau, G. (2016). From social networking to activism: The role of social media in the free West Papua campaign. *Pacific Studies Journal*, 39(3), 255-280.

West Papua: A no-go zone for foreign journalists. (2014, September 22th). *Aljazeera America*. <http://america.aljazeera.com/articles/2014/9/22/west-papua-mediablackout.html>

Widjojo, M. S. (2010, August 12th). LIPI temukan empat akar masalah di Papua. *Lembaga Ilmu Pengetahuan Indonesia*. Retrieved from: <http://lipi.go.id/berita/lipi-temukan-empat-akar-masalah-di-papua/4422>

Youngsolwara Pacific. (n.d). *Youngsolwara Pacific*. <https://twitter.com/YoungsolwaraP>

Zuhra, W. U. N. (2018, Desember 6th). Media siluman di Papua: Propaganda, hoaks, hingga narasumber fiktif. *Tirto.id*. <https://tirto.id/media-siluman-di-papua-propaganda-hoaks-hingga-narasumber-fiktif-da5B>

ASSESSING THE EXPECTATIONS AND LIMITATIONS OF ASEAN-EU COUNTER-TERRORISM COOPERATION

Ali A. Wibisono¹ and Aisha R. Kusumasomantri²

^{1,2} Department of International Relations,
Faculty of Social and Political Sciences, Universitas Indonesia
Nusantara building 2, Floor #2, Depok 16424, Indonesia

¹ ali.abdullah61@ui.ac.id, ² aisha.somantri@ui.ac.id

Received: 19th December 2019/ **Revised:** 17th April 2020/ **Accepted:** 12th June 2020

How to Cite: Wibisono, A. A. and Kusumasomantri, A. R. (2020). Assessing the Expectations and Limitations of ASEAN-EU Counter-terrorism Cooperation. *Journal of ASEAN Studies*, 8(1), 61-80, <https://doi.org/10.21512/jas.v8i1.6171>

ABSTRACT

This research examines the inter-regional security cooperation between ASEAN and the EU with a specific focus on counterterrorism. The research methods are based on a comparison of regional counterterrorism governance between the two regions and a close reading of Plan of Actions for the enhancement of ASEAN-EU relations documents from 2007 to 2018. The results show that CT cooperation is about facilitating a more comprehensive security governance cooperation where European standards and experience are transferred to Southeast Asia for purposes of regional security and diplomatic relations. In addition, this research also shows that EU-ASEAN CT cooperation has not been geared specifically to combat radicalism, or as part of a Counter Violent Extremism program; rather, the inter-regional cooperation has mainly focused on building a common normative framework in responding to terrorism within the corridor of democracy and preempting the terrorist networks from exploiting connectivity networks. Finally, implementation of security and political cooperation between the EU and ASEAN tend to rely on the existing extra-regional dialogue fora within ASEAN as well as direct engagement between the EU and third parties comprising each of the ASEAN states.

Keywords: *Regional Securitization, Functionalism, Inter-regionalism, Counterterrorism, ASEAN, EU*

INTRODUCTION

International cooperation in counterterrorism (CT) is an increasingly important subject of international security studies. The changing nature of terrorism takes place as terrorist networks acquire a capacity to create propaganda and attacks with global impacts with cheaper budgets (Goldman, 2011). Ideologies that drive violence extremism in one corner of the globe may become the driver of acts of terrorism in another (Klein, 2006). Ideological drive that originally mobilizes puritan Sunni Muslims against Shia in Syria and Iraq could serve as the ideological driver for terrorist cells in countries where Sunni-Shia friction is almost unknown such as Indonesia (Chalmers, 2017). In addition to a more global-orientation in ideological affiliation, today's terrorism-financing is increasingly cross-border in nature. It has long been the case for organizations like ISIS to acquire a network of charity donations in Indonesia, for example, that provide the organization with a capability to provide social support for its sympathizers as well as operational capital (Arianti et al., 2019). The introduction of electronic wiring of money, social media and chat applications, and digital currencies expanded the transnational traffic of terrorism financing even further, depending on the need of the organizations (Carroll & Windle, 2018). Recruitment and operations of terrorist activities have also taken place in a cross-border manner as foreign terrorist organizations have become capable of maintaining local contacts to transfer funds internationally and replenish their manpower with volunteering foreign terrorist fighters.

ASEAN-EU's CT cooperation is part of the ongoing interregional dialogue that has been undertaken since the late 1990's in the effort of the two regions to respond to critical challenges to human and national security due to globalization. Documents of interregional engagements between the EU and ASEAN from the late 1990s have already shown an agreement that globalization brought new challenges, and, in that respect, more multilateral cooperation is needed. Issues of terrorism, transnational crime (with emphasis on trafficking of illegal drugs), WMD proliferation, environmental degradation, and natural disasters were identified in the late 1990's by both ASEAN and the EU as common threats or challenges. Against this background, CT cooperation between Association of Southeast Asian Nations (ASEAN) and European Union (EU) – initiated by the EU - has taken place since 2003 and continued to take place at the time of writing. Plan of actions for the cooperation has been renewed every five years, and both the EU and ASEAN never seem to degrade their prioritization towards the cooperative mechanism (Hwee, 2017).

This research argues that observation of EU-ASEAN allows one to understand how two regions that are entirely different in their regional governance continue their security cooperation due to different objectives of the respective regions. As an EU's initiative, CT cooperation with ASEAN as an institution and with member-states serves the purposes of intra-regional security as well as maintaining diplomatic proximity in the face of geopolitical tension. This research finds that the interregional CT cooperation between the EU and ASEAN utilizes the existing institutional framework for extra-regional cooperation within ASEAN, rather than creating a new institutional mechanism. Thus, the interregional engagements of the two regions not only nurtures CT cooperation but also strengthens multilateral institutions that have been formed by ASEAN countries, rather than imposes a new institution. Secondly, this

research finds that the nature of CT cooperation between ASEAN and the EU does not touch on the need for capacity-building in deradicalization. This may well be due to differing identity issues of the respective regions that give birth to the problem of radicalism in the first place. In Furthermore, both the EU and ASEAN have been limited in their respective regional governances of CT by the supremacy of national CT policies. The EU externalizes CT towards outside their region to help strengthen its CT role and maintain Europe's international presence Southeast Asia and global CT governance. At the same time, ASEAN pursues a cooperative engagement in CT for purposes of sustainable capacity-building in the future.

This research explores the theoretical framework explaining the required fundamentals for sustainable inter-regional cooperation on the security sector, and analyses individually the regional governance of CT in the EU and ASEAN. In addition, this research dwells on the details of the Plans of Actions concluded by ASEAN and the EU on matters pertaining to CT and resulting cooperative mechanisms between the two regions. This research might as well provide conclusion on the entire EU-ASEAN CT cooperation as an EU-initiated, non-hierarchical, asymmetric yet mutually beneficial cooperative mechanism.

THEORETICAL FRAMEWORK

The growing literature on interregional relations suggest that the functions performed by existing interregional relations have the potential of establishing a critical component for an emerging, both horizontally and vertically differentiated, and multi-layered global "governance architecture" (Rüland, 2014). However, the optimism towards this direction is guarded by the decreasing expectations that interregional relationship could drive the growth of collective identity-building given that regions are in their cultural or identitarian blocs, leading to cultural barriers in interregional cooperation (Santini, Lucarelli & Pinfari, 2014). In this regard, interregional cooperation is realistically evaluated not in terms of ideational convergence but rather in terms of values in the management of common concerns, including forced migration, transnational organized crime, and mitigation of climate change consequences.

How does inter-regional cooperation possible to take place? First, two regions may consolidate some level of security cooperation when each of these regions is consolidated under a regional organization or governance. Without some level of regional governance, values and interests for each region will be difficult to recognize for an extra-regional actor. A presence of regional governance also determines the level of impact that can be expected; there is a need for the regions in question to acquire security governance of their own in order for them to engage productively in interregional security cooperation. What logically follows from the presence of regional governance is that there must be some degree of institutionalization of governance over the issue of security under cooperation. To be sure, it is not the suggestion here that two engaging regions must have their norms and institutionalization level symmetrical; rather, issues under cooperation must be part of security agenda in both regions and that the need for a stronger regional response is present in both regions. (Emmers, Greener & Thomas, 2006).

Secondly, for two regions to engage productively, a similar actorness characteristics must be agreed upon by the two regions; whether the interregional engagement is geared towards balancing, institution-building, agenda-setting (of new themes or agendas of cooperation) and/or collective-identity building (Thayer, 2007). The consensus for either one of the choices helps identify opportunities and challenges that interregional engagements create for different actors in different sectors of cooperation.

Finally, some symmetry in the threat perception towards the same issue would help establish more robust security cooperation between two or more regional governances. Securitization of the issue under cooperation should have already taken place, although the impact may differ between regions. As the cooperating regions already categorize the issue as security, i.e. pertinent to the survival of the region, there is a construction of common perception and treatment of the issue as security threat. The regional governances thus recognize the need to produce a certain policy-measure based on a collectively-endorsed urgency to treat a particular issue with an extraordinary measure(s) (Stritzel, 2007). This means that different regions securitizing the issue may well come up with different measures and policy preferences. What matters is for both regions to formulate cooperative mechanisms to ensure sustainable dialogue and cooperation on the issue.

The next theoretical question would be: How should one assess the accomplishment of interregional cooperation? The deepening of interregional engagements is indicated by cross-regional norm-convergence, generating 'division of labor' among participants in global security governance (Acharya, 2003). Processes of norm-convergence and division of labor in interregional cooperation supplement identity-building process as member regions identify themselves with common framework in responding to issues (Soriano, 2019). Norm convergence process is the product of the work of stakeholders of security governance on multiple levels (national, sub-regional, regional, trans-regional and interregional) in improving coordination to cope with or overcome issues of global security agenda (Kirchner and Dominguez, 2014). In explaining to what extent interregionalism establishes security governance that in turn reframes security cooperation requires one to analyze how actors at national, regional, cross-regional and global levels shape the processes that supplement identity-building process of regionalism through the creation of norm convergence across regions. The latter's activities include building consensus on the nature and sources of security problems, formulating plans of actions and policies to ameliorate security problems, engaging in actual management of these problems, and evaluation of the performance of security practitioners (Afoaku, 2012; Ehrhart, Hegemann and Kahl, 2014; He, 2019).

RESEARCH METHOD

The research is a qualitative exploratory study that examines the characteristics of ASEAN and EU counter-terrorism cooperation from the gathered secondary data. This secondary data includes the Plan of Action documents between the European Union and ASEAN produced from 2007 to 2018 as references to find out the scope of cooperation and

various documents from open sources to explain the five areas of cooperation, namely intelligence, law enforcement, justice, borders and transport, and financing of terrorism. Websites of ASEAN.org and eucyberdirect.eu are particularly utilized to gather documents on ASEAN-EU Plan of Action.

