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**“TOWARDS A BETTER ASEAN”**

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## Preface

ASEAN is a dynamic force which maintains its growth despite obstacles and problems. After completing the first period of its vision of an integrated regional community (ASEAN Community 2015), ASEAN is now preparing for the launch of ASEAN Community Vision 2025, supported by ASEAN Connectivity 2025. As a study center focusing primarily and solely on ASEAN, Pusat Studi ASEAN (PSA) Universitas Andalas in collaboration with the Indonesian Ministry of Foreign Affairs believes that this time of transition is the most appropriate moment to evaluate past actions, to discuss present issues and to provide an outlook for the future of ASEAN.

The main objective of the International Conference on ASEAN (IC-ASEAN) was to gather academics and practitioners, from various backgrounds, in order to specifically compile knowledge, theory and scientific suggestions which could contribute to the success of ASEAN's future; thus the theme of this conference "Towards a Better ASEAN". In order to directly connect to ASEAN, the subtheme of IC-ASEAN was aligned with the three ASEAN Community pillars which are ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community. Moreover, the subthemes were designed to be general to accommodate the diverse and numerous backgrounds of participants.

The keynote speakers, who were experts in their field; academics and professionals (diplomats), came from ASEAN member countries such as Indonesia, Malaysia, the Philippines and Brunei Darussalam. There were more than 100 papers presented at the conference, originating from more than 30 universities and institutions from all over Indonesia and also Malaysia. We do believe that this conference is an initial step towards collaboration between academics and practitioners from various backgrounds to play a role in the development of ASEAN as a regional organization. It still has a very long way to go, but this initial step is the start of many years of collaboration.

This proceeding is the first of what we hope will be a series of the International Conference on IC-ASEAN proceedings. The papers published in this proceeding are selected articles from IC-ASEAN conference. Our most notable achievement will be the contribution of the knowledge within this proceeding for the advancement of IC-ASEAN, but also the enlightenment that it could bring to anyone who was able to read it.

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# INFLUENCE OF INTEREST GROUPS IN INDONESIAN HUMANITARIAN ASSISTANCE POLICY MAKING TO ROHINGYA IN 2017

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## Abstract

Internal conflict between communities in Rohingya, Myanmar with fluctuations and conflicting tendencies. This condition is based on several reasons. There are two compelling reasons on which this conflict continues. The first reason is about the citizenship of Rohingya Muslims who are considered not a native of Myanmar. The second reason is about the tendency of religious differences adopted by Rohingya Muslims with the majority religion of Myanmar people. Conditions of conflict have implications for the increasing number of victims which resulted humanitarian crisis. The escalation of conflict that led to the humanitarian crisis occurred in August 2017. In this condition, the Myanmar government tried to close itself from international assistance and attention. Indonesia is the only country that can dialogue, open up humanitarian space and provide humanitarian assistance related to these conditions. The aim of this research is to analyze the role of interest groups in influencing the government in making policies on Indonesian humanitarian assistance to Rohingya ethnicities on the escalation of conflict in 2017. Foreign policy making in the context of humanitarian assistance will not be separated from the domestic political constellation of a country. This research sees that interest groups play a large role in influencing the government to make a policy related to humanitarian assistance to Rohingya ethnicity in the escalation of conflict in 2017. The influence given by interest groups will be seen in two roles. The role is the demands and alternative recommendations given by interest groups to the government as policy makers. Demands can be interpreted in the form of demonstrations and stances, while alternative recommendations are concrete recommendations submitted to the government to make policies in accordance with the interests brought. The method that will be used in this research is a qualitative method with a descriptive analysis type.

**Keywords:** Rohingya, Indonesia, Policy, Interest Groups, Humanitarian Aid.

## INTRODUCTION

The humanitarian crisis has been prolonged on the Rohingya Muslim ethnic group in Rakhine State, Myanmar. The classification of violence that occurs can be divided into two types of violence [1]. Violence includes direct structural violence and violence. Structural violence is violence based on the inhibition of access to the basic needs of individuals [2]. While direct violence or direct violence is a form of physical violence carried out directly against individuals or groups. August 2017 is part of the highest escalation of conflict from the humanitarian crisis that occurred in the Rohingya. The trigger for the escalation of the conflict was an attack carried out by Rohingya militants against the Myanmar police post which indicated a military operation carried out by the Myanmar government to the Rohingya militant group. Military operations caused many casualties. From data released by the BBC from the social agency Medecins Sans Frontieres (MSF), it was stated that around 640,000 Rohingya people flee to Bangladesh and around 6,700 dead victims in which 730 children were victims [3]. The findings of the victim report described above indicate the violation of human rights and the abolition of ethnicity against Rohingya ethnic groups. This is evident from the process of massacres carried out by the Myanmar military assisted by civil society who are Buddhists.

Myanmar government which seems to close itself to the international community in relation to the humanitarian crisis that happened to the Rohingya ethnic group in Rakhine received important attention from the international community. The actions of the Myanmar government which closed itself on this issue resulted in a strong response from various elements of society in Indonesia. Various actions and condemnations that occurred in Indonesia related to the problem in Rohingya, the Indonesian Government immediately took concrete steps in addressing the problems that occurred.

The diplomatic path was chosen by the Indonesian government to the Myanmar government in the form of dialogue to provide a negotiating space for humanitarian assistance to the Rohingya ethnic group. Indonesia became the first and only country to be accepted by the Myanmar government to dialogue and discuss opening up access to humanitarian assistance. The meeting was actually focused on inviting decision makers and Myanmar leaders to take actions based on the interests of vulnerable people based on humanitarian principles.

Indonesia is very responsive actions in conducting dialogue for the process of opening up access to humanitarian assistance in accelerating the process of resolving the humanitarian crisis that occurred against the Rohingya. Indonesia's responsive actions in making humanitarian assistance policies cannot be separated from the influence of interest groups that are policy influencers or groups that influence domestic policy making which encourages the government to adopt foreign assistance policies. This research will focus on seeing the influence given by interest groups in policy making.

## **FRAMEWORK**

K.J. Hoslti defines foreign policy as a policy taken by a country on consideration of domestic and external factors that influence each other with various determining elements [4]. The concept of the role of domestic politics presented by K.J. Holsti above will be further pursued by looking at what are the influential factors and the extent of the influence given in a country's foreign policy making using the concept described by William D. Coplin in the book —Introduction to International Politicsl [5]. Coplin tried to explain a concept known as Policy Influencer. This study will focus on one influencer that has a profound influence on the chosen research object. Influencers are interest groups/interest influencers. The selection of interest groups as the main object in this study is based on the issue area for Policy Influencers presented by Coplin. This issue area will show the level of influence given by influencers in making a foreign policy. This research entered into the field of historical and ideological issues. Coplin explained that this issue area is an area of issue concerning certain conditions in the international environment outside the issue of security and economic interests. Certain conditions referred to in this concept can be interpreted as a condition that does not normally occur and requires the response of other countries in the matter. The humanitarian crisis in the Rakhine State is categorized as a certain condition that has implications for Indonesia's foreign policy in responding to the problems that occur. An open political system that upholds the value of democracy, interest groups have the duty to articulate the interests want to achieve with the government. The process of mapping out interests to the government can be seen as a form of role taken to influence the government in policy making. The role is divided into two, (i) declaring demands and (ii) providing alternative policy actions [6]. These two things are the main analytical tools that will be used in this study to see the role of interest groups in making policy on humanitarian assistance by the state.

## **RESEARCH METHODS**

This research uses qualitative methods to explain the data obtained in the form of scientific writing, mass media coverage, government reports and an overview of the actions [7]. The type of research used is descriptive analysis where the analysis is carried out by examining the phenomena raised to be more detailed [7]. This research is a research based on Literature Research. The analysis technique used in this study is to explain the role carried out by interest groups which are divided into two parts, the demands and alternatives given. Both of these will be the initial guidelines for explaining the role of interest groups in influencing policy taken by the government in the context of Indonesia's humanitarian assistance policy into Rohingya people.

## **RESULT AND DISCUSSION**

This part will discuss the role of interest groups in the form of demands that are presented as demonstrations and statement from each interest group which has implications for the importance of this issue to be adopted into the government and made a policy as the country's response to the problem. Whereas in the second part will discuss the alternatives delivered by interest groups in the policy making process. These alternatives are interpreted as recommendations for the government in making rational and targeted policy.

## **Interest Groups Demands**

The role of interest groups in the form of demands is interpreted in the form of demonstrations and attitude statements from each interest group.

### **Mobilization and Demonstration**

On September 2, 2017 became the beginning of upheaval. Mobilization and demonstrations that took place in Indonesia related to the Rohingya issue. This demonstration took place in front of the Myanmar embassy in Jakarta to condemn crimes against Rohingya ethnicity. The demonstration was attended by dozens of people from cross-professional associations. The demonstrators delivered demands regarding the expulsion of the Ambassador of Myanmar and the imprisonment of Aung San Suu Kyi. On the other hand the demands submitted by the demonstrators were asking the Indonesian government to speak out. The government must be pro-active against humanity crimes such Rohingya

In the same location on September 4, 2017 there was also a demonstration without anarchy carried out by dozens of Islamic unity students (HIMA PERSIS) [9]. Other demonstration were also carried out on behalf of the Rohingya Muslim Friends who were affiliated with the Barisan Muda PAN [10]. Concern about the Myanmar issue is not only done in Jakarta, a similar action was also carried out in Bandung in front of Gedung Sate. The demonstration consisted of 1000 people who were a combination of various mass organizations West Java *ulama* and shop forums and youth who criticized the actions of the military junta against Rohingya [10].

A similar demonstration at the same place in the Myanmar Embassy September 6, 2017. Demands from the masses were asking Myanmar to stop the violence against Rohingya ethnic groups and ask the Indonesian government and world to take concrete steps in stopping Myanmar's brutality against the Rohingya. The demonstration took place which was heated up, which was marked by a period of burning the Myanmar flag and throwing stones at the demonstrators to the police who were on guard at the location [11]. The demands of the demonstration that occur more emphasis on the process of solving the problem of the humanitarian crisis. In addition, they also asked the Indonesian government to act real and concrete regarding this issue. The researcher saw that the concrete action was a form of humanitarian assistance that Indonesia must immediately give to the Rohingya so that their basic life needs.

### **Statement**

From the findings of the data, the research chose two forms of interest groups that conveyed statements to the government as a form of demand. The classification of the two interest groups is based on Gabriel Almond which describes the form of interest groups. The first interest group is the Institutional Interest group that is formal and has political and social functions. This group has a large influence on the state in policy making because the base of the group is very strong. Examples of this group are political parties. While the second group is associational interest group. The example of associational interest group are religious groups and social organizations.

Political parties are institutional interest groups whose purpose is to translate the demands of society into political demands. This demand is then passed on to policy makers who can then be used as policies that can be implemented to the community. The efforts of influencers in influencing the policies that will be taken by the government are by pressing the authorities and providing personnel

who can play a role in policy making. This section will explain the actions taken by political parties in articulating the issue of the humanitarian crisis in Myanmar in order to be able to be considered and translated into government actions in the form of concrete policy [5]. This section will look at the influence given by ten political parties that have a voice in parliament based on the 2014 election results. The ten political parties include PDI-P, Golkar, Gerindra, Democrats, PAN, PKB, PKS, PPP, Nasdem and Hanura [12].

The findings obtained by researchers related to the influence given by political parties tend to urge the government to act immediately related to the humanitarian crisis that occurred at Rakhine State. The expected real action is a pattern of diplomacy to open access to humanitarian assistance so that it can be channeled to groups that are victims of the humanitarian crisis. Eight out of ten political parties exert influence and urge the government to do concrete and concrete things. Four political parties namely PDI Perjuangan, Golkar, PKB and PKS are also ready to contribute to providing humanitarian assistance through internal party fundraising. Another influence given is to urge the government to cooperate with other countries whether in the scope of ASEAN, the United Nations and the OIC to jointly resolve this issue. Two political parties namely Gerindra and PAN did not give pressure on humanitarian assistance policies but they put more emphasis on the expulsion of Myanmar's ambassador to Indonesia as a form of punishment and strict government action in addressing this issue.

The involvement of associational interest groups places more emphasis on mass organizations or groups of people who are mobilized together to move and urge the government to immediately take an action or policy from a condition that is happening. The similarity of thoughts, ideas or identities can be the initial basis for moving to influence the government to act immediately on the conditions that are happening. From the findings of the researchers, there are six associational interest groups that convey stance statements regarding the issue of humanitarian crises that occur in Rohingya. The six groups included Ikatan Cendekiawan Muslim Indonesia (ICMI), Keluarga Buddhayana Indonesia (KBI), Muhammadiyah, Majelis Ulama Indonesia (MUI), Pengurus Besar Nahdatul Ulama (PBNU) dan Korps Alumni Himpunan Mahasiswa Islam (KAHMI).

### **Alternative Recommendations**

The findings of the researchers will describe the recommendations in policy making which are divided into three. Recommendations for the establishment of the Indonesian Humanitarian Alliance for Myanmar (AKIM), recommendations for Indonesian humanitarian diplomacy, and recommendations to the President.