The analysis involves a scrutiny of keywords that are relevant to CT, including “security and political cooperation”, “non-traditional security”, “transnational crime” and “enforcement mechanisms”. The Plan of Action documents are descriptive and prescriptive in nature, containing commonly agreed framework in EU’s relations with third parties and list of policies that both the EU and ASEAN are cooperating. The Plan of Action documents are then compared with the regional counter-terrorism governance of the EU and ASEAN to measure the congruency of counter-terrorism cooperation schemes from the respective regions. The analysis of Plan of Action documents is complemented with other public available sources, including data and reports published by ASEANAPOL, Europol, and UN’s Security Council Counterterrorism Committee.

The theoretical framework in this research is a result of a distillation of main insights of the literature on EU’s engagements in Southeast Asia, EU’s, and ASEAN’s regional counter-terrorism governance. They also provide additional data on the scope and depth of operational aspects of counter-terrorism cooperation. These texts also provide the categorization of counter-terrorism cooperation, including police cooperation, judicial cooperation, intelligence cooperation, migration and border management, and cooperation in combating terrorist financing.

ANALYSIS

Institutionalization of CT governance in ASEAN and the EU

The similarity between Europe and Southeast Asia’s threat perceptions has driven both regions to establish inter-regional cooperation. Nevertheless, the regional securitizations in both regions have resulted in different outcomes. Europe’s perception of terrorism, which is mainly formed by the wake of 9/11, has compromised the region’s inclusivity towards people of different backgrounds, including migrants who reside in Europe. On the other hand, for Southeast Asia, the issue of terrorism threatens the credibility of the region as a stable and safe environment for investments, trades and global transportation routes for goods and services. For the EU, any form of regional governance must take shape as a governing entity that makes decisions on behalf of all member states. Meanwhile, ASEAN seeks to build a normative architecture that gradually brings member-states’ to have an internationally recognizable form of CT policy.

Regional CT Governance in ASEAN

ASEAN’s intra-regional cooperation in CT is a largely post-9/11 phenomenon, and it has so far comprised of mutual understanding and capacity-building efforts. The first formal

emergence of terrorism issue in ASEAN is represented by the 1997 Declaration on Transnational Crime, which treated terrorism as transnational crime instead of extraordinary crime or defence issue and publicized member-states general commitment to cooperate in responding to transnational crime rather than terrorism specifically. This declaration was then followed by two additions in 1998, which are the ASEAN Plan of Action to Combat Transnational Crime and the Manila Declaration on the Prevention and Control of Transnational Crime (Gunaratna, 2017). Taken together, these documents do not represent any kind of regional decisions, rules, or particular initiatives. They are rather limited to a “collective acknowledgement of terrorism as a transnational phenomenon.” (Borelli, 2017). This conception of terrorism changed after the first Bali Bombings on October 2002; the latter is another watershed event specific to the region as the tragic terrorist attack turned ASEAN’s titular leader Indonesia from a critical voice against American-led global war on terrorism to an integral part of world’s CT agenda.

After the 9/11, ASEAN member-states re-framed the definition of terrorism acts, particularly ones that came from an Islamic background—in which many transnational crimes were reclassified into terrorism (Singh, 2009). To create right-based CT that still adheres to states’ security policy, ASEAN countries need legitimacy and capacity building to provide objective feedbacks on their practices. Currently, the priority for ASEAN member-states is to retain their independence and non-interference norms in formulating their CT policies (Sukma, 2012). Compared to the EU, ASEAN’s institutional building on CT is more complacent; specifically, it is not engineered to perform an enforcement mechanism of agreements and initiatives. ASEAN aims, at least initially, to produce a common framework of action in the conduct of CT cooperation (Tan & Nasu, 2016): This common framework is embodied in the ASEAN Convention on Counter-Terrorism (ACCT), which was produced in 2007 but came into force in 2011 after six member states ratified it. The ACCT was finally ratified by all members in 2013. The length with which the ACCT undertook to achieve full ratification testifies to the gradual character of enforcement mechanism and the tradition of ASEAN to implement regional initiatives at a pace comfortable to all member-states (Emmers, 2009). By implication, harmonization of national CT agendas is nearly absent on the regional level as national governments’ CT policies follow their priorities in terms of national stability and combating dissidents (Gunaratna, 2017).

The road to the 2007 ACCT was paved with several regional conventions aimed at gradually shaping the normative architecture of regional response to terrorism. The first one was the ASEAN Declaration on Joint Action to Counter Terrorism (ADJACT) in 2001. ADJACT signifies the region's response to terrorism as an abhorred method of pursuing political objectives, thus responding to the perception of Southeast Asian Muslims that global war on terrorism was a camouflaged war on Islam. It also took ownership of terrorism as an issue that had significant ramifications for the region, despite the fact that global war on terror was an American-led agenda. In addition, the declaration put United Nations multilateral framework and extra-regional cooperation as primary references in the conduct of international CT.

Following the 2002 Bali bombings, ASEAN pursued a number of joint declarations with external dialogue partners, including the U.S., the EU, Australia, India, Russia, Japan, the Republic of Korea, New Zealand, Pakistan and Canada. With the People's Republic of China, CT becomes a part of larger cooperation on Non-Traditional Security which is embodied and renewed periodically in Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issues (Wibisono, 2017). In addition, intra-mural cooperation between member-states with sponsorship from extra-regional actors – particularly the U.S. and Australia – also characterized CT cooperation in the region. Another ASEAN-led initiative on CT that paved the groundwork to the adoption of ACCT in 2007 was the Treaty on Mutual Legal Assistance in Criminal Matters (MLAT), adopted on 29 November 2004. MLAT was aimed at institutionalizing regional efforts at legal assistance and criminal investigation and prosecution.

The 2007 ACCT, as stipulated under article IX(1), mandates the member states – when they see it appropriate – to conduct national legislation to ensure that offences covered in the Convention's article II are no longer justifiable, either politically, philosophically, ideologically, racially, ethnically, religiously, or other means of interpretations, “especially when it is intended to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act” (ASEAN, 2007). This provision excludes the consideration of motivation, but at the same time includes the consideration of the intent of an act (to intimidate a population, etc.), thereby preventing the politicization of investigation and trials, which would hamper an effort to uncover the whole terrorist network. ACCT is a legally-binding instrument that facilitates CT cooperation of member-states in terms of information-sharing and capacity-building, as well as a wider scope of prosecution, prevention and suppression of terrorism. Further regulations of CT are embodied in the 2009 Comprehensive Plan of Action on Counter-Terrorism, meant to provide substance to the 2007 ACCT. The action plan outlines an adherence to relevant UN security council resolutions, a mechanism for intelligence exchange, tracking and interdiction of suspected terrorists, and addressing the root causes of terrorism.

Capacity-building is another achievement that ASEAN-centred extra-regional cooperation managed to accomplish in regard to CT. A number of joint-training and tabletop exercises are conducted not just for CT capacity building but also humanitarian assistance and disaster relief efforts between militaries (Zimmerman, 2014). The ASEAN Regional Forum (ARF) has notably established Inter-sessional Support Group for the issues of maritime security (disaster relief), humanitarian assistance, transnational crime, and terrorism. Meanwhile, the ASEAN Defence Ministerial Meeting (ADMM) Plus has organized table-top exercise and CT exercise in 2012 and 2013 respectively.

As a result of the promulgation of the 2007 ACCT and its plan of action, the national responses of member-states to terrorism are complemented with provisions that strengthen their capacity to respond to transnational characters of terrorism. ACCT provisions are important in alleviating the limits of national frameworks of CT, which are based on national experiences in dealing insurgencies and national subversive movements in respective member states.

Regional CT in the EU

The EU's CT cooperation with external parties signified by EU's aspiration to disseminate their internal security governance. The EU also realized that its internal security is indivisible from the external security dimension since the nature of terrorism has been increasingly transnational in the last decades, particularly due to how non-state actors are involved in planning a domestic attack. EU's concern on this matter appear in "A Strategy for External Dimension of JHA: Global Freedom, Security and Justice," a document published in 2005. The document also mentions the 2002 Bali Bomb Tragedy as a reference to boost the cooperation between the EU and Southeast Asia (Cross, 2017).

CT Regionalism in EU was driven by The Madrid Terrorist Attack in 2004, in which the accident resulted in the formation of EU CT Council. The CTC is under the direct supervision of the EU High Representative for Foreign and Security Policy rather than the Justice of Home-Affairs, the institution that formulated the EU's CT criminal justice-oriented approach. Such placement specifies that CTC is designed as the key to conduct EU's extra-regional security cooperation.

Intra-mural role of the CTC is in cajoling member states to make sure a timely implementation of EU-level CT agreements. However, it can be said that member-states' authorities and independence in pursuing their own national agendas in CT are maintained. This is the case because the CTC cannot force member-states into taking particular actions, it has no independent budget, no authority to propose legislation or to chair meetings with Justice, Interior or Foreign ministers to set up EU's CT agenda (Kaunert, 2009). Not to mention the CT sector is already crowded with existing EU and non-EU structures and agencies.

The relation between CTC and EU member states is not determinative, instead, it is consultative in nature. The main purpose of CTC is to conduct assessment on member states' compliance to the EU's Counter Terrorism Action Plan. Even though there is no hierarchy between CTC and EU member states, collaborations between parties still take place (Ragazzi & Walmsley, 2018). As stipulated by Mackenzie et al. (2013), CTC's tasks comprise of coordination of CT work (including multiple working groups and working parties) with Justice and Home Affairs, an overview of relevant EU instruments for CT, effective executions of Council decisions, oversight of the implementation of EU CT strategy and its report to the council, sustaining communication between the EU and third countries, and active role maintenance of CT as a whole (Mackenzie et al., 2013). The last two tasks mentioned comprise of roles that the CTC plays in regard to EU's CT cooperation with third countries.

In regards of the second function, CTC has been actively promoting political dialogue on the issue of CT in international level and endorsing numerous initiatives, both practically and technically. Even though CTC does not have the capacity to ratified agreement or initiate project with third countries, the CTC ensures the EU's active role in combating terrorism through a broad range of activities.

For example, in terms of practical actions, in 2011 the EU CTS conduct a discussion on CT with Russia and India on CT. On the same year, it is also involved in other multilateral

forums such as Asia-Europe Meetings (ASEM) and UN Conference in Riyadh. This fact signifies that the EU CTC has increasingly become a major actor in publicizing EU CT practices in international stages. Therefore, although the extent EU's CT cooperation with some of these third countries is still limited, it appears that the third countries' authority have acknowledged the significance of the EU CTC and are willing to interact with CTC on a regular basis. The recognition by third countries become one of the reasons on why CTC is an important part of the EU external CT.

The EU has been attempting to externalize its CT policy in order to reduce the risk of foreign-perpetrated domestic terrorism. The assumption behind this strategy is to prevent the danger of terrorism to reach the EU citizens by strengthening the competency of third countries in dealing with terrorism (Argomaniz, Bures & Kaunert, 2015). Based on this objective, the EU's extra-regional CT is driven by its needs to build external governance, specifically by transferring EU's standard and capacity in CT to third countries and international institutions (Brattberg & Rhinard, 2012). Simply put, the EU achieved security through governance transfer rather than the use of deterrence and alliance. EU's externalization—or transfer of standards and capacity—however, cannot be conducted in a hierarchical manner. This is also applied to CT arrangements that are implemented under Justice and Home Affairs (JHA); in which JHA only plays a coordinating role since the issue's locus is located within the jurisdiction of member countries.

In the wake of ISIS in 2011, the EU's response to terrorism was to strengthen its regional boundaries and establish itself as a manager of cooperation in CT with the extra-regional entities (Cross, 2017). The EU was striving to address conflicts that resulted from the increasing level of radicalization and the rise of far-right political movements. However, the threat posed by ISIS is unlike that posed by Al-Qaeda in the wake of 9/11 due to the co-existing challenge of nationalist backlash and a wave of migration from Syria and Iraq. This occurs because blaming the migrants for terrorism is contradictive with EU's values of openness and inclusion, and the EU needs to divert the solution and public attention towards responding to terrorism as part of externally oriented and foreign policy matter, away from internal causes of the terrorism threat.

In addition to securing its own populace, the EU's CT cooperation can also be perceived as part of the region's maintenance of presence in Southeast Asia through Non-Traditional Security cooperation. Europe and Southeast Asia shared a similar conception of non-traditional security (NTS) in which terrorism is part of its issues (Martel, 2016). For example, ASEAN-EU Plan of Action 2018-2022 stipulated the plans for cooperation between ASEAN and European Union to combat terrorism under the heading of "combating terrorism, transnational crimes, and addressing other non-traditional security (NTS) issues." Non-traditional security issues comprise of security issues that are usually posed by non-state actors and requires responses that are beyond mere use of force; non-traditional security is associated with the provision of security through use of force, justice reform, development of human resources and infrastructure (Wibisono, 2017). There are two reasons why terrorism is categorized as part of NTS agenda in Europe-Southeast Asia CT cooperation. First, for both Europe and Southeast Asia NTS represents the security concept that perceives insecurities and risks as stemming

from social, economic and justice matters; such security conceptualization fits within Southeast Asia's preference for national and regional resilience and Europe's preference for security cooperation instead of alliance-building. Secondly, Europe and Southeast Asia both required "a low-key rhetorical framing of force projection which also taps into sensitive security areas" which the NTS concept provided (Maier-Knapp, 2015).

By placing terrorism under the rubric of NTS, ASEAN and the EU conducted CT not just for the purpose of tackling the issue but also to expand their interaction along with political and security parameters (Dosch & Maier-Knapp, 2017). The employment of NTS by the EU and its member states is meant to facilitate closer engagement with ASEAN as there is an enduring reliance of Southeast Asian states on the European market. On the other hand, some authors have highlighted the need for the EU to maintain close attention to geopolitical tensions in the Asia Pacific; therefore, the EU seeks to utilize existing defense and economic diplomacy processes where ASEAN sits at their centers. Enhanced regulatory community-building processes allow Southeast Asian countries in attracting external partners on political matters of the region such as the ASEAN Regional Forum (ARF), the ASEAN Defense Ministerial Meeting Plus (ADMM+) and the Asia Europe Meeting (ASEM) (Maier-Knapp, 2015). Because of the need to centralize diplomacy with the presence of the use of force as capacity-building, confidence-building and deterrence, ASEAN and EU's CT cooperation utilized the multilateral fora that have so far facilitated ASEAN and extra-regional powers to discuss pertinent security issues.

Functionalist Analysis of EU-ASEAN CT Cooperation

Before the initiation of CT cooperation or any form of security dialogue, the EU and ASEAN has long maintained a dialogue forum since its first formalization in 1977. Recognition for a shared commitment has been presented to achieve regional integration as means to improve regional stability and prosperity, as well as responding to global challenges. However, the long-term visions and the commitment to achieve common goals and objectives are not formally inscribed until 2007 with the Nuremberg Declaration on Enhanced Partnership, and formal diplomatic relations need to wait until after the adoption of ASEAN Charter in 2008. The EU finally began to deploy a Diplomatic Mission to members of ASEAN in 2015. The EU-ASEAN relationship has been at the centre of interregionalism studies; studies of interregional cooperation have suggested that EU's effort at increasing their presence in international scenes is pursued by engaging with Southeast Asia both politically and economically while balancing when possible to burgeoning influence of the United States and China in the region. The EU also attempted to build the mirror-image of its governance principles in the region. On the other hand, ASEAN also has grown into an increasingly relevant organization although its "actorness" often comes into question. Nevertheless, it is believed that ASEAN adheres to norms of respect to sovereignty of member states and non-interference, which do not always align with the way regional governance is conducted in the EU.

The observation on CT governance in the EU and ASEAN on the previous section notes that both regional governances lack a capability to exert determinative role over their respective members' CT policies. The issue of terrorism is governed tightly by national governments, but both the EU and ASEAN are tasked with maintaining an international profile by their member states. For the EU, this international profile is part of securing its own region through strengthening the capacity of third countries; while for ASEAN, an international stage is important to signify their principles of multilateralism in CT cooperation as well as capacity building purposes.

During the first half of the 2000s, ASEAN-EU interregional forums extended their attempts since 1997 to respond security challenges emerging from globalization concerning human security, transnational organized crime, and terrorism. The volume of interregional forums on security governance somewhat decreased during this period due to Southeast Asia's recuperation from the 1997 financial crisis, but only to increase to a higher level compared to 1997 during the second half of the 2000s. In particular, the first half of 2000s saw the inauguration of formal CT cooperation agreements between ASEAN and the EU, which started with the Joint Declaration to Combat Terrorism in 2003. It embodied the intention for a sharing of experiences and good practices between intelligence and law-enforcement agencies of the regions. The declaration also affirmed ASEAN and the EU's long-time commitment to abide by the rulings of the United Nations by referring to terrorism definition stipulated in UN Security Council Resolution 1373 and acknowledging the centrality of the UN Charter, the norms of international law and respect for human rights and humanitarian law (European Union, 2003).

The substance of the joint declaration is further elaborated in the EU's ASEAN strategy paper which presented six priority strategies for EU's engagement with ASEAN, including support for stability and CT policies in Southeast Asia, poverty reduction, EU-ASEAN economic relations and respect for human rights, democracy and good governance, and mainstreaming the role of the EU's Justice and Home Affairs (Mattheis & Wunderlich, 2017). The way in which CT cooperation is accompanied by other aspects of human security and good governance affirms the principle of comprehensive security that both regions adhere to security should be approached from a pluralist point of view incorporating political, social, economic and human dimensions (Kim, 1999).

During the second half of 2000s, the agenda of CT cooperation continues to exist among the expanding issues of comprehensive security as the latter broadens to include new categories such as communicable diseases and pandemics, sea piracy and cyber security. The concept of non-traditional security also began to enter EU-ASEAN security dialogue's lexicon. Non-Traditional Security also appeared in other security governance involving ASEAN, including ASEAN Political and Security Community, ASEAN Regional Forum, ASEAN Plus Three (with South Korea, Japan and China) and East Asia Summit. It can be suggested here that the inclusion of Non-Traditional Security concept in EU-ASEAN security dialogue forums is due to the congruence of adherence to comprehensive security between epistemic community and governments in ASEAN and the EU, because other interregional dialogues involving ASEAN states and the EU do not incorporate Non-Traditional Security.

The implication of Non-Traditional Security inclusion to CT cooperation appears in the Plan of Action (PoA) for the “Enhancement of ASEAN-EU Relations and Cooperation between 2007-2012” where CT cooperation—with emphasis on addressing terrorist financing—is stipulated as part of political and security cooperation, together with cooperation on addressing the trafficking in persons, drugs, small arms and light weapons, and money laundering. Similarly, the 2013-2017 PoA also placed CT cooperation together with human rights crisis mitigation, civilian crisis management, and illegal drug trafficking suppression.

While none of the joint activities agreed upon in the 2007-2012 and 2013-2017 PoAs shows specific policy measures, both plans of actions show a strong drive to establish cross-regional frame of security governance. This latter aspect also comes into prominence as ASEAN Charter which established ASEAN Community entered into effect in 2008 and ASEAN-China Free Trade Area formation also began taking place (Koh, Manalo & Woon, 2009). Maintaining itself as a formidable partner in a newly established ASEAN Community within the limits of UN-approved frameworks, the EU made sure that wordings of the PoA supported Southeast Asia’s regionalism as well as normative resonance with the EU. This partly explains the comprehensiveness of the 2007-2012 PoA which details the EU’s strategic priorities in political and security, socio-cultural, economic, energy security and climate change and development cooperation. CT cooperation falls under the sub-heading of “traditional and non-traditional issues” within political and security cooperation (ASEAN, 2013). At the same time, EU-ASEAN interregionalism is further institutionalized in the “Nuremberg Declaration on an EU-ASEAN Enhanced Partnership” in March 2007.

EU-ASEAN CT cooperation also contributed to Southeast Asian states’ ownership of their terrorism problems through the utilization of centres based in member-states’ capital city to conduct the mandate of cooperation. This is shown by the 2013-2017 ASEAN-EU PoA which designates International Law Enforcement Academy (ILEA) in Bangkok, the South East Asia Regional Centre for Counter-Terrorism (SEARCCT) in Kuala Lumpur, and Jakarta Centre for Law Enforcement Cooperation (JCLEC) as units that receive the EU’s CT support in judicial capacity building and anti-money laundering operation. Highly relevant with the need to conduct effective CT, the 2013-2017 PoA also initiated Comprehensive Border Management Program where the EU supports ASEAN member states’ border management. Regular policy dialogue on CT is stipulated to be conducted through ASEAN-EU Senior Officials Meeting (SOM) and ASEAN-EU Joint Cooperation Committee (JCC), while ASEAN Secretariat assists in reviewing the progress of implementation of the results of this dialogue.