#### **a. Recommendation for establishing the Indonesian Humanitarian Alliance for Myanmar (AKIM)**

Muhammadiyah as one of the largest Islamic groups in Indonesia also convey related to the Indonesian government's insistence on making a real contribution in dealing with the problem of Rohingya ethnicity in Myanmar. Two days after the escalation of the conflict that occurred there on August 29, 2017, the board of the Muhammadiyah youth center through the youth secretary Pedri Kasman expressed an insistence on the Indonesian government to immediately act to respond to this problem by sending humanitarian assistance to Rakhine State. Pedri also said that the need for cooperation with philanthropic institutions such as BAZNAS, Dompot Duafah and PKPU so that humanitarian assistance could be more effective [13].

The concern of the Indonesian people for the issue of the humanitarian crisis towards the Rohingya ethnic groups was quickly and well received by the foreign ministry. The day after the meeting with the Indonesian president on 30 August 2017 for reporting on the condition of the humanitarian crisis that occurred, the Indonesian Foreign Minister inaugurated an Indonesian Humanitarian Alliance for Myanmar or abbreviated as AKIM. AKIM is an alliance of 11 Indonesian humanities consisting of Muhammadiyah Disaster Management Centre, Lembaga Penanggulangan Bencana dan Perubahan Iklim – Nahdlatul Ulama, PKPU Human Initiative, Dompot Dhuafa, Rumah Zakat, Dompot Peduli Ummat – Daarut Tauhiid, LAZIS Wahdah, Laznas Lembaga Manajemen Infaq (LMI), Aksi Cepat Tanggap, Lazis Dewan Da'wah Islamiyah Indonesia, Social Trust Fund – UIN Jakarta collaborating with the Government of the Republic of Indonesia through the Ministry of Foreign Affairs and all elements of the Indonesian Community. AKIM is committed to assisting in handling the problem of humanitarian conflict in Myanmar [14]. The active role of interest groups in this case the PBNU was elected as AKIM chairmen [15].

AKIM released a program called the Humanitarian Assistance for Sustainable Community (HASCO). The Alliance and the Program were launched simultaneously at the Pancasila Building of the Indonesian Ministry of Foreign Affairs, Jakarta on August 31, 2017 [16]. The program aims to shape the Myanmar people, especially the Rohingya ethnicity in the areas of capacity building, expert dispatch, livelihood and recovery. The initial design related to this program will be carried out for two years in the process of improving the Rakhine from the impact of the humanitarian crisis that occurred. In line with the program's objectives, AKIM's Chairperson, Ali Yusuf said that the main goal of this program was to fulfill basic needs for the people in Rakhine State regarding health, education, economics, and other needs. Ali Yuuf also explained that the beneficiaries of this program would target two communities namely Muslims and Buddhists who both need assistance [17].

## **b. Recommendations on Indonesian Humanitarian Diplomacy**

The foreign ministry held a meeting with several representatives of Islamic group in Indonesia. The meeting was held two days after the establishment of an Indonesian humanitarian alliance for Myanmar (AKIM). This meeting was held on September 2, 2017 at the Indonesian foreign ministry office in Jakarta. Several representatives from the Islamic groups present included the Islamic Student Association Alumni Corps (KAHMI), the Executive Board of the Nahdatul Ulama (PBNU), the Muhammadiyah Central Executive (PP Muhammadiyah), and the Indonesian Ulema Council (MUI). Representatives from each of the Islamic groups who attended the meeting included Akbar Tandjung and MN Kahmi Mas Subandriyo from KAHMI, Prof. Dr. Anwar Abbas from PP Muhammadiyah, Prof. Dr. KH Said Aqiel. S from PBNU and KH Muhyidin Juned from MUI [18].

The meeting was attended by the Indonesian Minister of Foreign Affairs, Retno Marsudi and the Deputy Minister of Foreign Affairs of the Republic of Indonesia Mr. A.M Fachir. Media releases conducted by foreign ministries through the official website, said that this meeting was held to get views and input from Islamic leaders in Indonesia regarding conditions and situations at Rakhine State. At this meeting, the Minister of Foreign Affairs conveyed the development of conditions that occurred in the Rakhine State and the rapid steps taken by the government to respond to the current situation [19]. The meeting was held one day before the foreign minister departed for Myanmar to meet with officials of the Myanmar government in an effort to open up humanitarian space so that humanitarian assistance could be channeled. This meeting produced five recommendations from Islamic leaders who attended the meeting.

## **c. PBNU Recommendations to the President**

In addition to participating in the formation of the AKIM and providing input regarding the diplomatic process to be carried out by the foreign minister, the PBNU was also invited by the president on September 5, 2017 to discuss the action plan related to the Rohingya issue after the foreign minister is doing diplomacy. At the meeting between the president and the Chair of the PBNU, several conclusions were obtained including the government asking NU to provide support related to the policies to be carried out by the government. The synergy between the government and NU is not only based on the large amount of time NU has but also on the active role shown by NU. This active role is illustrated by the election of NU representatives as AKIM chairmen [16]. Considerations given by NU can be a form of influence given by interest groups in influencing policy makers in determining a country's policy.

## **CONCLUSION**

This research concludes that interest groups carry out demonstrations as a way to influence the government to raise this issue into a policy and concrete action. Whereas the attitude statement was carried out by institutional interest groups namely political parties including PDI Perjuangan, Golkar, Gerindra, Democrats, PAN, PKB, PKS, PPP, Nasdem and Hanura. The attitude statement is also carried out by associational interest groups which are faith-based interest groups. There are six national interest groups that provide stance statements regarding this issue. The group included the Association of Indonesian Muslim Scholars (ICMI), the Indonesian Buddhayana Family (KBI),

Muhammadiyah, the Indonesian Ulama Council (MUI), the Nahdatul Ulama Executive Board (PBNU) and the Islamic Student Association Alumni Association (KAHMI).

Submission of recommendations on policy alternatives is also carried out by interest groups. Recommendations in policy making which are divided into three groups include recommendations for the establishment of the Indonesian Humanitarian Alliance for Myanmar (AKIM) initiated by Muhammadiyah which then invited 10 philanthropic groups to jointly become a forum for the collection and distribution of humanitarian aid. The AKIM was formed a few days after the statement made by PP Muhammadiyah. AKIM is chaired by the PBNU.

Indonesian humanitarian diplomacy cannot be separated from recommendations from invited interest groups the day before the departure of the foreign minister to the Rohingya. Several representatives from the Islamic groups present included the Islamic Student Association Alumni Corps (KAHMI), the Executive Board of the Nahdatul Ulama (PBNU), the Muhammadiyah Central Executive (PP Muhammadiyah), and the Indonesian Ulama Council (MUI). Representatives from each of the Islamic groups who attended the meeting included Akbar Tandjung and MN Kahmi Mas Subandriyo from KAHMI, Prof. Dr. Anwar Abbas from PP Muhammadiyah, Prof. Dr. KH Said Aqiel. S from PBNU and KH Muhyidin Juned from MUI. This meeting produced five recommendations from Islamic leaders who attended the meeting.

Another recommendation made by interest groups was the recommendations given by PBNU directly to the President. The conclusions obtained included the Government asking the PBNU to provide support related to the policies to be carried out by the government. The synergy between the government and PBNU is not only based on the large amount of time that PBNU has but also on the active role shown by the PBNU.

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# LEGAL ASPECTS OF ORAL LITERATURE AS A CULTURAL ART IN SOUTH SUMATRA

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## Abstract

Speech literature is part of a culture that grows and develops in the midst of a community that is folk art (traditional culture expression of folklore). Performances are performed in Malay for traditional parties, big celebrations, or other events. Through speech literature can provide a stronger understanding of the community, so that it can be used as an effort to create a harmonious society not only at the local, national scale, especially at the international level. Indonesia, Malaysia, Brunei Darussalam, Singapore and Thailand are categorized as countries that have the most in common, especially in terms of language and literature for the Southeast Asian region. But today with various influences including the influence of modern technology has resulted in changes in all aspects of life. One of these changes is reflected in the changing view of society which considers Oral literature as an ancient tradition or culture. So now the speech literature is only performed at traditional parties, certain times, or at certain festivals. This is reflected in the Sriwijaya Festival which is held once a year in South Sumatra Province, Indonesia. This celebration indicates that the existence of spoken literature is now something that is a step and is hard to find. Then coupled with the existence of speakers who are elderly and many have died, while the younger generation is not interested in developing it. If the wealth of tradition is truly extinct, the people of South Sumatra will lose the cultural roots that can shape the character of their society. So as one of the high-value assets, the community and local government should work together to protect, protect and preserve it. Therefore the authors feel the need to conduct research with the aim of providing protection in the legal aspects so that what is a regional cultural asset, especially South Sumatra can be protected, Related; with the Literary Legal Aspects of speech as an art and culture of society in South Sumatra.

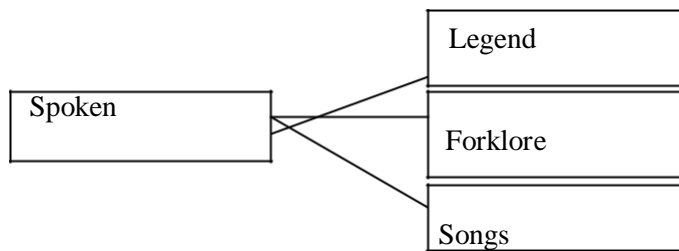
**Keywords:** Oral Literature, Culture, Stories, Traditions, Wisdom.

## INTRODUCTION

Literature is inseparable from human life because literature is a form of author expression for life that occurs in social life and as an evaluation of life. In the life interaction, people gain experiences, so that these experiences generate positive and negative values that have an abstract conception of what is good and what is bad [1]. The explanation above also explains that the experiences that exist, humans can share with each other and in the end, the experience can be expressed through literature.

Based on the form or the existence, literary work consists of content and form aspects. The content aspect is the experience of human life meanwhile the form aspect is things related to the way of use, the way of author uses language to accommodate the contents of the literary work. Based on the understanding of the aspects of form or existence, literature can be conveyed orally and in writing. Delivery of literature by orally or in speaking can be directly expressed from mouth to mouth while the delivery of literature in writing is expressed through written language. Disclosure of oral literature in society is always done with amazing creativity which of course is aesthetic, symbolic and metaphorical [2].

## Schematic I. Delivery of Spoken Literature



Oral literature is part of a culture that grows and develops in the midst of a community that is folk art (traditional culture expression of folklore) [3]. Culture or what is called civilization, contains a broader understanding that includes understanding the feelings of a complex nation, including knowledge, beliefs, arts, morals, laws, customs (customs), and other traits that are obtained from the community [4]. Culture is a reflection of people lives, perspectives, behavior, said certain communities that show the identity of the community itself.

Likewise, spoken literature is essentially an oral tradition that is owned by a group of people who usually tell the socio-cultural conditions of the people that exist in that community group. So that its existence is considered as one of the cultural symptoms found in educated and uneducated societies.

Oral literature can be expressed in terms of form and content to enrich the nation's cultural treasures. Disclosure of oral literature in Indonesia has the advantage of being able to show the diversity of cultural treasure and create mutual understanding among ethnic groups in Indonesia through the values contained in the oral literature. For certain regions oral literature functions as a means of disclosure of socio-cultural values and life in the area.

Similarly, in the ASEAN level, literature has become the best communication means to get to know and familiarize one another between nations that are members of ASEAN. Oral Traditions Association (ATL) in collaboration with Department of Culture of Riau, held the ASEAN Oral Tradition Art and Literature Festival in Pekanbaru on December 10th-13th, 2018. This event featured various oral literary treasures in ASEAN [5].

This festival is an event to unite the ASEAN community through literature whose development has diversity and each variety has many variations as well. Its contents may be about various events that hold or the culture of the literary owner community. Basically literature for the people of Indonesia, especially those living in rural areas is daily reality. Literature and writers are not a foreign phenomenon that is separated from the daily life of the people [2]. Thus, it can be explained that the development and growth of literature that lives in society is basically something that is inseparable from the activities and society daily routines.

The life of spoken literature in Indonesian society today has changed according to the dynamics of the life of the community of its literature. Some of the spoken literature has been lost because it was not documented. While those which can be saved, both those which have been saved through past and present research and those that have not been studied, there are those that still exist, but there are those which run into changes in the literature. There is a form of speech literature that is still maintained without change, but there is no lack of examples that prove that oral literature has changed due to intrinsic dynamics or due to the influence of foreign literature. The existence of speech literature needs to be considered from matters relating to geography, history, beliefs and religion, as well as all other aspects of culture.

In addition, the influence of modern technology also causes changes in all aspects of life. One of these changes is reflected in the changing views of people who consider the first spoken literature as something that is ancient or traditional [2]. This statement means that the mastery of literary copyright or enjoying literary works today is no longer a benchmark in assessing people position in society and also is no longer considered a sign of educated people. In fact, the existence of literature is considered

unable to provide added value in the lives of people in Indonesia. This is also in line with the absence of literary teaching in schools that shows the existence of a basic policy to familiarize regional literature to students. Learning in the school is limited to briefly explaining the definitions of literary theory. So that in general the world of education in Indonesia has experienced a cultural inferiority complex having a sense of inferiority from other nations [2].

The above statement explains, that benchmarks of a person are no longer associated with the literature that he mastered. So even if someone has the expertise in displaying the literary works they have is not an added value for themselves. Then the more difficult development of literature, especially oral literature in society today, because the education system in Indonesia indirectly has not instilled the importance of the values and development of oral literature for students. Whereas the problem of education and its development is essentially determined by the prevailing socio-economic system and is not determined only by teachers or educational institutions. Students not only learn from the natural and social environment but students also learn from previous students [6]. The above statement explains that incorporating literary education into the education system becomes something very important, because students can know and learn from oral literature that has been revealed by previous literary experts. So that the development of oral literature will not be lost and influenced by foreign cultures.

The effort to preserve oral literature as cultural treasure in Indonesia needs to be carried out because the changes and loss of variety of oral literature will never stop. This can lead to the extinction of oral literature in an area. Along with the extinction of oral literature, the cultural treasure contained therein will also become extinct. South Sumatra as one of the provinces in Indonesia not only has natural resources, but also has cultural, language and literary treasure.

Spoken literature in Palembang is known to be in the form of fairy tales and *nenggung*. Then in several other areas in South Sumatra, such as the existence of *Rejung*, *Guritan*, *Betadut*, and *Tangis Ayam* in Lahat and Pagaralam. The Ogan Komering Ulu reGENCY is famous for *Bujang Jelihim*. Ogan Komering Ilir is famous for *Jelihiman*, *Bujang Jemaran*, and *Nyanyian Panjang*, and Musi Banyuasin is famous for *Senjang*.

Nowdays spoken literature is only performed in traditional party, certain times, or at the Sriwijaya Festival which is held once a year. In addition, there are no more literary performances. Spoken literature is the art of storytelling, which has been spoken among the people of South Sumatra since hundreds of years ago. The literature contains stories that are filled with local wisdom values, told by a speaker with or without musical instrument. Performances are performed in Malay for traditional parties, big celebrations, or other events. However, the existence of spoken literature is now something that is a scarce and is hard to find, because there are many elderly speakers who have died, while the younger generation is not interested in developing it.

If there are no action to save and preserve, local culture with life values will become extinct and remain history. Literature observer, Latifah Ratnawati, revealed that currently school teachers rarely understand speech literature, such as the Bujang Jelihim story from the Ogan Komering Ilir area, the story of Putri Dayang Merindu from Palembang, and the fairy tale of Putri Pinang Masak. Based on surveys that have been conducted, only 40 percents of the approximately 100 elementary school teachers in South Sumatra know the names of traditional literature. In fact, these works have lived in the South Sumatra community for hundreds of years ago, she said.

If the treasure of tradition is truly extinct, the people of South Sumatra will lose the cultural roots that build their character. As one of the high-value assets had by the community, the community and the local government should work together to keep, protect and preserve it. The values contained in spoken literature can be used to transmit local wisdom to the younger generation. Therefore, the authors feel the need to conduct research with the aim of providing protection in the legal aspects so that what is a regional cultural asset, especially South Sumatra can be protected, with the title "Legal Aspects of Oral Literature as Cultural Arts in South Sumatra".

## RESEARCH METHOD

This study uses a descriptive qualitative approach that is limited to an attempt to express a problem or situation or event as it is, furthermore it is finding facts and provides an objective description of the actual condition from the object of the study [7]. Using qualitative study aims to express qualitative information so that it emphasizes the problem process and meaning by describing a problem.

In this study, the technique used by selecting informants with purposive sampling method, that was, informants who are deliberately chosen or point directly to people who are considered to be able to represent population characteristics. The use of this technique always has specific considerations, namely study must have knowledge about certain characteristics that have been obtained from previous populations [6]. One type of this technique is purposive sampling, which is a sampling technique that is used intentionally or directly points to people who are considered to be representative of population characteristics. The use of this technique always has knowledge of certain characteristics that have been obtained by the population before. Decision of informants or interviewees in this study using purposive sampling technique, namely informants or interviewees chosen based on consideration or subjective research from study.

## RESULT AND DISCUSSION

### a. Oral Literature of people in South Sumatra

#### 1. Oral Literature of People in South Sumatera in form of folklore

Come from Ogan Komering Ilir Regency, South Sumatera entitle; Tinggi-tinggi Kendung.

This story was told by H.M. Kafen native teller as quoted by Saudi Berlian in his book [9].

In long time ago, there lived a mother with a pair of sons and daughters. They lived in the village near the forest and near the farms, his father had passed away long time ago. Their poor lives encouraged the mother to be forced to work and to make a living for their lives as a family. While the children were still small and had not been able to help in making a living. One day the mother left the house with the aim to look for side dishes to eat, while the rice was cooked. Then while packing to leave the mother advised the two children,

Lovely kids, I want to go farm to get side dishes to eat. Rice in its rice cooker do not eat yet, just wait until I come back, we eat together. Hopefully, we get fish or any other vegetables (Their mother)

Okay, Mom. Yes, don't come back too long mom. (Her children)

After the long conversation, the mother went to the farm while her two children played along the road to the farm around the cottage as well. While playing, they found puo wood that looks like rice. Then the two children brought the puo wood home, and the fruits were scattered in various places like rhyme (like rice grains). It took so long for her mother to go to sleep so they slept. Not long after the two children fell asleep, his mother returned from the farm and saw white grains scattered on the floor. The mother thought the two children had broken the message, and had eaten rice in the rice bowl in the kitchen that she had cooked.

Dears, why do you eat the rice first? It is impolite dears! I had told you all that do not eat the rice before I come back, yet you both still eat. (Mother)

The mother without asking initially and immediately got angry and did not hear the defense of both. Even with that belief, the mother immediately took the bamboo beat her children who were considered naughty.

Having felt safe, his mother was no longer angry, the older brother said to his sister.

My little sister, Mom was really mad to us. Did not she know what we ate was not rice? (Older brother)

Yes, it is true, I had said what we ate was not rice, yet she got more angry. Let us see, my body was livid and bruised after hitting by mom, she was too much angry or even she felt regret later. (Little brother)

The two brothers left the house to explore the road to the farm while stroking the wound to relieve pain. Both of them sat and slept both under the tree, still felt hungry. Meanwhile, after the child went and checked the rice in the place where the rice did not decrease, the mother realized that her actions were wrong.

Spoken from her mother lips.

Yes it is true, this rice cooker was not opened yet, it was far from them to eat rice. Where were they, of course they felt hungry. Where they played. (Mother)

The mother murmured self-regret, in that regret also the mother rushed uncertain direction to find her two children, while calling them.

Dears, oh my dears, where were you dears, let us go home. We ate together. (Mother)

She repeated the call until she met a man, then the mother asked.

Were there among you saw my two children, one male and female? (Their mother)

If both children, male and female that I saw, they slept under the Kendung tree. (People)

Answer the man while pointing at the tree that he meant. Meanwhile under the kendung tree the two children had just woken up from sleeping. While talking about the dream they had at bedtime.

Dear little sister, I dreamed of a person who climbed highest this Kendung tree. How beautiful a view saw from the high Kendung tree.

My older brother, I dreamed too that we could ask the middle tree wood for a ladder to get in the peak and we had to call the wood. (Little sister)

How do we call the wood? (Older brother)

The little sister asked his brother to climb into the tree after the two of them sat on the wood, then the little sister called the tree in the way she had in her dream earlier.

The rhythmic call:  
High-high you Kendung

Kendung in shoot along road home  
Puo fruit thought rice  
Broken bamboo broken bamboo in head

Broken all wooden shoots (They repeat regularly)

With a melodious voice and very soft song, it continues to be spoken. Sure enough, every time he uttered the song, the kendang wood level by level like a ladder. The brothers alternately called to each other, and the longer the tree carried the higher the two. Meanwhile the mother after learning that her two children were sleeping under a kendang tree, immediately went there to find them to take them home. But when he arrived, the mother was surprised to hear the sound of her two children songs shouting. There was a faint sound above. Then the mother shouts;

Oh my dear children, Oh my dear children, Oh my dear children, go down from the high Kendung. Here was rice turmeric baked chicken; we eat together and mom was not angry more. (Their mother)

Hearing his mother call, the child alternately answers from the tree. With a heartbreaking voice and rhythm, the voices of the two children heard again;

The rhythmic call:  
High-high you Kendung  
Kendung in shoot along road home  
Puo fruit thought rice

Broken bamboo broken bamboo in head  
Broken all wooden shoots (They repeat regularly)

The mother then cried and kept calling her two children until tears ran down the scarf she was wearing. Although the mother voice was hoarse and unclear, it was still answered by the two children with the same answer as before. The only answer that heard was slashing songs that were getting fainter. After the top of the kendang tree could no longer be seen from below and the voices of the two children were no longer heard the mother fainted, unconscious because drowning in her own tears. When the kendang tree reached the border of the sky, it hit a kind of hard and impenetrable wall. Said the oldest of the two brothers.

My dear little sister, oh my dear little sister. (Older Brother)

Yes, my dear older brother, why? (Little sister)

Just we could get to sky perhaps we made hole the sky, yet by what we made hole it?

There was a bird, perhaps it was Eagle bird.

Tried calling, perhaps it could help us.

So her older brother called the eagle bird, eagle, gle,gle,gle, let come here. We asked for help awhile,

Oh gle brotherhood,gle brotherhood, where were you my brotherhood?

If I could, I helped (Eagle)

After finding, eagle bird came to both siblings, said younger; oh my brother, eagle, gle,gle, we asked for your help to hollow out the sky because both of us wanted to come in. (Older brother)

Hi my brother, perhaps I could help both to hollow out the sky. Yet, both of you could not fit to come in. Yet, for a person I could help to hollow out it. (Eagle)

Then the sky was pierced by eagles little by little, after the hole was big enough and could be passed, the eagle returned.

Hi brother, how about your consideration this sky could come in two people. So who between us forcefully separated. Who wanted, who would stay out. How we could go down. (His little sister)

Hi my lovely little sister, it was hard to say yet it was a must to say and we could not stay longer here. If this wood would turn down too and after that we turn down and separated too. I was sincerely okay to come in the sky and want to be moon. (Older brother)

It can be told by the story:

That there is one family who lived in the village and their home was far from luxury. The family consisted of a mother and two children, one boy and one woman. Since the departure of his father, his mother was the backbone to support his children. But one day a mother was very angry with her child, because the child did not obey what he had ordered. So, the two children were disappointed, they assumed that his mother no longer loved him. In the end the two children left the house, they went walking along the rice fields. Then they ascended into the sky with the help of the kendang tree to reach the sky door. After that, there was an eagle who gave help to open the sky door. Then the sisters of the two brothers entered. However, the hole in the sky was too small and only enough for one person, so his brothers could not enter the sky, so they had to separate. So his brother had to go down to earth and become a bird who always missed his sister and who had become the moon.

## 2. Oral Literature of people in South Sumatra in form songs (senjang)

From Regency of Musi Banyuasin Propinsi South Sumatera entitled; Linjang Tagantung

Creator: Aminin Trio Amigo

Source: wandijeger.blogspot.com

Feat:

Let us go to field... luckily there is ripe banana..,  
meanwhile cutting corn and taking galangal under banana in home field

Let us sound Senjang..

happy playing kidding

Male:

Uncles, older brother and sister, lovely little brother and sister are happy, yet do not forget Chili in field, plan in row closed to corn,

Banana row closes to corn, field is not in order to not share to eat

Female:

Hi little brother, lovely brother, what changed to very loved dependently, if can not, please help older brother

Here is older brother acting,  
Corn in planting, growing earlier than changing  
Taking tool for cooking vegetable, by sailing fish in river

Male:

Hi older brother, well brother, when you will change

Your money run out, try to think that is why recover to falling love to other woman  
So that is why I make field and follow long farming  
How lucky you get rice grains  
Cut the wood by using knife

Female:

Here is me, broken thought caused following this loving matter, leaving man got married, how open your nose hole,

Native language.. open field.. hope to get grain.. pulut grains aghang grains.. if house does not have fence what result will get, moreover when plant

Male:

Language best friend is hopping later we get engagement, losing money, girlfriend goes, getting wrong perception to girlfriend, appealing sad feeling

Staying home.. I feel sad furthermore staying close neighborhood, even not to cage when it could be eaten, moreover many pigs..

Female:

Having boyfriend feels affraid... we love, he doesnot feel same, having three times were broken heart.. when will get couple...

When feeling affraid.. joining in field.. when will get rice.. native field, willing to cut the grass.. fort field, farm in valley, grass to be thatch..

Feat:

If feel affraid.. about adoring.. someday will get partner..

Having dating all time.. uncertainty to be couple.. fit to hope... moreover there is no alike..

Planting let planting.. planting in field fort.. planting rice planting close to cage grass... adoring, when adoring.. could sleep at night.. adoring person, adoring forever, you will get broken hip

#### **b. Implications of South Sumatra's oral literary legal aspects to the people of South Sumatra.**

The legal aspects of the Oral Literature of the People of South Sumatra in the form of folklore from Ogan Komering Ilir Regency, South Sumatra Province, with the title "Tinggi-tinggi Kendung" has provided legal education to the people. Prohibition of accusing without evidence to anyone. In the criminal law explained, that an accusation that is unfounded (without evidence) can be said as slander. This act has fulfilled the elements of Article 311 paragraph (1) of the Criminal Code (KUHP):

Whoever commits a crime of blasphemy or blasphemy in writing, in the case that he is allowed to prove his accusation, if he cannot prove it and if the accusation is committed is known to be untrue, convicted of defamation with imprisonment for a period of four years.