ASEAN Regional Forum also serves as a hub for formulation of workplan that implements the 2013-2017 PoA in 2014, it issued the ARF Work Plan on Counter-terrorism and Transnational Crime (ASEAN Regional Forum, 2017) focusing on priority areas of cyber security, illicit drugs suppression, mitigation of the use of chemical, biological, radiological and nuclear (CBRN) by subversive actors, counter-radicalization or alternative narratives against extremist ideologies; anti-terrorism financing; and involuntary trafficking of persons. ARF also supported wider non-traditional security exercises that serve both capacity building as well as trust building among participating states, including Multilateral Tabletop or Field Exercises, Voluntary Training Courses, Capacity-Building Workshops, and ARF Pilot Projects

(Zimmerman, 2014). ARF workplan takes the ASEAN-CT cooperation closer to the Counter Violent-Extremism (CVE) aspect of CT as it aims to empower participants in sabotaging terrorists' attempts at exploiting connectivity network and freedom of information to propagate their views (ASEAN Regional Forum, 2017).

A specific section dedicated for combatting terrorism finally appeared in the most recent Plan of Action of EU-ASEAN interregional cooperation for the period of 2018-2022. The 2018-2022 PoA explicitly mentioned the concept of violent extremism as it drives EU-ASEAN CT cooperation to implement the ACCT and ASEAN Comprehensive Plan of Action on Counter-Terrorism in countering terrorism and preventing violent extremism, encourages sharing of best practices between EUROPOL and ASEANAPOL in addressing CVE works. One particular issue of concern is responding to the phenomenon of foreign (terrorist) fighters joining Islamic State in Syria and Iraq (ISIS) or Daesh, particularly their return to their homelands. Both epistemic community and governments in the EU has recognized the complexity of responding to an entanglement between migration and terrorism in the midst of a strong nationalist wave that leans towards anti-immigrant voices. On the other hand, they also have learnt that Southeast Asian states still lack the capacity to conduct deradicalization and social reintegration of foreign fighters (Bos, van Ginkel and Mehra, 2018).

Our reading of the 2007-2013 and 2013-2017 PoA's suggest that the EU's approach in conducting CT engagement with ASEAN focuses on establishing solid diplomatic relations, instead of actively solving terrorism problems in Southeast Asia—such as radicalizations in Southeast Asia communities, existence of extremist groups and terrorist organizations, as well as terrorism financing. To tackle those issues, the EU would need to conduct a more interventionist approach that might reduce the efficacy of trust-building process with the Southeast Asian nations who seriously take the “non-interference” principle. Additionally, terms used in the two PoAs are “non-binding,” which enables sincere political dialogue to occur rather than resolution of a certain issue on terrorism. It also appears that up until today, there is yet a permanently institutionalized platform that allows the EU and ASEAN to discuss the issue of CT.

While the CT policy discussion between the EU and ASEAN have not yet strongly institutionalized, the three PoAs from their cooperation has provided a mechanism for cooperation in certain areas, such as law enforcement and border management. In law enforcement, for example, this research has analysed several EU-ASEAN documents that address the collaboration between the police and law enforcement agencies, including Europol, Aseanpol, and other provision of support for ASEAN law enforcement agencies. Europol usually takes the role of leadership in the cooperation between the EU and third countries, even though the organization does not have a broad legitimation in handling CT in the EU. The Europol, nevertheless, remains having the authority to find cooperation with third countries or international institution that deemed to be strategic partners in CT or organized crime.

In terms of law enforcement sector, however, the EU-ASEAN cooperation lacks in regulating network that established by binding legal agreements. As a result, any exchange of information—both personal, non-personal, and technical—are conducted without any strategic

or operational agreement. Meanwhile, the three existing PoAs state to encourage the development of relations between ASEAN and EU law enforcement agencies in terms of sharing experiences and best practices in combating terrorism and other transnational crimes. The documents also urge both regions' law enforcers to support further cooperation between CT institutions in the EU and ASEAN.

Indonesia is one of the countries in ASEAN that conducted cooperation with the EU in the provision of police capacity building in CT. The EU assists Indonesia to establish JCLEC, which provides the Indonesian police trainings and educations about organized crimes, including money laundering and terrorism. The EU provides Indonesia with funding to formulate the courses and syllabus, hire teachers and trainers, as well as conduct various networking activities between the EU, Indonesia, and Brunei Darussalam law enforcement agencies. While the cooperation between the EU and Indonesia grows, the EU, however, does not consider conducting a similar bilateral cooperation with Thailand, since the local security institution of Thailand allegedly committed human rights violation.

Conversely, the EU member states also engage in a cooperation with Southeast Asia in the issue of CT. The EU member states also provide experts for CT trainings, seminars, and workshop for the SEARCCT. France, for example, ran a workshop on the relations between cybercrime and terrorism, money laundering, and counteracting terrorism funding; Italy conducted a seminar on falsifying documents and illegal immigration, while the UK held aviation security seminars.

In terms of the justice sector, the EU and ASEAN cooperation centred on the issue of judicial assistance for extradition request. Previously, Eurojust has ratified agreements that allow liaison magistrates from outside EU countries to be delivered to their headquarter in The Hague and the other way around. However, the Eurojust did not conduct any agreement with ASEAN or its member countries. This is due to major differences between the EU's standards to conduct cooperation and Southeast Asian countries' justice systems. It is almost impossible to make a direct cooperation with any Southeast Asian countries due to several reasons: 1) The EU has a very strict data protection regulations while Southeast Asian countries have almost none, 2) Some Southeast Asian countries, have not fulfilled the prerequisite to establish a judicial collaboration with the European Union. For example, Malaysia have not signed the International Convention against Torture, 3) Some legislations in Southeast Asian countries contradicts the right-based approach of CT that is practiced by the EU. This can be seen on how up until 2011, Singapore and Malaysia issued CT legislations that allow indefinite detention of CT suspects, and 4) Almost all countries in Southeast Asia—except for Cambodia and the Philippines—still implement death penalty for heavy crimes such as terrorism, drug trafficking, and treason. Indonesia in particular explicitly uses death penalty as a deterrence towards potential collaborators of terrorist networks. Therefore, the cooperation of Eurojust in Southeast Asia is still limited and has only been established contact points with Singapore and Thailand.

While exchange of intelligence is highly encouraged between the EU-ASEAN CT cooperation, the three POAs do not mention any intelligence cooperation in it. Additionally,

there is no mention of intelligence cooperation with ASEAN nor its member states in the EU Country Strategy. The only cooperation between European and Southeast Asian institutions that includes the point of intelligence was that between the EU and Indonesia in 2009. The cooperation stated that the exchange of information on terrorist groups and its affiliates network in the framework of international and national law. However, the cooperation does not show any indication of inter-agency cooperation.

Cooperation that is explicitly mentioned in the three POAs is on border and transportation. The border and transportation cooperation between the EU and ASEAN revolve around information sharing and technology that is relevant to border management and document security. The cooperation is implemented through Comprehensive Border Management Program up to 2017, in which the EU provides capacity building for ASEAN member states to develop an effective border management system. In addition to that, the EU also sponsored a pilot project by Interpol in Vietnam and Cambodia. Throughout 2009 to 2012, project procured modern equipment in 16 border points for a more effective border management between the two countries. The equipment allows both Vietnam and Cambodia authority to access the Interpol database which contains the latest information, therefore facilitating a stronger international cooperation. Up until today, this type of pilot project between the EU and ASEAN countries is still the only one.

Alike to the border cooperation management that is implemented by Interpol, the EU-ASEAN cooperation on handling terrorism financing also took place under the Financial Action Task Force (FATF). Since its inception in 1989, its main mandate is to tackle money laundering. However, the 9/11 played a significant role in the establishment international standards that allows a more affective protocol to handle money laundering. Moreover, the FTAF also plays the role in monitoring the compliance of countries—which previously failed to comply to FTAF international regulations on money laundering—to their standard through annual reports. Countries that are considered as non-cooperative in global effort to fight money laundering and terrorist financing are called Non-Cooperative Countries and Territories (NCCTs). The NCCTs are categorized into two groups: The first one is High-Risk Non-Cooperative States, or countries that refuse to comply with FTAF standards. The second one are countries that are cooperative with FATF but still need some improvement in its national regulations, particularly in the area of Anti-Money Laundering and Counter-Terrorism Financing (CTF). Some of ASEAN member countries fall into the second category, such as Indonesia, Thailand, Myanmar, and Vietnam, whereas the Philippines, Brunei, and Cambodia have been gradually improving the implementation of international regulations even though they are yet to comply to AML and CTF regulations in Southeast Asia. Up to this point, however, there are only two countries that conducted collaborative projects with the EU to overcome the problem of financing terrorism activities.

Additionally, anti-terrorism clauses are introduced by the EU in all Partnership and Cooperation Agreements (PCAs). The PCAs has since signed by ASEAN Countries (Indonesia in 2009, Philippines and Vietnam in 2010). The anti-terrorism clauses in the PCAs are directly refer to vital aspects of the EU's policy preferences; for example, close cooperation with Interpol, joint trainings and sharing best practices with third countries. The EU, furthermore,

add a human rights clause, which became a reference to uphold the human rights values in the fight against terrorism.

Consequently, the EU-ASEAN cooperation on CT do not target a specific terrorist individual and, or, organizations, but rather focus on the security and justice sector policies in Southeast Asian states. Through horizontal networks, capitalized by the EU, the cooperation allows EU to conduct policy transfers which based on its skills and experiences. The cooperation seems likely to gradually strengthen, as the signing of PCAs with major ASEAN players has strengthened the reciprocal influence of EU to ASEAN.

CONCLUSION

The EU and ASEAN CT cooperation has not been pursued to target designated terrorist individuals or cells. It has rather been initiated by the EU to export their knowledge, experience and standards of terrorist prosecution and prevention to Southeast Asia. The EU chose to abide by ASEAN's approach of regional CT policy as a complement to national policies, which results in a non-hierarchical nature of the transfer of experience and standards of CT policies.

In the process, both the EU and ASEAN have obtained benefits from their CT cooperation. First, the EU achieves its objectives of transferring – and thereby facilitating capacity-building – of third countries (extra-regional states) CT, which secures its own regional security. This objective has so far been partially fulfilled due to the asymmetrical nature of security and justice governance in the EU and ASEAN. This is particularly the case on issues that are strongly governed by national governance, such as the implementation of death penalty and the governance of intelligence agencies. In addition, the impact of EU-ASEAN CT cooperation also lacks impact when ASEAN member-states have yet to exert control over the governance of particular issues, such combating terrorism-financing, where effective control of the state over financial transactions has not been able to curb terrorism-financing.

Overall, the EU sustains CT cooperation with ASEAN because of three main reasons. First, there has been a build-up of common security conception between the EU and ASEAN since the late 1990's through interregional response to emerging threats and risks due to the acceleration of globalization. In this regard, notions of comprehensive security and later on Non-Traditional Security frame the two regions' approach towards security issues, including terrorism. Second, the EU finds terrorism as a suitable issue to frame its presence in one of Southeast Asia's strategic security areas; Europe finds that terrorism serves as an issue of common ground for its security cooperation approach – instead of alliance building – and Southeast Asia's pursuit for regional resilience.

The Plans of Actions between ASEAN and the EU are mostly implemented through bilateral cooperation between the EU and members of ASEAN, indicating the differentiation of actorness between ASEAN and member states: ASEAN performs as a forum for cooperation framework formulation and member-states – together with the EU – as resource allocators and executing agencies. In such fashion, ASEAN member-states are capable of choosing the field

of cooperation that best suits their needs and limitation in regard to fighting terrorism. In addition, the EU-ASEAN CT cooperation also incorporates UN Security Council Resolution to shape its future accomplishments. Although stopping short of targeting of terrorism, the EU-ASEAN CT cooperation strengthens the capacity of ASEAN member states' conduct of pursuit and prosecution of terrorist suspects. In addition, EU's prioritization of border and cyberspace management also drives Southeast Asian states to prioritize the avoidance of terrorists' exploitation of digital information network and national borders.

Further research is required to examine the extent to which EU's security governance is diffused, localized, and/or debated in ASEAN and its member states and *vice-versa*. In addition, local non-state actors are also highly active in both regions in conducting peace activism, deradicalization and social re-integration of former terrorists and combatants; it would be interesting to measure the extent to which they shape interregional CT cooperation between EU and ASEAN.

ABOUT THE AUTHORS

Ali Abdullah Wibisono is a lecturer and vice director of the graduate programme at the Department of International Relations, Universitas Indonesia. He obtained his Ph.D. (2015) and MA (2008) from University of Nottingham, and bachelor's degree (2005) from Universitas Indonesia.

Aisha R. Kusumasomantri is a lecturer at the Department of International Relations, Universitas Indonesia. She obtained her undergraduate degree from Universitas Indonesia and postgraduate degree from University of Glasgow. Her research currently focuses on strategic studies, particularly on the issues of terrorism and insurgency

REFERENCES

- Acharya, A. (2003). Democratisation and the Prospects for Participatory Regionalism in Southeast Asia. *Third World Quarterly*, 24(2), 375–390. doi: 10.1080/0143659032000074646.
- Afoaku, O. G. (2012). *Global Security Governance in the 21st Century*. <https://online.oneill.indiana.edu/doc/syllabi/V550%20-%20GG.pdf>
- Argomaniz, J., Bures, O. and Kaunert, C. (2015). A decade of EU counter-terrorism and intelligence: A critical assessment. *Intelligence and National Security*, 30(2–3), 191–206. doi: 10.1080/02684527.2014.988445.
- Arianti, V., Sobirin, A., Yeo, K., Mahzam, R., Bashar, I., Chalernsripinyorat, R., & Nasir, A. A. (2019). Southeast Asia: Indonesia, Philippines, Malaysia, Myanmar, Thailand, Singapore. *Counter Terrorist Trends and Analysis*, 12(1), 5-39. https://www.jstor.org/stable/26865751?seq=1#metadata_info_tab_contents

- ASEAN (2007) *ASEAN Convention on Counter Terrorism*. <https://asean.org/storage/2012/05/ACCT.pdf>
- ASEAN (2013) *ASEAN-EU Plan of Action 2013-2017*. <https://asean.org/storage/images/archive/document/BSB%20Plan%20of%20Action%20to%20Strengthen%20the%20ASEAN-EU%20Enhanced%20Partnership%202013-2017.pdf>
- ASEAN Regional Forum (2017) *ASEAN Regional Forum Work Plan for Counter Terrorism and Transnational Crime*. <http://aseanregionalforum.asean.org/wp-content/uploads/2018/07/ARF-Work-Plan-on-Counter-Terrorism-and-Transnational-Crime-2015-2017.pdf>
- Borelli, M. (2017). ASEAN Counter-terrorism weaknesses. *Counter Terrorist Trends and Analyses*, 9(9), 14–20.
- Bos, W., van Ginkel, B., & Mehra, T. (2018). Capacity-building challenges: Identifying progress and remaining gaps in dealing with foreign (terrorist) fighters. *The International Centre for Counter-Terrorism - The Hague* 9. doi: 10.19165/2018.2.02.
- Brattberg, E. & Rhinard, M. (2012). The EU as a global counter-terrorism actor in the making. *European Security*, 21(4), 557–577.
- Carroll, P. & Windle, J. (2018). Cyber as an enabler of terrorism financing, now and in the future. *Journal of Policing, Intelligence and Counter Terrorism*, 13(3), 285–300.
- Chalmers, I. (2017). Countering violent extremism in Indonesia: Bringing back the Jihadists. *Asian Studies Review*, 41(3), 331–351.
- Cross, M. K. D. (2017). Counter-terrorism in the EU's external relations. *Journal of European Integration*, 39(5) 609–624.
- Dosch, J. & Maier-Knapp, N. (2017). EU-ASEAN relations: Taking stock of a comprehensive inter-regional relationship between natural partners. *ASEAN at 50: A Look at Its External Relations*. https://www.kas.de/c/document_library/get_file?uuid=a788f795-ff38-0522-1915-9ad120701c4a&groupId=288143
- Ehrhart, H.-G., Hegemann, H., & Kahl, M. (2014). Putting security governance to the test: conceptual, empirical, and normative challenges. *European Security*, 23(2) 119–125.
- Emmers, R., Greener, B., & Thomas, N. (2006). Institutional arrangements to counter human trafficking in the Asia Pacific. *Contemporary Southeast Asia A Journal of International and Strategic Affairs*, 28(3), 490–511.
- Emmers, R. (2009). Comprehensive security and resilience in Southeast Asia: ASEAN's approach to terrorism 1. *The Pacific Review*, 22(2), 159–177.
- European Union (2003) *Joint Declaration on Co-operation to Combat Terrorism*. https://asean.org/?static_post=14th-asean-eu-ministerial-meeting-brussels-27-28-january-2003-joint-declaration-on-co-operation-to-combat-terrorism-2
- Goldman, O. (2011). The globalization of terror attacks. *Terrorism and Political Violence*, 23(1), 31–59.

- Gunaratna, R. (2017). ASEAN's greatest counter-terrorism challenge: The shift from "Need to know" to Smart to Share. In *Combating Violent Extremism and Terrorism in Asia and Europe from Cooperation to Collaboration*, 111-128. Konrad-Adenauer-Stiftung Ltd and International Center for Political Violence and Terrorism Research.
- He, K. (2019). Constructing dynamic security governance: institutional peace through multilateralism in the Asia Pacific. *Journal of Contemporary East Asia Studies*, 8(2), 1–16. doi: 10.1080/24761028.2019.1675240.
- Hwee, Y. L. (2017). ASEAN's Cooperation with the European Union – ASEM and Beyond. *ASEAN at 50: A Look at Its External Relations*. https://www.kas.de/c/document_library/get_file?uuid=a3535cbe-65c3-785d-a3a2-28c852615616&groupId=288143
- Kaunert, C. (2009). The external dimension of EU counter-terrorism relations: Competences, interests, and institutions. *Terrorism and Political Violence*, 22(1), 41–61.
- Kim, S.-H. (1999). Comprehensive security effects of the East Asian economic crisis. *The Journal of East Asian Affairs*, 13(2), 412–433.
- Kirchner, E. J. and Dominguez, R. (2014). Security governance in a comparative regional perspective. *European Security*, 23(2), 163–178.
- Klein, G. C. (2006). The social theory of globalization and terrorism. *Journal of Police Crisis Negotiations*, 6(2), 17–49.
- Koh, T., Manalo, R. G. and Woon, W. (eds) (2009) *The Making of the ASEAN Charter*. Singapore: World Scientific Publishing.
- Mackenzie, A., Bures, O., Kaunert, C., & Leonard, S. (2013). The European Union counter-terrorism coordinator and the external dimension of the European Union counter-terrorism policy. *Perspectives on European Politics and Society*, 14(3), 325–338.
- Maier-Knapp, N. (2015). The non-traditional security concept and the EU-ASEAN relationship against the backdrop of China's rise. *The Pacific Review*, 29(3), 411-430.
- Martel, S. (2016). From ambiguity to contestation: Discourse(s) of non-traditional security in the ASEAN community. *The Pacific Review*, 30(4), 549-565.
- Mattheis, F. and Wunderlich, U. (2017). Regional actorness and interregional relations: ASEAN, the EU and Mercosur. *Journal of European Integration*, 9(6), 723–738.
- Monar, J. (2014). EU internal security governance: the case of counter-terrorism. *European Security*, 23(2), 195–209.
- Ragazzi, F. & Walmsley, J. (2018). *The return of foreign fighters to EU soil*. doi: 10.2861/205. [https://www.europarl.europa.eu/RegData/etudes/STUD/2018/621811/EPRS_STU\(2018\)621811_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2018/621811/EPRS_STU(2018)621811_EN.pdf)
- Rüland, J., 2014. Interregionalism and International relations: Reanimating an obsolescent research agenda? In F. Baert, T. Scaramagli & F. Söderbaum (Ed.), *Intersecting Interregionalism: Regions, Global Governance and the EU* (pp. 15-36). London: Springer.

- Santini, R. H., Lucarelli, S. & Pinfari, M., 2014. Interregionalism: A security studies perspective. In F. Baert, T. Scaramagli & F. Söderbaum (Ed.), *Intersecting Interregionalism: Regions, Global Governance and the EU* (pp. 71-90). London: Springer.
- Singh, D. (2009). Responses to terrorism in Southeast Asia. *Journal of Policing, Intelligence and Counter Terrorism*, 4(1), 15–28.
- Soriano, J. P. (2019). High expectations. Interregional agendas on global security challenges: East Asia, Europe and Latin America. *Revista Brasileira de Política Internacional*, 62(1).
- Stritzel, H. (2007). Towards a theory of securitization: Copenhagen and beyond. *European Journal of International Relations*, 13(3), 357–383.
- Sukma, R. (2012). The ASEAN political and security community (APSC): Opportunities and constraints for the R2P in Southeast Asia. *The Pacific Review*, 25(1), 135–152.
- Tan, S. S. and Nasu, H. (2016). ASEAN and the development of counter-terrorism law and policy in Southeast Asia. *UNSW Law Journal*, 39(3), 299–300.
- Thayer, C. (2007). The five power defence arrangements: The quiet achiever. *Security Challenges*, 27(1), 79–96.
- Wibisono, A. A. (2017). ASEAN-China non-traditional security cooperation and the inescapability of the politics of security. *Jurnal Global & Strategis*, 11(1), 39–54.
- Zimmerman, E. (2014). Security cooperation in the Indo-Pacific: Non-traditional security as a catalyst. *Journal of the Indian Ocean Region*, 10(2), 150–165.