The elements of Article 311 paragraph (1) of the Criminal Code are:

Someone;  
Insulting others both orally and in writing;

The person who accuses cannot prove his accusation and if the accusation is found to be untrue.

Oral legal aspects of South Sumatra Society in the form of songs (*senjang*) from Musi Banyuasin Regency, South Sumatra Province, with the title "Linjang Tagantung" has provided lessons in the form of valuable advice to the public, especially young men and women who are not married. Through the chanting of the gap, it is taught, that, first; do not expect too much from something that does not necessarily happen. Second; be a person who is good at being grateful and sincere about whatever happens.

## CONCLUSION

Based on the explanation above it can be concluded, that oral literature which is a cultural art of people in South Sumatra, has provided valuable lessons for the people of South Sumatra in particular. As illustrated in one of the stories sourced from the people of Ogan Komering Ilir Regency, South Sumatra Province. With the title "Tinggi-tinggi Kendung". This story gives a message and at the same time contains legal elements in it, including the prohibition of accusing without evidence to anyone. In the criminal law explained, that an accusation that is unfounded (without evidence) can be said as slander.

Apart from oral literature in the form of stories in South Sumatra there is also literature in the form of songs, for example from Musi Banyuasin Regency, South Sumatra Province, known by the term "Senjang". The gap is sung by two chanting interlocking singers. Typically, the chanting contains messages and advice to the community, such as the gap with the title "Linangang Tagantung" which has provided lessons in the form of valuable advice to the public, especially young men and women who are not married. Through the chanting of the gap, it is taught, that, first; a young man and woman Do not expect too much from something that does not necessarily happen. Second; be a person who is good at being grateful and sincere about whatever happens.

## Suggestion

For the Government, it should be more active in socializing the arts and culture of the people, especially in South Sumatra, not only staged at certain times but must be more extra, so that the arts and culture of the ancestral heritage will not be lost in the era of eating. For art and culture practitioners must be more active in embracing the next generation who cares about art and culture.

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# ASEAN RESPONSES TO EXTERNAL CHALLENGES FROM THE COLD WAR TO INDO-PACIFIC: DOES ASEAN STILL PLAY A PIVOTAL ROLE?

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## Abstract

This paper discusses how ASEAN responds to its international environment by specific reference to the concept of ASEAN centrality. The approach that has been used to explain the centrality of ASEAN, namely neorealism and constructivism generally emphasizes just one aspect, either external or internal. Therefore, we need an approach that can see how the two elements are filtered by ASEAN decision-makers to respond to the developments in the region. We argue that neo-classical realism can fill this gap. From neoclassical realism approach, the accomplishment of ASEAN centrality is largely determined by the ability of decision-makers to formulate attitudes and positions in a solid manner in facing challenges and opportunities in the international structure. Failure to formulate joint responses solidly can result in the ease of ASEAN members being infiltrated by outside interests.

**Keywords:** ASEAN, Indo-Pacific, neo-classical realism, norms, identity

## INTRODUCTION

This paper attempts to discuss how ASEAN responds to its international environment by referring to the concept of ASEAN centrality. In the ASEAN Charter, ASEAN Centrality has become a target that must be pursued. In the Charter it is mentioned "To maintain the centrality and the proactive role of ASEAN as the primary driving force in its relations and cooperation with its external partners in a regional architecture that is open, transparent, and inclusive" (Article 1.15). It also emphasizes "the centrality of ASEAN in external political, economic, social and cultural relations while remaining actively engaged, outward-looking, inclusive, and non-discriminatory" (Article 2.2)[1]. The goals to become central is important, but their realization, in the view of this paper, depends on external and internal situations. Although some observers such as Acharya said that the task of ASEAN Centrality was initially considered by some members to be too ambitious[2], in the period observed in this paper namely during the Cold War, the Post-Cold War and Indo-Pacific era, the role of ASEAN centrality in its region is not something that cannot be achieved.

The issue is how and under what circumstances ASEAN can be said to be successful in playing its central role and in what situations the centrality experiences difficulties. This paper argues that the success of ASEAN centrality is determined by the creativity of ASEAN decision makers and the condition of its external environment. ASEAN's central role will be strong if there is unity within ASEAN members in formulating the challenges it has to face in the region.

This paper follows this structure. First, in the method and literature review section, we will discuss the approach to capture ASEAN response patterns to international challenges. Second, in the results and analysis section, the paper will look at ASEAN responses on a case-by-case basis and the difficulties faced by ASEAN when it deals with issues that are still volatile both inside and outside its region.

## LITERATURE REVIEW

Although already contained in the Charter, a clear definition of ASEAN centrality is debated. The term is often exchanged with the leader, the driver, the architect, the institutional hub, the vanguard, the nucleus, and the fulcrum [2]. Caballero-Anthony said centrality means to be a node in a network cluster. ASEAN plays a central role in setting the agenda in the regional institutional architecture, which includes great power [3].

Meanwhile, Acharya said that the centrality of ASEAN is that if it plays its traditional role as a regional consensus-builder between conflicting big powers in its region [2]. In this case, ASEAN can play a role as norm entrepreneur. According to Surin Pitsuwan, that role must also involve substance of how the region should cooperate [4].

From these various views, there are at least four meanings of ASEAN's central role. First, it is a node in an institutional network. Secondly, it becomes norm-builders, especially when there is conflict. Thirdly, it must determine the substance of cooperation in the region. Fourthly, ASEAN must become a driving force.

Departing from these characteristics, this paper attempts to see how the application of the ASEAN centrality in the three different periods, namely the Cold War, the Post-Cold war, and the Indo-Pacific era. These three periods were chosen because they have different characteristics one and another.

In our study, several theories and writings that explain the centrality of ASEAN, have their limitation to grasp satisfactorily how ASEAN responds to its international environment. In this literature review, we try to look at the limitations of these approaches and offer a more comprehensive approach based on the Neo-Classical Realism (NCR) approach.

ASEAN's response to its international environment is often seen from one side only, namely internal aspects of ASEAN or external aspects in the form of international pressure on ASEAN [5]. Internal aspects, for example, are explained by constructivists who emphasize on how ASEAN can form norms of cooperation, collective identity and the security community [2] [6] [7] [8]. Constructivists argue that ASEAN shared norms have strengthened ASEAN unity and cooperation [9]. ASEAN's collective identity is indeed essential in relating or responding to international development, but it is not the only factor. Although there is a strong and robust identity in ASEAN, if the international situation is not conducive, then the centrality of ASEAN will not work well.

Conversely, approaches that emphasize external factors such as explained by neorealism saw the importance of international structures in determining state behavior [10] [11] [12]. International relations are determined by the capabilities of large countries, while countries with small capabilities cannot do much in dealing with that international structure. International structures based on capabilities create, for example, bipolar, multipolar, and unipolar structures. These structures largely determine the choice of the behavior of small countries. Even, Jones sees that ASEAN's activities are not so relevant in such context and only imitates what has been done in the European experience as an organization amid big powers rivalries [11].

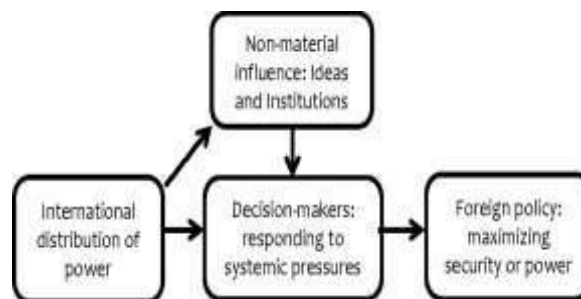
Neorealism theory cannot fully capture the dynamics of ASEAN in responding to its environment. Although it is a group of countries with small military capability, ASEAN countries have their ways to compromise and fight for their interests to make their region free from foreign interference. The institutionalization of the norms of cooperation that they have done not only succeeded in reducing tensions among themselves but also made ASEAN the only organization that was ready with the institutional mechanisms of cooperation in the Asia Pacific. ASEAN succeeded in expanding dialogues with several countries in the region in several forums such as EAS, ASEM, ARF, ASEAN+3, APEC, and ASEAN-PMC. As such, ASEAN can play an important role even though it does not have the capabilities of big countries. In this context, neorealism cannot fully explain the dynamics of ASEAN.

With this background in mind, we need an approach that can explain both external and internal aspects in understanding the dynamics of ASEAN centrality and how both aspects interrelate.

Understanding these two aspects can open up opportunities for understanding the strength of the ASEAN centrality. Only by looking at ASEAN's identity, we cannot see how that identity plays a role in the context of international pressure. In contrast, using the neorealism approach, we ignore ASEAN's role and efforts in the region [13].

Neo-classical realism is expected to bridge the above gap. It is called classical, because like classical realism, it concerns the state as an individual actor in international relations with all the attributes and elements of its national power. On the other hand, it does not neglect the aspect of international capability distribution described by neo-realism.

It needs to be understood here, aspects of the international structure in neorealism approach do not directly affect the behavior of the state, but it passes through the intervening variable, namely the decision makers in a state. They are actors that exist in the middle of these two environments. Decision-makers in a country try to understand the limitations and opportunities in both their external and internal environments. Their perceptions can also be shaped by the historical experience, identity, and strategic culture inherent so far. The following table shows the flow of how external factors and identities are interrelated in shaping foreign policy [14].



In the scheme above the assumption of neorealism is still used, but it does not directly affect foreign policy. The distribution of international power must go through a domestic process in a country where decision-makers, based on their identity and experience, try to adjust and look for opportunities that benefit their country's interests.

## RESEARCH METHOD

Research for the writing of this paper was carried out through a literature review of media, news, academic views, and various documents. The authors also conducted interviews with experts. We attempt to trace back how ASEAN faced international pressure during the Cold War by reviewing the available literature, putting it together in the theoretical framework used. Such historical analysis is also carried out in the subsequent periods covered in this study. An analysis of identities and norms is done by tracing the writings on the establishment of a security community in ASEAN, the expansion of ASEAN members and in how the ASEAN norms are adopted by new member countries. Interviews, in particular, were conducted to strengthen the understanding of ASEAN centrality.

## RESULT AND DISCUSSION

The results of the research and analysis presented here are made chronologically according to the periods discussed to facilitate the comparison of ASEAN centrality. In the Cold War period, ASEAN (which still consisted of 5 non-communist members) was worried about the increasing threat to their security interests with the fall of Indochina into communist hands followed by the Vietnamese invasion of Cambodia in 1978. Indeed, the international environment at that time was bipolar and indeed easy to assume that ASEAN's policies against Vietnam intervention in Cambodia were part of the influence of the international system [15].

On the one hand, there was indeed such an indication. With ASEAN's weak capabilities, it would be effortless for ASEAN to ask for military support from the West as happened with other regions such as Europe under NATO. But ASEAN from the very beginning had declared its territory to be free from influence and interference by outside forces in the concept of ZOPFAN [16].

Vietnam's invasion of Cambodia pushed ASEAN even further to declare the principle that the resolution of problems in the region must be carried out through ASEAN ways that use a peaceful path. In the ASEAN Treaty of Amity and Cooperation (TAC), it emphasized that in addition to the principle of non-intervention and respect for the sovereignty of other countries, there is also a statement that the use of threats or violence in solving problems between countries must be abandoned [16].

ASEAN then made active diplomatic efforts to reject the invasion of Vietnam in Cambodia [17] [18]. This diplomatic pressure was indeed considered ineffective and doubtful and took years to process, starting from the Vietnam invasion of Cambodia in 1978 until negotiations began in the late 1980s. This ongoing effort through diplomatic pressure also gradually showed results.

After Vietnam withdrew from Cambodia and recognized the principles of ASEAN TAC, there was no reason for ASEAN not to include this country as ASEAN members. This is also part of realizing the ideals of One Southeast Asia. ASEAN would likely feel more comfortable if they stick with their old membership because they had built mutual understanding and shared identity. But apparently, ASEAN continued to spread its wings. ASEAN's action certainly also paid attention to international developments after the End of the Cold War in which the communist threat was considered to have ended with the collapse of the Soviet Union.

In this stage it was seen that ASEAN decision-makers succeeded in making a solid joint stance against the invasion of Vietnam in Cambodia. They are also in a conducive international system where Western countries are also very worried about strengthening the influence of the Soviet Union through Vietnam in Southeast Asia. In the NCR analysis, we see that the international structure does not directly affect ASEAN, because ASEAN has its own choice in responding to the situation, namely by making diplomatic efforts to resolve disputes with Vietnam. They are actually worried that Western military involvement in Southeast Asia will only make the situation of the region more complicated.

The ASEAN diplomatic pressure received support from Western countries and the US, and in international forums, Vietnam was isolated and finally accepted a resolution through negotiation. This ASEAN effort finally paid off when the Paris agreement was held in 1989 which later gave birth to the UN Transitional Authority in Cambodia (UNTAC) to help the process of transitioning power and elections in Cambodia [19].

ASEAN's response to the Post-Cold War international environment also showed the dynamics of external influences and internal ASEAN's reactions and perceptions on its environment. Politically, the End of the Cold War left the US with no more enemies, and the world system was known as unipolar [20]. Some academics like Fukuyama refer to this situation as the end of history where the world has come to an end because the liberal ideology and democracy have won battles with other ideologies [21]. The principles of liberal democracy and human rights then come to the attention of the US and the West in international relations.

ASEAN countries reacted fairly strongly to the international pressure on human rights, based on the belief that they had sovereignty and autonomy as independent countries. They used this justification of international law to resist Western pressure on democracy and human rights in Southeast Asia. This view was widely criticized because ASEAN was considered to apply 'negative sovereignty.' According to this criticism, ASEAN took refuge by using the principle of sovereignty to resist international pressure and did not really try to address the real problems of human rights and freedom as it was supposed to be as sovereign states [22].

ASEAN members developed their own principles and ideas about human rights and democracy. They, for example, emphasize that the application of human rights must be following the context and

situation in their country. They also stressed at international meetings about Asian values that differed from the West as a basis for governance and democracy. We were familiar with the term Singaporean school, who was keen to develop such a view [23]. In Singapore, Malaysia, and Indonesia, claims of local values were reflected in the claims of the importance of Asian values and of their own democracy models such as Pancasila democracy [24].

ASEAN at that time was solid enough to face Western pressure, because of the common interests of each ASEAN country which at that time had not carried out political reform. Indonesia was still under the authoritarian regime of the New Order, Singapore, Malaysia, and the Philippines were often seen as semi-authoritarian regimes that were still repressive to their citizens despite holding relatively safe and open general elections. The elites in these countries agreed that a drastic change would make their country unstable and chaotic. They often gave examples of the failure of a fully democratic system in the world, such as in Sri Lanka and Lebanon. In this context, they also saw China as an ally in the context of resisting human rights and democratic pressure from Western countries [25].

Even so, ASEAN countries recognized the limitations they had in relations with Western countries. These ASEAN countries depend on Western countries in the economic and industry as well as in financial assistance. A good relationship with them is needed for the continuity of this collaboration. They then tried to accommodate the international pressure [26], as evidenced by the establishment of the National Human Rights Commission in several ASEAN countries such as Indonesia, Malaysia, Thailand, and the Philippines [27] [28]. International pressure was particularly strong with regard to human rights violations in East Timor which made Indonesia had to make a fact-finding mission to look for perpetrators of human rights violations there.

ASEAN also made changes in its organization by declaring ASEAN Charter, People-Centered ASEAN, ASEANCommunity, and ASEAN Intergovernmental Commission on Human Rights (AICHR). Some ASEAN countries such as Indonesia and the Philippines are pushing for greater openness and want the formation of a stronger AICHR [29]. This process shows that the external conditions also affect domestic conditions in ASEAN.

Changes in the international environment subsequently occurred in the Asia Pacific in the era called the Indo-Pacific. With the end of the Cold War, a decline in the US involvement in Southeast Asia had created a vacuum which is then filled by the presence of Chinese in the region. The strengthening of Chinese power was then responded by the US with countries that have the same interests as the US, namely Japan, Australia and India which are often referred to as 'the Quad.' These countries try to compensate for what they perceive as the rising threats of China, which, for example, began to control the South China Sea.

Strengthening of American power through cooperation with allied countries took place quite seriously. The US, for example, plans to place its weapons in Asia to strengthen its long-established military base in Darwin Australia. In a statement on August 2019, the US defence secretary Mark Esper clearly stated that the US will build new US bases and increase its ballistic missiles in Asia [30]. The US view is primarily to stem the expansion of Chinese influence both in the economic and political fields. Balancing efforts is one of the steps taken. During Trump's administration, the US continues to calculate which countries the US can approach to providing military assistance to contain Chinese influence.

The Americans put forward their conception of the Indo-Pacific region named the Free and Open Indo-Pacific Strategy (FOIP) which implicitly alienates China with the term free region [31]. In FOIP, it is said that the desired Indo-Pacific region is free and open. This, in other words, excluded China which is not really free country.

ASEAN is the last entity that can be said to have responded to developments in the Indo-Pacific. In contrast to the FOIP concept, which is very exclusive and isolate China, ASEAN develops the principle of inclusiveness. In the ASEAN proposal, the desire is for all countries to engage in cooperation in the region. The ASEAN Outlook on the Indo-Pacific (AOIP) consists of five components of collaboration namely integrating the Asia-Pacific Region with the Indian Ocean Region, then encouraging dialogue and cooperation rather than competition as it is now likely to occur

[4]. ASEAN also emphasizes development progress and prosperity for all and the importance of the maritime region in regional cooperation. The ASEAN-driven collaboration includes the fields of maritime, connectivity, sustainable development, and economy.

The appearance of ASEAN with its views is an effort to re-realize the centrality of ASEAN in this region, which for some time was a vacuum. ASEAN had the opportunity to begin the process of structuring the region in 2013 when the Indonesian Foreign Minister at the time, Marty Natalegawa proposed the Treaty of Indo-Pacific friendship and cooperation [32], but that did not go far because of Indonesia's reduced attention on ASEAN during the Jokowi first period of administration. Only at the end of his first term of administration, Indonesia took the initiative to propose AOIP, which became the platform for ASEAN's Indo-Pacific policy.

In current situation, ASEAN can occupy the position called the driver seat for dialogue in the region by providing various forums such as ASEAN+3, ARF and EAS. However, centrality should not mean just sitting as a driver. In this situation, unfortunately ASEAN cannot play more roles, because the region has dynamically changed with the increasing presence of China and the strengthening US coalition. This development has been anticipated differently by each ASEAN states without any ability of ASEAN as an organization to control it. Things that have been worried by Natalegawa in 2013 namely 'trust deficit, territorial disputes and strategic changes' [33], seems to be confirmed nowadays. AOIP is an attempt to coordinate ASEAN response but whether it is too late or not, only time will tell.

This is, in contrast, to a situation when ASEAN was actively playing its part in facing Vietnamese intervention or actively negotiating with the West in upholding human rights. ASEAN at that time not only tried to mediate but also seriously fought for their interests by filling in substantially the direction of cooperation in the region.

Moreover, regarding AOIP, not all ASEAN countries fully support this proposal. It is no secret; there are divisions in ASEAN. For example, countries like Cambodia, as seen in the ASEAN Summit in Phnom Penh 2012, gave support to China so that for the first time the consensus in ASEAN was flawed even though it was later bridged by Indonesia. This disagreement also occurred in Vientiane, Laos in 2016. The very close economic ties between China and the mainland ASEAN countries made the country take such a position (Interview with Herman Kraft 6 September 2019). Likewise, before the ASEAN proposal was submitted to the ASEAN Summit in Bangkok, Singapore felt that the AOIP proposal had not been sufficiently consulted with them [34].

In the face of the economically expansive development of Chinese forces in the world, including in Southeast Asia, ASEAN countries individually seek their advantages. They tried to seize opportunities from the development of Chinese economic influence through Belt and Road Initiative (BRI). Almost all ASEAN countries took the opportunity and became part of the big project. Even though there are countries like Indonesia that face great public pressure in rejecting BRI projects, overall, BRI shows the expansion of the Chinese economy. China has become a rival of ASEAN's traditional economic partners such as Western countries, the US, Korea, and Japan. Japan especially became very worried about China's aggressive move in the economic field, especially because some projects were given to China in several ASEAN members.

External and internal analysis of ASEAN in the Indo-Pacific era shows that ASEAN centrality is in an uncertain situation. If the centrality of ASEAN is measured by its ability to lead the dialogue process with existing forums, then ASEAN may still play central role. ASEAN also has also set up norms of relations that are generally adopted by ASEAN members, although the commitment to this matter is also debated at this time. These norms are also formally sought to become a code of conduct for countries in the region. But the extent to which the norm was internalized by countries outside ASEAN in the midst of increasingly intense competition in the Indo-Pacific requires further analysis. In short, whether ASEAN has concrete collective interests in dealing with developments in the dynamic Indo-Pacific is in uncertainty.



## CONCLUSION

This paper shows that ASEAN's response to the international environment can be more vigorously seen from the NCR approach, which accommodates both the external and internal environment. These two environments determine the centrality and active role of ASEAN. A conducive external environment and ASEAN solidity such as during the Cold War allowed ASEAN to play a central and contributory role to pressure Vietnam to withdraw from Cambodia. ASEAN was also able to unite in responding to Western pressures on human rights and democracy after the End of the Cold War. In both cases, ASEAN's solidity is quite strong, and this makes ASEAN's centrality very strong in responding to the situation in its international environment. In the Indo-Pacific era, ASEAN's common interests were not too solid. ASEAN still occupies the driver seat for the development of dialogue and norms in the region, but whether ASEAN can contribute substantially to the peaceful relations in this region is difficult to ascertain.

The NCR approach, in the view of this paper, can be said to be a synthesis of the continuing debates in seeing how ASEAN survives and plays a role in its external environment. The debate between neo-realism and constructivists originally began in 1980s between Michael Leifer in neorealist camp and Amitav Acharya from constructivist group. It continues today in looking at ASEAN centrality in this region. The introduction of the NCR approach is expected to create new insight that can reveal things that have not been revealed by the two approaches.

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# TRAFFICKING IN PERSONS LAWS AND BORDER CONTROL CHALLENGES IN MALAYSIA: ASEAN DISCOURSE

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## Abstract

Trafficking in persons is syndicated internationally and domestically to victimize illegal migrants and profiteer from it. They are vulnerable thus exploited as forced labour, for debt bondage and commercial sex while in their perpetrators captivity. A significant number of them are lured from ASEAN countries. Malaysia enacted the Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 (Act 670) (ATIPSOM Act), The Malaysian Border Security Agency Act 2017 (AKSEM) and other laws to prevent such activities. Malaysia also seeks cooperation from ASEAN countries to ensure effective border control. This study applied qualitative legal research methodology to unveil the challenges faced by the border security agencies and to examine Malaysia immigration policies and laws, to ensure peace regionally as ASEAN countries. The findings are (a) Trafficking in person victimize vulnerable people from Malaysia and other ASEAN countries. (b) Border control recognized ASEAN state sovereignty. (c) Border control in need of effective strategy and substantial monetary allocation, (d) Corruption among security officials have to be eradicated, and (e) Constant reviews on border control policies and laws can ensure State security. Similarly to other ASEAN countries, Malaysia is sovereign and entitled to enforce his fundamental right to prevent illegal migration via border control.

**Keywords:** Trafficking in Persons, Border Control, Malaysia Laws, ASEAN Discourse.

## INTRODUCTION

Trafficking in Persons is the second-largest and fast-growing criminal industry that victimizes women, men, and children. It involves the transnational and domestic process of recruitment and transportation across borders for profit through forced prostitution, bonded labour and involuntary domestic servitude.

They are hired illegally for cheap labour for sectors such as agriculture, construction, domestic work and manufacturing. Whereas young foreign and local girls and women are cheated and promised legal work but forced into the commercial sex industry [1]. Others types of TIP may include forced marriage or the extraction of organs or tissues for surrogacy and ova removal. The primary reason for the persistence of slavery as mentioned earlier is because the traffickers and TIP activities generate profits out of the victims' exploitation and misery [2].

According to 2016 International Labour Organization's (ILO) analysis, there are an estimated 40.3 million people throughout the world who are victims of either forced labour or sexual exploitation, and a significant proportion of this figure (81%) would be people subjected to being trafficked as a component of their exploitation. Almost 70 per cent of these victims are in the Asia-Pacific region. In 2018 United Nations Office on Drugs and Crime Report human trafficking victims are adult women (49 per cent), girls (23 per cent), adult men (21 per cent) and boys (7 per cent) [3] [4].

While in September 2017, the International Labor Organization (ILO) estimated that 24.9 million men, women, and children were victims of human trafficking around the world 71% of trafficking victims are women and girls and 29% are men and boys. They are reaped off their right to life, liberty, human dignity and security, right to freedom of movement, and the right against torture and/or cruel, inhuman degrading treatment or punishment. The traffickers earned an estimated USD\$150 billion annually in illicit profits worldwide [5]. The TIP victims are reaped off their right to life, liberty, human dignity and security, right to freedom of movement, and the right to be protected from torture and/or cruel, inhuman degrading treatment or punishment [4].

The reasons for their migration among others as identified by the United Nations (UN) are the demand as a major cause for trafficking to exist. Others include (a) poverty due to lack of education and lack of economic opportunities, (b) globalization that facilitates the exchange of goods, capital, and migrant labour that allow migrant to make conscious decisions cross-border but unaware or persuaded into accepting the risks of being trafficked at any phase of their migration, and (c) because of insecurity related to arm and political conflict [6].

### **Regional TIP Prevention Measures**

In 2015, leaders agreed to the Sustainable Development Goals (SDGs) to achieve fair, inclusive, and sustainable development by 2030. SDG 8.7 requests ASEAN members to take effective measures to end forced labour, modern slavery, human trafficking, and child labour. In 2018, 122 countries have criminalised human trafficking in line with the UN Trafficking Protocol (The Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children), while only 38 countries have criminalised forced marriage. The Protocol provide guides for member states to initiate preventive measures from abduction, fraud, deception, abuse of power and giving or receiving money for the recruitment of victims, transportation, harbouring, obtaining of a person for labour or services by using force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt-bondage, or slavery [7].