BUILDING INDONESIA THROUGH ASEAN ECONOMIC COMMUNITY

Yunita Permatasari

International Relations Department
Faculty of Social and Political Science, University of Indonesia
Jl. Margonda Raya, Depok, West Java 16424, Indonesia
yunita.permatasari71@ui.ac.id

Received: 10th October 2019/ **Revised:** 09th April 2020/ **Accepted:** 11th May 2020

How to Cite: Permatasari, Y. (2020). Building Indonesia through ASEAN Economic Community. *Journal of ASEAN Studies*, 8(1), 81-93, <https://doi.org/10.21512/jas.v8i1.6040>

ABSTRACT

As the interdependent global economy increased, ASEAN responded with the creation of ASEAN Economic Community (AEC). The AEC is expected to become the ASEAN arena of learning regional economic integration before entering the global integration. Indonesia, as the largest country in the region, should be a natural leader. However, the level of investment in Indonesia was lost to Singapore and several other ASEAN countries, thus Indonesia should see the potential of the AEC and maximize it to benefit the strengthening of Indonesia's strength. This research aimed to explain the AEC background, the potentials and challenges of the AEC, the AEC 2015 and 2025 comparisons. Using qualitative methods with inductive logical thinking, and constructivism as the analysis framework, the result shows that AEC 2025 is believed to be the integration of the regional economy with a dynamic and sustainable process. Thus, Indonesia can strengthen its position in AEC 2025, using a constructivism approach to reform Indonesian identity into the structure.

Keywords: *ASEAN, economic community, Indonesia*

INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) was formalized through the Bangkok Declaration, August 8th, 1967. ASEAN as regionalism is socially constructed and politically contested (Söderbaum, 2013). Since its establishment, ASEAN began to develop economic cooperation towards regional economic integration. This was marked by the Common Effective Preferential Tariff (CEPT) in 1992. CEPT was the forerunner to the formation of the ASEAN Free Trade Area (AFTA). However, the free trade area was only the first step towards economic integration. Economic integration, according to Balassa (1961), is

Journal of ASEAN Studies, Vol. 8, No. 1 (2020), pp.81-93

DOI: <https://doi.org/10.21512/jas.v8i1.6040>

©2020 by CBDS Bina Nusantara University and Indonesian Association for International Relations

ISSN 2338-1361 print / ISSN 2338-1353 electronic

divided into five stages. These stages include free trade area, customs union, common market, economic union, and total integration.

To achieve regional economic integration, ASEAN has made several agreements. There are five agreements made by ASEAN for this (ASEAN, 2018c). In 1995 the ASEAN Framework Agreement on Services (AFAS) was created which aims to create a free flow of trade in services in the region. In 2009 the ASEAN Trade in Goods Agreement (ATIGA) was created which aims to reduce trade barriers and deepen economic relations between ASEAN member countries. In 2012 the ASEAN Comprehensive Investment Agreement (ACIA) was made, which became the main instrument in achieving a free and open investment regime. In 2012, the ASEAN Agreement on the Movement of Natural Persons (AAMNP) was formed, which aims to make immigration procedures uniform and transparent to natural persons. Furthermore, ASEAN made Mutual Recognition Arrangements (MRAs) as an agreed framework for liberalizing trade in services and facilitating the mobility of skilled workers in ASEAN, such as engineers in 2005, nurses in 2006, architects in 2007, surveyors in 2007, dentists in 2009, practitioners health in 2009, accountants in 2009, tourism in 2012.

Broadly speaking, the agreements aim to include: 1) facilitating the movement of goods, services, investment, capital and skills; 2) increase trade (goods - services) and investment; 3) increasing and expanding the distribution and production network of the region; 4) increase transparency and predictions. To support the agreement, several other related agreements were made in the field of transportation such as ASEAN Framework Agreement on the Facilitation of Foods in Transit (AFAFGIT), ASEAN Framework Agreement on Multimodal Transport (AFAMT), and ASEAN Framework Agreement on Facilitation of Inter-State Transport (AFAFIST) (ASEAN, 2018b).

In addition to making these agreements, ASEAN also made agreements. In 2003, he signed the ASEAN Charter, which ratified it as a subject of international law. In that year, the ASEAN Community agreement was also signed. In the ASEAN Community, three ASEAN pillars are developed, including ASEAN Political-Security Community (APSC), ASEAN Economic Community (AEC), ASEAN Sociocultural Community (ASC). In 2007 ASEAN adopted one of these pillars, namely the 2015 AEC Blueprint and the ASEAN Vision 2020. Therefore, since 2015 AEC was officially formed in ASEAN.

Since the formation of the AEC in 2015, with a population of around 630 million, ASEAN has had a GDP above the US \$ 2.6 trillion. ASEAN accounts for 7% of global GDP. In the same year, the AEC Blueprint 2025 and ASEAN Vision 2025 were adopted. Through this framework of cooperation, it is expected that all ASEAN member countries can further integrate and improve their economies. Thus, through the AEC ASEAN and its member countries can become major players in the global market.

LITERATURE REVIEW

AEC Potential and Challenges

The international economic system is increasingly interdependent with globalization. In a very dynamic and increasingly uncertain international situation, the role of the region is greater (Hettne & Soderbaum, 1998). ASEAN, as one of the regions that has great economic potential, is aware of playing an active role in the international economic system. ASEAN seeks to maximize the benefits that can be drawn from the system. The system should be able to benefit the economic development of ASEAN member countries and deepen the integration of the ASEAN region.

ASEAN is located between two continents and two oceans. This makes ASEAN a crossing of the international trade channel. Geographically, ASEAN is in a tropical climate that is very suitable for agricultural development. Coupled with the vast ocean area, this area is very suitable for fisheries development. ASEAN member countries also have different cultures as well as their own uniqueness so that the tourism sector is also very suitable to be developed.

However, ASEAN also has a history of integration failures that occurred up to three times. These projects include The Southeast Asia Association (ASA), the Southeast Asia Treaty Organization (SEATO), Malaysia, Philippines, Indonesia (MAPHILINDO). ASEAN member countries have different historical and political differences. The border issue is still a dispute that has not been resolved by several ASEAN member countries. ASEAN also has the ASEAN Way principle which minimizes interventions to other countries, making it vulnerable to regional instability. ASEAN member countries also have quite large differences in economic levels.

The presence of the AEC is one of the significant steps in maintaining regional stability and responding to the challenges of the developing international system. The challenges of globalization are increasingly increasing the mobility of goods, services, and factors of production. Added to this is the challenge of interdependence that is increasingly binding on each other so that if one country is in crisis, other countries will be affected as well. In addition, the AEC is at the same time a step by ASEAN member countries to achieve economic improvement and equity. As such, the AEC is very relevant to improving the ASEAN economy so that it can play an active role in the global arena, as well as maintaining regional stability or reducing the potential for crisis.

AEC in ideational and implementation has potential and challenges. The AEC was first proclaimed in 2003 on an ideational level. At the ideational level, the AEC is the realization of the ultimate goal of regional economic integration. This realization is characterized by the free movement of goods, services, and investments, including facilitating the flow of capital and skills. These goals will be achieved through harmonizing trade and investment laws. As such, ASEAN as a regulation-based organization will increasingly become stronger to be an attractive single investment destination.

At the implementation level, several policies were made to support the realization of the regulatory framework that had been made. The policies include: 1) ASEAN Investment Website to increase investment; 2) ASEAN Single Window to increase trade; 3) ASEAN Integrated Food Security (AIFS) to encourage the development of sustainable food production, bearing in mind one of ASEAN's advantages in agriculture; 4) Building long-term infrastructure to develop capital markets and ASEAN capital liberalization in achieving financial integration; 5) Increasing the region's physical connectivity through the ASEAN Highway Network, the Singapore-Kunming Railway Link, and the ASEAN Power Grid. In addition, ASEAN initiates IPR and consumer protection, promotion of tourism and public-private cooperation, as well as minimizing development differences in the region. As such, ASEAN is believed to become one of the most competitive economic blocs in the world.

In both levels, several challenges have arisen, which can limit the achievement of ASEAN potential. The challenge from the ideational side is the implementation of policies and agreements that have been made. Implementation is flexible according to the country's readiness due to the ASEAN Way principles. The next challenge is the impact of implementation itself which must be overcome, both for domestic and international conditions. Domestic pressures include legal standardization, product standardization and efficiency, trade competition, equal treatment by domestic and foreign investors, losing competitiveness of the domestic industry from foreign industries.

The impact of implementation from the international side is that several new threats arise. First, ASEAN will become an economic bloc that increasingly divides the world. Second, the ease of mobility of production factors is directly proportional to the ease of mobility of transnational threats. Third, ASEAN must create regulations to deal with transnational threats such as financial crises, human trafficking, terrorism, drug trafficking, and others. Fourth, ASEAN must adjust its agenda according to a sustainable global development agenda. Fifth, ASEAN must deal with the dominance of other powerful countries or regions in the international system.

Based on these potentials and challenges, ASEAN can be better understood as developmental regionalism (Nesadurai, 2003). That is because ASEAN has an anomaly if it is called open regionalism or resistant regionalism as open regionalism ASEAN should treat investors from countries in the region the same as investors from outside the region. However, ASEAN imposed different treatment of investors.

If it is called as resistant regionalism to globalization, ASEAN has the ultimate goal of regional integration in the global market which is in sharp contrast to resistant regionalism. Hence dealing with the AEC are the potentials and challenges of ASEAN as a developmental regionalism, especially in the economic sector.

RESEARCH METHOD

Chronologically, this research includes how to prepare materials research, design of the study and research procedures (in the form of an algorithm, pseudocode or other). Minimum research method consists of research type, type and source of data, data collection techniques, and data analysis techniques.

Qualitative methods with inductive logical thinking is adopted to this research. Qualitative method is used to understand and describe (Neuman, 2014) Indonesia in ASEAN Economic Community by emphasizing the words (Creswell, 2009). This research uses secondary data from journals, books, official documents, and websites related to Indonesia and ASEAN Economic Community. Data collection techniques is done through literature review looking up at various references to both scientific journals, books, and other relevant information sources. Afterwards, the technique of analysis data is descriptive analysis using constructivism framework to interpret Indonesia's position in ASEAN Economic Community. Finally, validating data means by triangulation.

This research uses constructivism as analysis framework. Researcher believes in the argument that interest based on identities (Wendt, 1992) and material resources will be meaningful through the structure in which societies are embedded (Wendt, 1995). This research reflects Christian Reus-Smit (Burchill et al., 2005) pointing out there are three arguments of constructivism. First, emphasizing the importance both of normative and material structures, on the role of identity in shaping political action and on the mutually constitutive relationship between agents and structures. Second, understanding how non-material structures condition actors identities is important because identities inform interests and, in turn, actions. Third, contending that agents and structures are mutually constituted. Based on arguments above, this research focuses on describe the role of identity for Indonesia in dealing with AEC.