At the 45th anniversary of ASEAN-Australia Dialogue Relations (24 May 2019), ASEAN members acknowledged Australia cooperation efforts in human resource development, combating human trafficking, and counter-terrorism. Australia initiates a 10-year collaboration with ASEAN and provides \$54 million investment to enhance the criminal justice systems of ASEAN countries and counter human trafficking throughout Southeast Asia.

Their goal is to fulfil the ASEAN Convention against Trafficking in Persons, Especially Women and Children (ACTIP) initiatives as well as the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially women and children, which is a supplement to the United Nations Convention against Transnational Organised Crime [8]. The initiative signals Australia's continued commitment to engagement with ASEAN that was outlined in the Sydney Declaration in March 2018.

The UNDOC report stated that there is a —strong need for more effective recruitment and migration management systems for labour migration throughout Southeast Asia. All relevant stake holders from across government (e.g. police, immigration, labour inspectorate, social development, health, and education departments), civil society and the private sector need to be involved in preventing and responding to trafficking.

Regionally, governments need to reinforce the capacity of border authorities, to detect trafficking and protect victims, to provide more meaningful oversight, regulation and effective action to address the root causes and risk factors that increase the vulnerability of women, men, girls and boys. It is also significant that anti-trafficking responses are embedded into wider migration and development frameworks that promote safe migration.

Unless these systems and frameworks are supported, migrant workers will be vulnerable and prone to exploitation and trafficking at various phase of their migration process in different sectors of work. Thus there was a strong need for coordinated law enforcement and criminal justice action against trafficking that targeted the prosecution and conviction of criminals who exploit them [4]. Private sector must also play active role to improve the protection of migrant workers, raising awareness.

Governments too must take further initiatives to fully implement the Asean Convention against Trafficking in Persons, Especially Women and Children, as well as the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially women and children, which is a supplement to the United Nations Convention against Transnational Organised Crime.

Philippines become the source country and transit country for forced labor and sexual exploitation. Thailand is known for the biggest suppliers of forced labor when victims are trapped or sold in the country sex industry and in the Southeast Asia region and around the globe. The forced labourers came from the neighbouring countries such as Myanmar, Malaysia, Laos, Vietnam and Cambodia. While Laos similarly known as the source country of men, women, and children for the sex slave industry and the forced labor industry. They are sent to China from a transit country and involved in intensive labor with little pay. 70 percent of migrants from Laos are female and they work as domestic labor without labor protection [9]. Cambodia becomes the source country because of high levels of unemployment and poverty. Thus leaves the people at risk being trafficked. The women trafficked into sex trade while the men forced to work in the fishing, agricultural and construction sectors in many countries [9]. Myanmar under the military regime resulted in poor management of the economy and human rights abuse, exposing the citizen to human trafficking risk. Citizens are exploited in Thailand, China, Pakistan, South Korea and Macau [10].

### **Curbing Trafficking and Violence**

The 2019 U.S Department of State TIP Report using Victims of Trafficking and Violence Protection Act (TVPA) 2000, stated that Malaysia identified far fewer victims, investigated and prosecuted fewer cases, victim protection efforts remained largely inadequate and some rehabilitation services such as medical care, telephone calls, freedom of movement and issuance of work permits were inconsistently implemented. There are many reasons for TIP conducted by the traffickers, particularly because of the demand from the abusers and exploitative employers [10].

The TVPA annual assessments evaluates each country's progress in anti-trafficking and places each country onto one of three tiers based on members government efforts to comply with the minimum standards for the elimination of trafficking as prescribed by the TVPA. The assessments are based on compliance with state department protocols, and its failure to consider "risk" and the likely prevalence of trafficking. The three components of the TVPA enforcement are Protection of foreign national victims for assistance, Prosecution and Prevention. Further explanation as followings;

(a) Protection-The TVPA increased the US Government's efforts to protect trafficked victims and those previously ineligible for government assistance, given temporary (T-Visa) status for cooperation in investigation and prosecution of traffickers.

(b) Prosecution- The TVPA allows the US Government to prosecute traffickers whom conduct human trafficking, forced labour, and document servitude related to slavery and involuntary servitude; recognizing that modern-day slavery that use fraud and coercion, as well as force sexual exploitation and labour exploitation. Sex trafficking means "a commercial sex act that is induced by force, fraud, or coercion, or in which the person induced to perform such an act has not attained 18 years of age".

While Labour trafficking refers to "the recruitment, harbouring, transportation, provision, or obtaining of a person for labour or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery".

(c) Prevention- that authorize the US Government to assist foreign countries with their efforts to combat trafficking, including through research and awareness-raising; providing assistance in drafting laws to prosecute trafficking, and assistance with implementing effective means of investigation.

### **Malaysia Anti-Trafficking in Persons**

Malaysia is a major destination for migrants from Rohingya, Myanmar and Bangladesh, while irregular migrants are from other Southeast Asian countries. There are an estimated two million

documented migrant workers and an even larger number of undocumented migrant workers. In 2017, Malaysian police recorded 410 TIP cases and arrested 648 persons from 21 countries, almost the same as in the previous year (645 arrested from 17 countries). About three-fourth of those arrested (2017) in Malaysia, and others from Thailand, Indonesia, Myanmar, India, Bangladesh, the Philippines, Vietnam and China.

According to UNODC, Organised crime syndicates in human trafficking are flourishing in Asean, particularly Malaysia. Irregular migrants from Myanmar and Bangladesh, make Malaysia their major destination. The large majority of which are among the roughly two million documented migrant workers, and even larger number of undocumented migrant workers. In 2017, Malaysian police recorded 282 cases related to human trafficking, conviction 147 perpetrators and arrested 676 persons [11].

### **Anti-Trafficking in Persons and Smuggling of Migrants (ATIPSOM) Act 2007**

To overcome these problems Malaysia develop migration policies and enacted Anti-Trafficking in Persons and Anti-Smuggling of Migrants (ATIPSOM) Act 2007 (Act 670). It is amended twice (2010 and 2015) to criminalize labour trafficking, sex trafficking and smuggling of migrants. The punishments vary accordingly between three to 20 years imprisonment and a fine. The purpose of Act 670 is to oversee the implementation of the act and to formulate policies and programs to combat trafficking in persons and smuggling in person. The main objective is to make Malaysia internationally accredited as being free of illegal activities in connection with human trafficking and smuggling of migrants. MAPO and the Secretariat of Trafficking in Persons within the Home Ministry of Malaysia continued to coordinate the anti-trafficking response and awareness [12].

The council for Anti Trafficking in Persons and Anti-Smuggling of Migrant (MAPO) is established to strengthen laws via;

- i. Increase in penalties – fine for trafficking set at between RM500,000/ and RM1 million, compared to the current penalty of between RM50,000/ to RM500,000/.
- ii. Addressing the issue on smuggling of migrants with the amendments to (ATIPSOM) 2007 that include all actions involved in acquiring or maintaining labour or services of a person through coercion [12].

### **Malaysia Border Control Challenges**

Approaching 2000, Malaysia faces security threat due to infiltration by criminals or insurgents, TIP and migrant smuggling [12], [13]. The reasons to control migrant movements are;

- a. Undocumented migrant movements are facilitated by irresponsible agents, traffickers and smugglers.
- b. The influx of migrants caused social and economic tensions.
- c. Social stability, demographic security, cultural identity and social security system are at risk.
- d. Internal security under threat by criminal activities (TIP, drugs and arms).
- e. Malaysia become the place of refuge for Rohingya, Myanmar, Suluk, Moro, Acehese and Patani Malays.
- f. Acknowledging its porous borders, the Home Ministry announced today the set-up of a new agency to guard the country's entry and exit points in an effort to deal with the rise of a growing smuggling industry that has racked up losses of RM5 billion worth of subsidised goods to date. Porous boundaries, corruption by enforcement officers, costly surveillance instruments and non-effective laws may result ineffective border control, [14] and,
- g. Malaysia shared border management such as open sea (600-1,200 km) between the Malay Peninsula and Thailand. While North Borneo inland border (between Sabah and Sarawak with Brunei and Kalimantan. (3,147 km). Malaysia also shares maritime borders with Singapore, and sea boundaries with the Philippines, China and Vietnam [13].

On December 29, 2017, the Malaysian Border Security Agency Act 2017 (Act 799) came into force and AKSEM (Agensi Kawalan Sempadan Malaysia) is established. The Border Security Agency guarded the country's entry and exit points and —responsible for curbing smuggling and other illegal activities along the country's land borders such as illegal migration and human trafficking [1] [15].

Among the Border Control challenges faced by the Malaysia government are;

- a. To tighten border security with an integrated surveillance system, including the use of high technology gadgets, not just about having a physical barrier, but this must be combined with such a system. At present, the 767km Malaysia-Thailand border was guarded by only a basic surveillance system such as barbed wire fencing and a wall [16], and
- b. To strengthening the capacity of border authorities, to detect trafficking and assist human trafficking victims and survivors [17].

### **Wang Klian Border Incidents**

What triggered the need for additional legislations enactment was the discovery of mass graves of Rohingya and Bangladeshis at Wang Klian. On January 2015, 30 human trafficking death camps revealed at the Malaysia-Thailand border by OP Wawasan Khas team. More than 150 remains of human trafficking victims, had been disclosed from shallow unmarked graves [18]. Padang Besar in Malaysia, was used as staging area, where foreigners are sent under forged documents to Europe. It is believed there are act of covering up of corruption by officers. As a result this area becomes very sensitive and caused insecure effects to Malaysia border such as;

- a. Squatters encroaching the Wang Kelian State Forest, cutting virgin forest for small-scale farming.
- b. Padang and Sadao CIQ Complexes often experience traffic jams due to the rapidly increasing volume at these border crossings.
- c. Immigration computers often fail, requiring officers to manually process transit documents.
- d. Duplication of border security responsibilities. (The police General Operations Force (GOF) and the Border Security Agency (Aksem) overlap. Similarly, operating in the area are the army, customs and the Ministry of Domestic Trade, and
- e. Illegal logging and jungle clearings is affecting natural habitat [19].

In order to investigate the grave crime, the Human Rights Commission of Malaysia [20] was appointed to observe and hold a public inquiry about Wang Klian TIP camp discovery. It is estimated that AS\$100 million (RM408 million) involved in this TIP syndicate [21]. Some of the observations made by SUHAKAM are;

- a. There is a lack of awareness among stakeholders concerning the elements and the danger of TIP.
- b. Lack in providing understanding on TIP.
- c. The need for good laws and good implementation.
- d. The need for international cooperation and the embassies effective role in Malaysia to manage their nationals, and,
- e. To take human-right based approach in protection of trafficked victims [20].

Recommendations made to these observations which among others are;

- a. To ensure the Royal Malaysian Police take immediate action (prosecute)to investigate and obtain evidence, against personnel from the enforcement agencies.
- b. To develop proper guidelines and procedures and trainings for all officers of enforcement agencies in identifying —undocumented foreign migrants and to ensure that those who may be categorized as —victims of human trafficking or smuggling or any other criminal activities, in line with the international standards.
- c. To ensure various relevant law border-control enforcement agencies improves and enhance coordination and information sharing to prevent human trafficking.
- d. To engage in meaningful consultation with various stakeholders, such as non-governmental organizations and civil society organizations, to develop proper procedures to identify and,
- e. To protect survivors of human trafficking and ensure National Strategic Office of Anti-Trafficking and Anti-Smuggling of Migrants and relevant authorities do the same.
- f. To take action against personnel from the enforcement agencies if it is proven that delays in the investigation deliberate and intentional to destroy evidence.



- g. To agree to international conventions on Protection of the Rights of all Migrant Workers and Members of their family (1990); Convention relating to Status of Refugees (1951) and Protocols Relating to Status of Refugees (1967) and Convention against Transnational Organised Crime (Migrants Protocol);
- h. To amend Malaysia's Anti-Trafficking in Persons and Smuggling of Migrants Act to bring it in line with the Palermo Protocol and international human rights law, particularly by expanding its definition of —trafficking in persons and separating the law's treatment of the crimes of smuggling and trafficking.
- i. To clarify that —serious offences under the Anti-Money Laundering Act include offenses related to human trafficking. Use the existing anti-money laundering framework to identify proceeds from human trafficking and to use asset seizures in prosecutions and convictions [20], [22].

### **Border Control in East Malaysia**

Illegal logging of rainforests in Sabah and Sarawak bordering Brunei and Indonesian for purpose of palm oil production resulting in crimes conducted in a remote part of the Sarawak-Kalimantan border. It is the major transit point into the country for illegal migrants, with as many as 60,000 illegal immigrants into Sabah receiving MyKads (Identity Cards).

This practice is criticized by political opposition as a source of illegal voters. Regular kidnapping took place in the Sulu Sea region by both pirates and Abu Sayyaf. Thus piracy and trespass of criminals and illegal fishing boats that came into the sea borders cause major problem to Sabah and Sarawak.

ESSCom (Eastern Sabah Security Command) have been criticized, for the lack of enforcement with border problems in the region. Eastern Sabah is facing the plight of the stateless Bajau Laut people. They were denied citizenship under current Malaysian laws, thus have no legal rights though being natives.

Malaysian authorities also need to deal with a military build-up in South China Sea. Issues on the Pan Borneo Expressway and the Malaysia-Singapore border is souring international relations. The porosity of Malaysia borders results in national security problems.