ANALYSIS

Comparison of AEC 2015 and 2025

The 2015 AEC blueprint document contains information on declarations, content, and strategies that are close with the annex (ASEAN Secretariat, 2008). In its declaration, it was emphasized that the AEC as part of achieving the ASEAN Community in 2020 according to the Bali Concord II Declaration, October 7, 2003. The AEC was also a pillar which was accelerated in 2015 in accordance with the ASEAN Summit, January 13, 2007. Thus, the 2015 AEC blueprint must be implemented by all ASEAN member countries. AEC Blueprint will transform ASEAN into a single market and production base, an increasingly competitive economic region, an area with equitable economic development, and a region that is fully integrated into the global economy. In its strategy, the AEC regulates implementation whose progress must be reported regularly to the Council of the ASEAN Economic Community.

AEC 2015 was set in Singapore on November 20, 2007 in English. AEC blueprint contains an introduction that explains the purpose of ASEAN transformation according to the ASEAN Vision 2020. ASEAN Vision 2020, which was set in 1997. It aims to transform ASEAN into a stable, prosperous, highly competitive region with equitable economic development, reducing poverty and socioeconomic differences as well as emphasizing the AEC to support the achievement of the ASEAN Community 2020. It was coupled with the affirmation of the acceleration of the implementation of the 2015 AEC as a form of strong commitment to achieving targets by accommodating the interests of ASEAN member countries.

The characteristics and elements of AEC 2015 uphold the principle of openness, outward-looking, inclusive, market-driven economy that is consistent with multilateral regulations complete with effective compliance and implementation. The first step is to realize the AEC by implementing the High-Level Task Force (HLTF) recommendations from ASEAN economic integration. The AEC is also developing different acceleration integrations in Cambodia, Lao PDR, Myanmar and Vietnam (CLMV). In its implementation, AEC is divided into four main characteristics. These characteristics include: 1) a single market and production base, 2) a highly competitive economic region, 3) a region of equitable economic development, and 4) a region fully integrated into the global economy. These characteristics are interrelated and reinforce one another.

The first characteristic, the ASEAN single market and production base consists of five main elements: 1) free flow of goods (elimination tariffs and non-barriers, ROOs, trade facilitation, customs integration, ASEAN single window, standards and technical barriers to trade); 2) free flow of services; 3) free flow of investment; 4) freer flow of capital; and 5) free flow of skilled labor. In addition, the single market and production base also includes two important components, namely, the priority integration sectors, and food, agriculture and forestry. The second characteristic, ASEAN, as a competitive economic region, consists of: 1) Competition Policy; 2) ASEAN Consumer Protection; 3) Intellectual Property Rights (IPR); 4) Infrastructure Development; 5) Taxation and 6) E-Commerce. Being an equitable economic development is the third characteristic of ASEAN, which consists of SME development and Initiative for ASEAN Integration (IAI). The fourth characteristic, ASEAN integration into the Global Economy, consists of Coherent Approach towards External Economic Relations, Enhanced participation in global supply networks.

The AEC 2025 Blueprint (ASEAN Secretariat, 2015) is a replacement for the roadmap towards the ASEAN community (2009-2015) which ends on December 31, 2015. This document explains the strategic implementation of the ASEAN Community in the next ten years. New elements are added to ensure that ASEAN 2025 is relevant to face the challenges of the times. This document consists of the declaration, vision of the ASEAN 2025 community, and the AEC 2025. The Kuala Lumpur Declaration, November 22, 2015, concerning ASEAN 2025: Moving Forward Together is a form of continued commitment after the 2015 ASEAN community was formally formed. The vision of the ASEAN Community 2025 are known to be: 1) continuing the positive development of the 2009 ASEAN community roadmap, 2) articulating aspirations and consolidating the community in

realizing an ASEAN that is based on regulations, 3) people-oriented and people-centered, and 4) building efforts to improve people's living standards in ASEAN member countries according to the UN 2030 agenda for sustainable development.

AEC 2025 is integrated and cohesive, competitive, innovative and dynamic. They have improved sectoral connectivity and cooperation. Their society is more resilient, inclusive, oriented, and people-centered, integrated with the global economy. The AEC 2025 Blueprint consists of five interrelated and mutually reinforcing characteristics, namely: 1) A fully integrated economy consisting of the previous elements added to financial integration, financial inclusion, financial stability, facilitating the movement of skilled workers and visits of business actors, and increasing participation in global value chains; 2) ASEAN which is competitive, innovative and dynamic consists of previous elements, added with: a) the effectiveness of the competition policy, b) productivity, innovation, research and development-driven growth, c) technology commercialization, d) good governance, e) effective, efficient, coherent and responsive regulations, and good regulatory practices, f) sustainable economic development, g) global megatrends and emerging trade related issues; 3) The enhanced connectivity and sectoral cooperation consisting of transportation elements, ICT, e-commerce, energy, food, agriculture and forestry, tourism, health, mineral, science and technology; 4) A tough, inclusive and people-oriented ASEAN that is people-centered and consisting of elements to strengthen MSMEs and the private sector, public-private partnership, reducing growth gaps, and stakeholder contributions in regional integration efforts; and 5) ASEAN globally through FTAs and Comprehensive Economic Partnership (CEP) agreements, such as with China, Japan, the Republic of Korea, India, Australia and New Zealand—coupled with efforts to complete the Regional Comprehensive Economic Partnership (RCEP) and ASEAN-Hong Kong FTA (AHKFTA). The FTA/CEP has strengthened ASEAN's position as an open and inclusive economic region and has become the basis for ASEAN to maintain its centrality in global and regional involvement. ASEAN member countries are also involved in the FTA and CEP with their respective strategic trading partners to complement the regional FTA/CEP. In its strategy, the AEC 2025 regulates implementation whose progress must be reported periodically for no more than three years at the Council of the ASEAN Economic Community.

Based on these data, the two blueprints are not significantly different. The second blueprint is more comprehensive and complements the first blueprint. In the second blueprint, ASEAN's coordination and work processes are better, more effective, and efficient by strengthening the community and ASEAN institutional involvement at the national, regional and international level. The economic sector that is regulated is increasingly comprehensive and relevant to the current industrial revolution. Assign the ASEAN Community Council to fully and effectively implement the commitments contained in ASEAN 2025, which are moving forward together, and submitting reports to the ASEAN Summit, in accordance with applicable procedures. Realizing that ASEAN is based on rules, oriented and people-centered with one vision, one identity and one community.

Indonesia's Position in AEC 2025

The implementation of the AEC 2015 has been substantially achieved including eliminating tariffs and trade facilitation, the promotion of the liberalization of services trade, investment liberalization and facilitation, simplification and harmonization of the capital market regulatory framework, facilitate the movement of skilled workers, development of competition policy frameworks in the region, consumer protection and intellectual property rights; promoting connectivity, efforts to reduce development gaps, and strengthening ASEAN relations with (external parties/stakeholders). Nominally, ASEAN GDP also increased by 1200 trillion US Dollars in 2007, to 2400 trillion US Dollars in 2015, to 2559 trillion US Dollars in 2016, or 3.4% of total world GDP and 5.2% or 3.0 trillion US Dollars in 2018 (ASEAN Secretariat, 2019b). Thus, AEC 2025 has a greater level of realization.

Since the AEC 2015 was inaugurated, Indonesia has not shown significant economic growth (ASEAN, 2018a). Indonesia has a population of 40.8% of the total of 650 million ASEAN population in 2019 (ASEAN Secretariat, 2019c). Although ASEAN GDP has increased, Indonesia's GDP has decreased, from 6.3% in 2007 to 5% in 2016. However, Indonesia's GDP per capita has experienced an increase from 1,300 US Dollars in 2007 to 3,600 US Dollars in 2016 despite being far behind Singapore and Brunei Darussalam. This was followed by a significant increase in food and transportation prices. In extra-ASEAN investment, Indonesia is under Singapore and Vietnam. However, in intra-ASEAN investment, Indonesia is the largest recipient of investment in the region.

Based on these data, Indonesia's position in dealing with AEC 2025 is quite good. Indonesia can learn from the experience of AEC 2015 to further improve its position in AEC 2025 to potentially maximize its benefits. ASEAN, as a regional group of countries, is often seen as a response to economic and cultural pressures from the globalization of market forces. Therefore, ASEAN eliminates obstacles to the movement of factors of production, but also remains protective of global urgency and protects cultural identity (Molchanov, 2005). Even so, regional integration was understood as a regional governance project by domestic actors and their coalition (Jayasuriya, 2003). It is considered that Indonesia must build identity to achieve its goals.

State identity basically forms state preferences and actions (Wendt, 1992). State identity is built within the international and domestic socio-political environment (Katzenstein, 1996). Identity is the interest to the state to construct it in the structure. How to construct identity can be through statements in various media both directly and indirectly, the formation of institutions, and others. Thus, the phenomenon of international relations is the reality of social interaction through structures that give meaning to the material (Adler, 1997). Therefore, constructivism appears to discuss human awareness and its role in international life (Ruggie, 1998).

AEC 2025 affects Indonesia through cognitive dissonance, feedback effects and transnational persuasion. Indonesia, then, participated in the AEC 2025 for the achievement of Indonesia's interests. Thus, this policy is born from within Indonesia itself for wanting to

change its identity, not because of mere material impulse (Sohn, 2008). Indonesia defines AEC 2025 by focusing on social roles that are of national importance (Finnemore & Sikkink, 2001). Cooperation in international politics is difficult, but the international economic policy is needed to get optimal results from international markets (Keohane, 1984). Cooperation is considered possible on constructivism in the absence of great power which is replaced with the leadership of ASEAN countries (Acharya, 2014). It is believed that Indonesia is able to strengthen its position in AEC 2025 by using role of identity, which are: 1) The positive meaning of AEC 2025, 2) Indonesia has reconstructed it in structure through various media, and 3) It forms the role of Indonesia and the AEC 2025, which are mutually reinforcing.

The positive meaning of AEC is deepening the economic integration areas which focus on sustainable development in such good regulatory practice, and global value chains included emerging trade-related issues. The existing norms in ASEAN economic integration are one of the important things emphasized in constructivism, which the role of identity can play in (Burchill et al., 2005). By having AEC as a positive structure, Indonesia can form and play a constitutive relationship to increase Indonesia's economic capacity. This region grows as the sixth-largest economy in the world, even the third most populous market in the world by almost 630 million people (ASEAN Secretariat, n.d.). Based on OECD, ASEAN percentage on real GDP growth 2020-2024 lower than in 2013-2017 (OECD, 2019). This situation has been experienced by all regions of the world influenced by the international recession from increasing tension of international trade competition. Even so, luckily ASEAN can bear up in lower GDP only 0.1%. It demonstrates a great ASEAN resilience as a robust multilateralism in advancing regional development. Furthermore, it started to develop new technology innovation and application as the Fourth Industrial Revolution (ASEAN Secretariat, 2019a).