On the other hand, law enforcement on the Malaysian-Thai border is critical to uplift the country international reputation on human trafficking problems. The establishment of Aksem (a consolidated border control agencies) in 2017 is intended to boost Malaysia border control integrity [19].

### **RESEARCH METHOD**

This study applied qualitative legal research methodology to unveil the challenges faced by the border security agencies and to examine immigration policies and Malaysia Laws that were applied and enforced to ensure State border security. Interviews were conducted on the enforcers to find out the problems and challenges faced by them in ensuring security at the state border, and how they deal with such to prevent TIP and protect TIP victims. The data were analysed to provide findings and discussions for this research.

### **RESULT AND DISCUSSION**

The research identified some findings among which are;

- a. TIP victims from ASEAN countries are found to be targeted, trapped and threatened because of their vulnerabilities for lack of awareness on the traffickers' abusive intentions. They were lured into accepting the perpetrators' invitation, later trapped, threatened, coerced, abducted, abused for various purposes including sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude. Literature also relates to the removal, manipulation or implantation of organs conducted by traffickers.

- b. ASEAN Charter represents the common vision and commitment to the development of ASEAN Community as a region of peace and stability, sustained economic growth, shared prosperity and social progress. ASEAN states being sovereign recognize the significance of

border control. Securing state borders is crucial to ensure public safety and state security. Thus, in the effort to prevent and eradicate TIP is ASEAN countries have a common commitment when signing various conventions, bilateral and multilateral agreements, to promote the vision of having common peace in the region.

c. Border control needs an effective strategy not only the increase in manpower but also a substantial monetary allocation to provide for purpose of having a complete security system. This may be in term of strategic planning, effective mechanism and good governance to ensure humanistic outcome. AKSEM, manned by 10,000 officials from various border enforcement agencies (armed forces, the general operation force of the police and the Smuggling Prevention Unit (UPP)) play their role to safeguard the borders against illegal smuggling and illegal activities including TIP. There were currently more than 1,200 spots where smuggling was rampant at the peninsular border alone and that the ministry was looking into working together with Sabah and Sarawak on strengthening borders because it was out of their ministry's jurisdiction [23].

d. Disturbed by the security fences of the borders, Malaysia use integrated surveillance system, biometric system and there are also needs for more tracking system usage, such as drones, security cameras and satellites. Home Ministry realised that there have been many spots penetrated. For this, there will be an electronics system replacement including the use of UAV (unmanned aerial vehicles).

e. Malaysia have work closely with several countries such as United Kingdom, Australia and related international bodies namely International Organization for Migration (IOM) in conducting capacity building programs encompassing prevention, protection, prosecution and awareness. Signing of Memorandum of Understanding in Combating Transnational Crime – Malaysia views the threats of transnational crime very seriously due to the complexities of the crime.

This is due to the fact that transnational crime would involve elements with regards to movement of people, financial transaction as well as involvement of organised crime syndicates. In this relation, trafficking in persons is one of the elements under organised crime and transnational crime. To ensure that this crime could be tackled effectively, Malaysia has signed Memorandum of Understanding on Transnational Crime/Security with strategic partners namely the Australia, United Kingdom, Saudi Arabia, United States and China. The MoU/Agreement provides for exchanges of information and intelligence between law enforcement agencies, capacity building program and exchange of best Practices [17].

f. Bribery is tactically used by migrants as a means to avoid arrests and deportation. Corruption among security officials has been reported from time to time. Exposure of Wang Klian TIP Camp along the Thai-Malaysia border showed —systemic corruption and weak border control, before being \_uncovered' in 2015 [11]. Home Ministry was criticized for being involved with —importing of workers instead of leaving it to the Human Resource Ministry. At present, the Malaysian Anti-Corruption Commission (MACC) (Amendment) Act 2018 inserted Section 17A to introduce an offence committed in the form of corruption committed by a commercial organisation [24].

g. Constant reviews on border control policies and laws can ensure effective State security. Similarly to other ASEAN countries, Malaysia being sovereign is entitled to enforce its policies and laws to prevent illegal migration. Border control needs an effective strategy as well as updated instruments and applications to fight TIP. These efforts need government support for substantial monetary allocation to equip the enforcers to servile state borders [13].

## CONCLUSION

TIP prevention measures should be in various forms, from creating awareness on the victimization of TIP, drafting of effective policies and the laws and the active control of the state borders. Victims should be given their fundamental rights and treated according to Malaysia TIP laws. ASEAN embassies in Malaysia could play an effective role in cooperation and manage their nationals with the relevant agencies and Ministries. Research on ASEAN countries efforts to alleviate economic development in the region can minimize TIP issues by lessening the demand for manpower in developed countries.

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# ANALYSIS OF LOCAL GOVERNMENT WEB TRANSPARENCY OF SOUTH EASTASIA COUNTRIES: A CASE STUDY IN INDONESIA

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## Abstract

The aim of this study is to find out level of web transparency of local government organization among ASEAN countries with Indonesia as the case study. Indonesia has 416 regencies and 97 cities. However, only 148 regencies and 38 cities can be analysed further due to out of criteria. Local government that were included in the analysis only when the local governments publish their Financial Statement in their websites. Data were collected by using content analysis. The Web Transparency was measured by using combination of Municipalities Transparency Index and Digital Transparency Index. 8 dimensions developed by da Cruz and Gary (2015) were re-grouped into 3 variables: General Information; Managerial and Administrative; and Relationship with External Parties. Transparency levels were measured by category developed by Kharisma (2018). The results found out that local governments in Indonesia have general information disclosed (39.02%), Managerial and Administrative (44.77%), and Relationship with External Parties (54.58%). In general, Local Government in Indonesia is still categorized as Lack of Transparency (46.12%). The results of this study are expected to enrich knowledge related to Management Information Systems and improve information system management at Local Government in South East Asia especially in Indonesia..

**Keywords:** Web Transparency, Local Government, Municipalities Transparency Index, Digital Transparency Index, E-Government Development Index.

## INTRODUCTION

Local government can be defined as the party mandated to manage the funds from the community, so that the success or failure of the management fund is very dependent on the local government agencies implementation [1][2]. Each country has different government system, law and regulation and has their own law and regulation regarding their government system, especially for local government. The local government has authority based on regulation set by the country.

In Indonesia, according to Law Number 23 of 2014, local government is defined as the regional head as the elements of regional government affairs, who leads implementation of government affairs that become the authority of the autonomous region. Indonesia consists of provincial area which divided into regency and the city area. Every provincial area, regency area, and city area have a regional government that is regulated by law. Indonesia has 34 provinces which consist of 416 regencies and 98 cities.

Transparency is defined as the publicity of all the acts of government and its representatives to provide civil society with relevant information in a timely, useful and comparable way and in an accessible format [3]. It is one of the key elements of good governance to obtain information on governance, including public finance management [4]. Transparency can be defined as access to information regarding the intentions and decisions of the organization and to make the quantity and quality of information available to interested parties and enable citizen to hold officials accountable for their actions.

The concept of transparency is very broad and diverse, but all of them need to have elements: the need to access information, and to understand and interpret it. There are three characteristics of the different concepts of transparency : (1) the need for the availability of the information in a timely manner, (2) the quality of the information disclosed, understood as precise and relevant, (3) the accessibility to the information [5].

Website can be used for improving the transparency because it will be able to provide a wide range of information and can be accessed from external and internal users. Transparency involves the use of suitable mechanisms to ensure the information is correctly supplied to the citizens. ICT and internet play important key in achieving higher efficiency and effectiveness in the public sector.

According to Albu & Flyverbom [6], there are two conceptions of transparency, they are : Transparency as information disclosure; and Transparency as a social process [7] stated that information quality is central to conceptualizing transparency. According to the authors, there are three dimensions of information quality that will contribute to perceptions of transparency, they are: Clarity, Disclosure, and Accuracy.

Advantages of transparency include reduce uncertainty that contributes to fiscal and macroeconomic stability so that future adjustments can be minimized; improving the accountability of government, legislative, media and society can exercise better control of the government that can avoid bad management practices; increase trust in government and build closer social relationships; improve the investment climate [4]. Transparency can increase the legitimacy as professional entities that serve society. The higher level of transparency contributes to the increasing of government accountability and to improve the quality of governance.

The transparency of local government can be seen from how the government disclosed any information through their website. So the public society can monitor and evaluate the government performances easily. The more information disclosed by government more transparent the website could be. According to Indonesian Government Regulation No 8 of 2006 about financial reporting and performance of government institutions, the local government should disclose internal information which is the evaluation report (called LKjIP) or governance's financial report (called LKPD) which are Budget Realization Report (called LRA), Balance Sheet, Cash Flow Statement and Notes to the Financial Statement (called CALK).

Regulations regarding transparency in Indonesia began to be implemented with the enactment of the Law Number 14 of 2008 about public information disclosure. The Act regulates the management of public information on public bodies, including affirming that the government regions as executive institutions and regional administrators who are responsible for implementation the region is one of the public bodies that is obliged to implement the law. It also explains that basically every person or public has the right to obtain various public informations while still adhering to the Law Number 14 of 2008.

E-government is a process of the governance system by utilizing ICT as a tool to facilitate communication process and transactions for citizens, business organizations and between government agencies and staff so that efficiency, effectiveness, transparency and accountability of the government can be achieved for the community [8]. According to The World Bank [9], e-government refers to the use by government agencies of information technologies that have the ability to transform relations with citizen, business, and other arms of government.

High income countries were expected to perform well on all E-Government Development Index (EGDI) components compared to other groups because there is a positive correlation between the country's income level and its e-government ranking. Based on United Nation E-Government Survey in 2018 about EGDI, out of 10 countries as ASEAN members, only Singapore was on the Top 7 out of 193 UN countries. Indonesia, in 2018, based on United Nations ranking for E-government Development Index, was on the top of 102 out of 193 UN countries. According to Means & Schneider [10], e-government is the relationship between governments, their customers, and their suppliers.

There are three sectors of e-government service delivery, they are: Government to Citizen (G2C); Government to Business (G2B); and Government to Government (G2G).

In order to measure transparency, there are several measurements can be used that have been researched by some researcher, they are Transparency Index by University of Central Arkansas, Municipal Transparency Index (MTI), Disclosure Index, Transparency Index by Transparency International, Web Disclosure 1.0 Total Disclosure Index (TDI), and PeGi.

Transparency Index by University of Central Arkansas was conducted by Mavuto Kalulu, Joyce Ajayi, Terra Aquia for Arkansas Project Transparency 2018 at University of Central Arkansas. This index is calculated by accessing information that county governments publish on their websites. This index is divided into 3 parts which is fiscal transparency (13 indicators), administrative transparency (15 indicators) and public transparency (11 indicators) with total 39 indicators.

Municipal Transparency Index (MTI) was conducted by da Cruz, N. F. et al. in 2015 [11]. It is used based on the information disclosed in local government official website. This index is divided into 7 dimensions with 76 indicators, which are organizational information, social composition and operation of the municipality (18 indicators), plans and planning (13 indicators), local taxes, rates, service charges, and regulations (5 indicators), relationship with citizens (8 indicators), public procurement (10 indicators), economic and financial transparency (12 indicators) and urban planning and land use management (10 indicators).

Disclosure Indexes based on municipal website contents and applies it to measure fiscal transparency in Portugal and Italy. This index was used by Jorge et al in 2011 [12]. It includes budgetary and financial information, access / visibility, format of presentation and delivery mode with total 13 items.

Transparency Index by Transparency International was conducted by the Spanish Chapter of NGO, Transparency of International. This index was used by Guillamón, Bastida, & Benito in 2011[13]. It is divided into five divisions, such as general information on the council, relation with citizens and society, economic and financial information, municipal service procurement, and urban planning and public works with total 80 indicators.

Web Disclosure 1.0 Total Disclosure Index (TDI) developed by Gandía, Marrahí, & Huguet in 2016. It consist of 91 indices. This index divided into three groups which is Ornamental Information (32 indicators), Information Disclosure Index (36 indicators), Relational Disclosure Index (23 indicators). Web 1.0 still has important advantages over the traditional paper based means of disclosure, allowing for the disclosure of online corporate information and the incorporation of new communication strategies.

PeGi was developed by the government of Indonesia has developed a framework to measure the development of e-government in Indonesia. It is called the ranking of e-government of Indonesia (PeGI). It was developed and maintained by the Directorate General of Telematics Applications, Ministry of Communication and Information Technology (Ministry of Kominfo). This measurement is used to improve the efficiency, effectiveness and quality of performance of ICT in government institutions in order to accomplish good governance. To rank e-government, PeGI has five dimensions. They are: Policy, Institutional, Infrastructure, Application, and Planning.

In this research, the writers created the new methodology by combining indicators from Municipal Transparency Index (MTI) and some indicators from Web 1.0 Total Disclosure Index to measure the transparency of local government in Indonesia. It is because these two indices have never been used in Indonesia and also the indicators mostly related to the condition of the local government websites in Indonesia.