Unlike the region that is declining economic growth, Indonesia has grown from the contribution of private consumption, government spending, agricultural production, and the service sector (OECD, 2019). On the contrary, Indonesia's condition on investment and trade slowly grow to be strong since largely supported by education and health, transportation, business services, and real estate (OECD, 2019). This condition is solved from the ASEAN Solutions for Investment, Services and Trade (ASSIST) (ASEAN Secretariat, 2019a), the finalization of ASEAN Trade in Services Agreement (ATISA) and Fourth Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA) (ASEAN Secretariat, 2019b). Moreover, there is also regional comprehensive economic partnership (RCEP) committing on trade through free trade agreement (FTA), services, investment, and movement of a natural person. In the end, Indonesia's understanding of the ASEAN structure has conditioned the establishment of Indonesian identity in interacting within it. Indonesia has also acted by seeking conducive interactions within these various structures (Burchill et al., 2005) in increasing Indonesia's investment and trade. Thus, Indonesia also constructs itself in these various media structures. This can be seen from Indonesia's attitude as an active discussant and initiator within the framework of the ASEAN initiative.

ASEAN is vital geostrategic importance to the world, trade valued 5.3 trillion US Dollars, 15 million bpd of oil transportation, the fourth largest exporting region in the world

(ASEAN Secretariat, 2019c). Moreover, Lee Hsien Loong, Singapore's Prime Minister predicted that ASEAN become the fourth-largest economy in the world in 2030, led by USA, China, and The EU (ASEAN Secretariat, 2019c). Based on this view, AEC 2025 perform characteristics: 1) Highly Integrated and Cohesive Economy, 2) Competitive, Innovative, and Dynamic ASEAN, 3) Enhanced Connectivity and Sectoral Cooperation, 4) Resilient, Inclusive and People-Oriented, People-Centered ASEAN, 5) Global ASEAN (ASEAN Secretariat, 2019b). The characteristics reflected in all ASEAN commitments result in the raising level of FDI flow into ASEAN from 123 billion US Dollars to 137 billion US Dollars in 2016-2017 (ASEAN Secretariat, 2019c).

Since 2017, digital economies rose as substantial investment in ASEAN. It made significant development in e-commerce, financial technology, the development of data centers and ICT infrastructure (ASEAN Secretariat, 2019c). Thus, it makes wide-open opportunity for business of the industry and commercial sectors, such as financial services, telecoms and transportation, medical services and equipment, consumer goods, and automotive (ASEAN Secretariat, 2019c). Indonesia should take the occasions by intensifying small-medium enterprises and welcoming start-up to nurture as a new competitive industry in consumer good and automotive, like Vietnam that finally build their own automotive industry called VinFast in 2018 (Reed, 2018). Indonesia also must support digital economies environment in a conducive manner to nurture Indonesian start-up and ensure 4IR in ASEAN at a time. Indonesia has rapidly become the digital nation by now since it has more than 100 million internet users (ASEAN Secretariat, 2019c). Hence, Indonesia both structured AEC domestically and play actively in actualizes AEC, which allows deepening and widening economy of ASEAN member state, well said its reciprocal reinforcing.

Indonesia as an agent and AEC as a mutually reinforcing structure are proof that the agent and structure are inseparable or formed together (Burchill et al., 2005). This is illustrated in two ways: 1) Indonesia has constructed itself in a number of MEA media structures, including through the intensification of Small and Medium Enterprises and Start-ups, especially in developing an increasingly digital economy; and 2) the AEC provides opportunities for its member countries as socially constructed structures so that they can encourage their respective economic improvements, both widening and deepening. The widening factors were powered by a free trade agreement with seven main trading partners, such as Australia, New Zealand, China, India, South Korea, Japan and Hong Kong, added with the comprehensive and progressive agreement for Trans-Pacific Partnership (CPTPP) that bring in Canada, Chile, Mexico, Peru (ASEAN Secretariat, 2019c). This factors are not only opportunities but also pressing regional and national actions that would rise synergy among ASEAN member states (Maria, Urata, & Intal Jr, 2017). Besides, the ASEAN consuming class makes it the largest source of market growth in future (Maria, Urata, & Intal Jr, 2017) so AEC become a means for increasing the economy of ASEAN itself.

CONCLUSIONS

AEC 2025 is the integration of the regional economy with a dynamic and sustainable process. This happens because the economy along with the domestic and external environment continues to develop. Indonesia can utilize this institution to improve its economy. The methods that can be used by Indonesia, one of which is explained by constructivism. By positively interpreting AEC 2025, Indonesia is believed to create or establish identity which will be reconstructed into the structure.

ABOUT THE AUTHORS

Yunita Permatasari is a Teaching Assistant in Department of International Relations, University of Indonesia (2019); Researcher in Center of Aerospace Policy Studies, National Institute of Aeronautics and Space (2020); Guest Lecture in Christian University of Indonesia (2020). She has been a Presenter at the Asia-Pacific Research in Social Sciences and Humanities (APRISH) 2018, International Postgraduate Students Conference (IPGSC) 2018, International Astronautical Congress (IAC) 2019.

REFERENCES

- Acharya, A. (2014). *Rethinking Power, Institutions, and Ideas in World Politics*. London: Routledge.
- Adler, E. (1997). Seizing the middle ground: Constructivism in world politics. *European Journal of International Relations*, 3, 319.
- ASEAN. (2018a). *AEC Chartbook 2017*.
http://www.aseanstats.org/wp-content/uploads/2018/01/AEC_Chartbook_2017.pdf
- ASEAN. (2018b). *ASEAN Economic Community*.
<http://investasean.asean.org/index.php/page/view/asean-economic-community>
- ASEAN. (2018c). *ASEAN Free Trade Area Agreements*.
<http://investasean.asean.org/index.php/page/view/asean-free-trade-area-agreements/view/757/newsid/870/asean-framework-agreement-on-services.html>
- ASEAN Secretariat. (2008). *ASEAN Economic Community Blueprint*. Jakarta: ASEAN Secretariat. <https://asean.org/wp-content/uploads/archive/5187-10.pdf>
- ASEAN Secretariat. (2015). *ASEAN Economic Community Blueprint 2025*. Jakarta: ASEAN Secretariat. https://www.asean.org/storage/2016/03/AECBP_2025r_FINAL.pdf
- ASEAN Secretariat. (n.d.). *ASEAN: A Community of Opportunities*. Jakarta: ASEAN Secretariat. <http://tariff-finder.asean.org/>

- ASEAN Secretariat. (2019a). *ASEAN Economic Integration Brief*. Jakarta: ASEAN Secretariat. <https://www.bloomberg.com/news/arti->
- ASEAN Secretariat. (2019b). *Factsheet ASEAN Economic Community*. Jakarta: ASEAN Secretariat. <https://asean.org/storage/2012/05/41.-December-2019-FAct-Sheet-of-AEC.pdf>
- ASEAN Secretariat. (2019c). *Investing in ASEAN 2019-2020*. Jakarta: ASEAN Secretariat. https://asean.org/storage/2019/10/Investing_in_ASEAN_2019_2020.pdf
- Balassa, B. (1961). *The Theory of Economic Integration (Routledge Revivals)*. London: Routledge.
- Burchill, S., Linklater, A., Devetak, R., Donnelly, J., Paterson, M., Reus-Smit, C., & True, J. (2005). *Theories of International Relations* (3rd Ed.). New York: Palgrave Macmillan.
- Creswell, J. W. (2009) *Research Design: Qualitative, Quantitative, and Mixed Method Approach* (3rd Ed.). Los Angeles: SAGE Publication Inc.
- Finnemore, M. & Sikkink, K. (2001). Taking stock: The constructivist research program in International relations and comparative politics. *Annual Review of Political Science*, 4, 391–416.
- Hettne, B. & Soderbaum, F. B. (1998). The New Regionalism Approach. *Politeia*, 17(3), 6-21.
- Jayasuriya, K. (2003). Embedded mercantilism and open regionalism: The crisis of a regional political project. *Third World Quarterly*, 24(2), 339–355.
- Katzenstein, P. J. (1996). *The Culture of National Security: Norms and Identity in World Politics*. New York: Columbia University Press.
- Keohane, R. O. (1984). *After Hegemony: Cooperation and Discord in The World Political Economy*. Princeton, New Jersey: Princeton University Press.
- Maria, R. S., Urata, S, & Intal, Jr., P. S. (2017). The ASEAN economic community into 2025 and beyond. In R.S. Maria, S. Urata, P.S. Intal Jr (Ed.), *ASEAN Economic Community into 2025 Beyond, ASEAN 50 V*, pp. 1–63. Jakarta: Research Institute for ASEAN and East Asia (ERIA). https://www.eria.org/ASEAN_50_Vol_5_Complete_Book.pdf
- Molchanov, M. A. (2005). Regionalism and globalization: The case of the European Union. *Perspectives on Global Development and Technology*, 4(3), 431–446.
- Nesadurai, H. E. S. (2003). *Globalization, Domestic Politics and Regionalism: The ASEAN Free Trade Area*. New York: Routledge.
- Neuman, W. L. (2014). *Social Research Methods: Qualitative and Quantitative Approaches: Relevance of Social Research* (8th Ed.). Essex: Pearson.

- OECD. (2019). *Economic Outlook for Southeast Asia, China and India 2020: Rethinking Education for the Digital Era*. OECD Publishing. Paris.
- Reed, J. (2018, February 6). Vietnam's Vingroup takes trip into unknown with first 'national car'. *Financial Times*.
- Ruggie, J. G. (1998). *Constructing the World Polity*. London: Routledge.
- Söderbaum, F. (2013). Rethinking regions and regionalism. *Georgetown Journal of International Affairs*, 14(2), 9-18.
- Sohn, I. (2008). Learning to co-operate: China's multilateral approach to Asian financial co-operation. *The China Quarterly*, 194, 309–326.
- Wendt, A. (1992). Anarchy is what states make of it: The of power politics social construction Wendt. *International Organization*, 46(2), 391–425.
- Wendt, A. (1995). Constructing International politics. *International Security*, 20(1), 71-81.

JOURNAL OF ASEAN STUDIES

WWW.IR.BINUS.AC.ID/JAS

Copyright © 2020 Centre for Business and Diplomatic Studies

ISSN 2338-1361 (print) / 2338-1353 (online)

Volume 8 Number 1 August 2020



JAS

JOURNAL OF ASEAN STUDIES

Volume 8 Number 1 August 2020