There have been several researches conducted regarding transparency of local government website. Da Cruz, N. F. et al [12] has researched the local government website transparency in Portugal by using Municipality Transparency Index (MTI). It has analysed 308 Portuguese municipalities. The result indicates the transparency practices in Portuguese local government are quite low and still underdeveloped. Gandía, Marrahí, & Huguet [14] has researched the transparency in Spanish city council by using Web 2.0 Disclosure Index. This research provides the measurement of Web 2.0

presence and the information disclosed to test whether Web 2.0 can improve Web 1.0 digital transparency. The result shows that the city councils that obtain high Web 1.0 score also have higher Web 2.0 scored. The effect on transparency focuses on general information.

Tavares & da Cruz [15] also have researched about the transparency of local government website. This research is similar to the research by da Cruz by using the Municipal Transparency Index (MTI) in Portuguese municipalities. This research is not only measuring the transparency of local government website, it also measures the determinants of transparency at the local government level.

Other research about the web transparency was conducted by Saraite-Sariene, Gálvez Rodríguez, & Haro de Rosario [16]. This research is conducted to analysed online transparency and determining factors of web transparency of the world's top universities. This research is using the Global Transparency Index and developed based on the university's information.

Kharisma [17] have researched the quality of the local government websites in Indonesia Barat assessing its transparency, accountability, effectiveness and efficiency. The result shows that the quality of the local government website is still low because the lack of web development specialist that caused the websites is not well managed.

Transparency in a local government can be defined as publicity of all the acts of government and its representatives to provide civil society with relevant information in a timely, useful and comparable way and in an accessible format [3]. High income countries were expected to perform well on all E-Government Development Index (EGDI) components compared to other groups because there is a positive correlation between the country's income level and its e-government ranking [10]. Based on United Nation E-Government Survey in 2018 about EGDI, out of 10 countries as ASEAN members, only Singapore was on the Top 7 out of 193 UN countries. However, Indonesia was on the top of 102.

## **RESEARCH METHOD**

This research is a descriptive study that is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. It is also undertaken to understand the characteristics of organizations that follow certain common practices [18]. This study is conducted to analysed the transparency level of the local government website of cities and regencies in Indonesia. The object of this research is the transparency level of the local government website of cities and regencies in Indonesia. It has 97 cities and 416 regencies. The sampling method used was purposive sampling where the sampling conform to some criteria set. The website that is not exist, error or cannot be accessed during the observation was excluded in the sample. Only the websites disclosed financial statements in the last five years were included in the analysis.

The study used 8 dimensions developed by [3], and then were regrouped into three variables. Those dimensions was measured by using 76 indicators from Municipal Transparency Index (MTI) and 32 indicators from Web 1.0 Total Disclosure Index developed by Gandía et al [14]. We remove 4 indicators because they have similarity, so there were 104 of total indicators that were used in this study. If each of the indicators is exist in the local government website, the mark will be scored with 1, otherwise, it will be scored with 0. After scoring, if the indicators are not exist in all local government websites, they were removed from analysis. Variables used in this study are:

### **General Information Disclosed**

This variable consists of two dimensions that provided general information of the municipality. These dimensions are:

#### **a. General Information and Citizen Information**

This dimension is known as ornamental level which the local council only disclose general information which basically promotional purposes. This dimension consists of 32 indicators, such as: city map, contact information, weather information, code of ethics, complete information about personnel in charge, calendar, discussion forum, tourist information, etc.



b. Organizational Information, Social Composition and Operation of the Municipality.

This dimension describes about the information and credibility of the municipality, such as detailed information about the local council. This dimension consists of 18 indicators, such as the role, responsibilities, CV of the local council, their list of assets and expenses, general email address, employees annual report, schedule, municipal decisions/resolutions, and their competences, etc.

The formula was used to measure the result for each dimension. The formula is as follows:

$$\text{Dimension} = \frac{\text{Total amount}}{\text{Total indicators}} \times 100\%$$

After determining those dimension, we can measure the score for this variable. The formula is as follows:

$$\text{General Information} = \frac{\text{Dimension}_1 + \text{Dimension}_2}{2}$$

### **Managerial and Administrative Disclosed**

This variable consists of four dimensions that related to the management and administration of the municipality. The dimensions are:

a. Plans and Planning

This dimension describes about all the plans that local council arranged. It consist of 13 indicators, such as annual report, strategic plan, local plan, etc.

b. Local Taxes, Rates, Service Charges, and Regulations

This dimension describes about the municipal regulation like taxes, service and rate. It consist of 5 indicators, such as municipal regulations, newsletter, information on local taxes, and fees.

c. Economic and Financial Transparency

This dimension describes about the municipal budget capacity, how the municipal disclosed any economic and financial information. It consists of 12 indicators, such as annual budget, management report, budget execution, annual budget amendments and rectifications.

d. Urban Planning and Land Use Management

This dimension describes how the municipal disclosed any information about direct issues affect the lives of citizens, such as urban quality of cities and sufficient infrastructure. It consists of 10 indicators, such as urban planning, urbanization and detailed zoning area plans, list of land exchanges, etc. Those dimension was measured by using dimension formula. This variable have been calculated as:

$$\text{Managerial and Administrative} = \frac{D_3 + D_4 + D_5 + D_6}{4}$$

### **Relationship with External Parties**

This variable consists of two dimensions that relates to the information provided for external parties. These dimensions are:

a. Relationship with Citizen

This dimension related to the interaction between the municipality with the citizen, how accessible the information dedicated to the citizen participation. It consist of 8 indicators, such as search engine, links to social media, complaints management system, etc.

b. Public Procurement

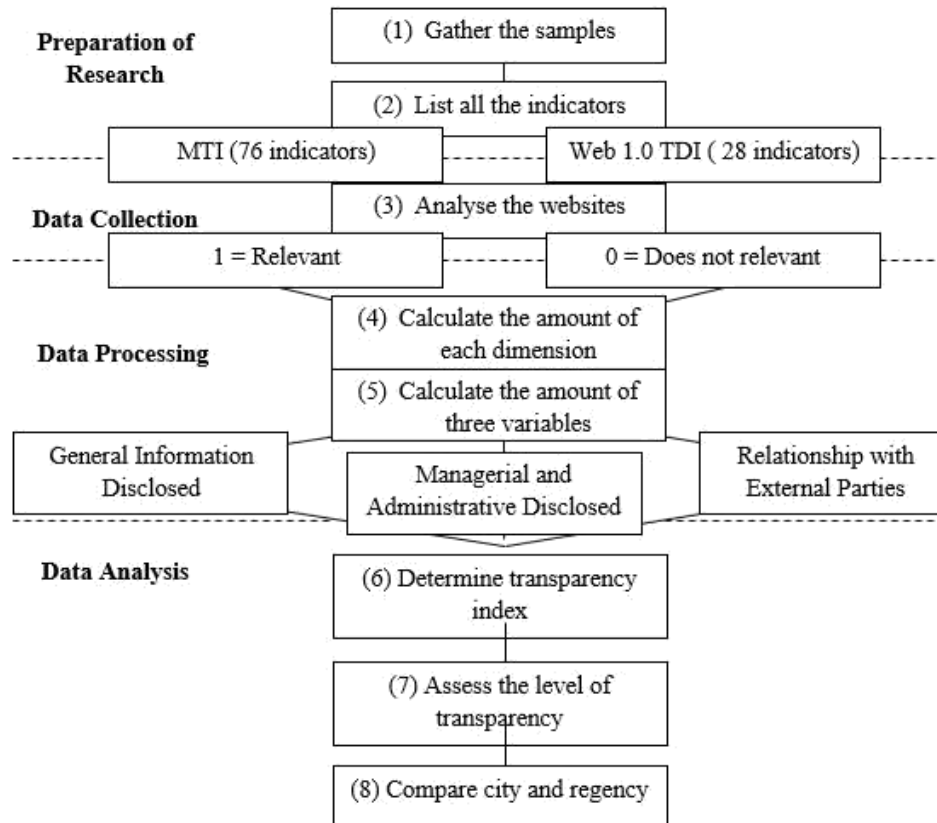
This dimension related to how the municipal disclosed any information about public access to calls and procurement process, applicable law or their specific characteristic form. It consists of 10 indicators, such as the contract of the bids, the documents, report of evaluation of the bids, number of contracts awarded, etc. Those dimension was measured by using dimension formula. This variable have been calculated as :

**Table 1: Variable Operationalization**

Variables	Dimension	Sources	Initial Indicators	Indicators removed	Final Indicators
General Information Disclosed	General Information and Citizen Information	Gandía, Marrahí, & Huguet [14]	28	3	25
	Organizational Information, Social Composition and Operation of The Municipality	Da Cruz, N. F. et al. [12]	18	5	13
Managerial And Administrative Disclosed	Plans and Planning	Da Cruz, N. F. et al. [12]	13	3	10
	Local Taxes, Rates, Service Charges, and Regulations	Da Cruz, N. F. et al. [12]	5		5
	Economic and Financial Transparency	Da Cruz, N. F. et al. [12]	12	1	13
	Urban Planning and Land Use Management	Da Cruz, N. F. et al. [12]	10	3	7
Relationship With External Parties	Relationship with Citizens	Da Cruz, N. F. et al. [12]	8	1	7
	Public Procurement	Da Cruz, N. F. et al. [12]	10	2	8

Figure 1 shows a procedure for the research:

**Figure 1: Research Procedure**



This study used secondary data through the librarianship and the empirical data from local government websites. According to [18] secondary data was gathered through government publications, information published or unpublished, data available from previous research, case studies, online data, web sites, and the internet. In this research, the data is local government website in Indonesia. This research used content analysis method. Content analysis was conducted to examine the information provided on government websites based on the indicators. The research was conducted by collecting data from local government official website. Data collection is done by visiting the official website of cities and regencies being concerned and any relevant information to the research. After data were collected, when the total average score for each indicator was 0, the indicators were excluded from the data analysis. It means that for Indonesian case, the indicators was not applicable. Final indicators used were 84. Table 2 shows indicators were excluded from data analysis:

**Table 2. Indicators Excluded**

No	Indicators excluded	Dimension
1	Register of interests of each member of the local council	Organizational information, social composition and operation of the municipality
2	Representation expenses for each member of the local council	
3	List of employees authorized to accumulate public and private duties (including the term and respective entities)	
4	Outsourcing and consulting service contracts (types and amounts)	
5	Asset declaration of each member of the local council	
6	Sustainability report	Organizational information, social composition and operation of the municipality
7	Compliance report of the Statute governing the Right of Opposition	
8	Local Agenda 21 strategy	
9	Email or contact details of the municipality's ombudsman	Relationship with citizens
10	Contracts signed with the contractors or suppliers	Public procurement
11	Amounts of extra works done for each contract	
12	List of bank loans and respective maturities	Economic and financial transparency
13	Summary of the opinions of the municipal urban planning services an all real estate and/or changes to previously approved or built projects	Urban planning and land use management
14	List of land exchanges and sales of the municipality, respective locations and amounts involved	
15	Alienable lands previously of public domain, respective values and buyers	
16	Citizen participation during online plenary sessions is permitted	General Information
17	Regulation of citizen participation exists and is published	
18	List of movable properties with historic-artistic value and those with high economic value for the city council	

In order to analyse the level of transparency, this research used the level of quality assessment of websites used by Kharisma [17]. The criteria is shown below:

**Table 3 : Assessment of Transparency**

Score (%)	Transparency Assessment
0–25	No Transparency
26–50	Lack of Transparency
51-75	Enough Transparency
76 - 100	Transparency

Sources: [17]

### DISCUSSION AND ANALYSIS

Analysis was conducted based data gathered during content analysis. Table 4 shows transparency index of local government in Indonesia in average, for each variable and each dimension.

**Table 4. Transparency Index**

Dimension	Mean	Variabel	Mean	Transparency Index
1. Organizational information, social composition and operation of the municipality	45.96%	General Information Disclosure	39.02%	46.12%
2.General Information dan Citizen Information	32.07%			
3. Plans and planning	70.02%	Managerial and Administrative	44.77%	
4. Local taxes, rates, service charges, and regulations	51.71%			
5. Economic and financial transparency	33.48%			
6. Urban planning and land use management	23.86%			
7. Relationship with citizens	44.19%	Relationship with External Parties	54.58%	
8. Public procurement	64.97%			

Based on Table 4, the level of transparency for local government website in Indonesia is 46.12%. This index comes from determining the mean of three variables. The highest score is for relationship with external parties with 54.58%. It followed by managerial and administrative disclosed with 44.77%. General information disclosed is the lowest with the score is 39.02%. It means that in general, local government in Indonesia is still in category of lack of Transparency. However, in terms of Relationship with external parties, Indonesia is considered as Enough Transparency.

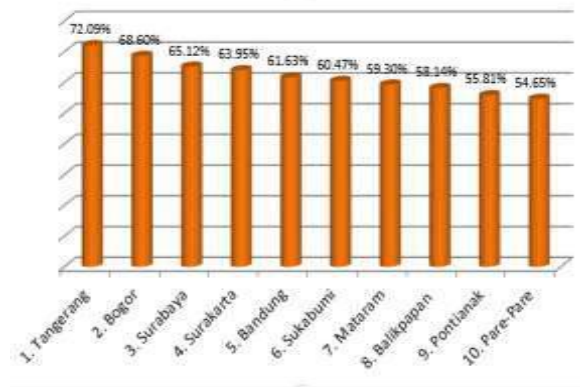
In general information disclosed, from two dimensions, organizational information, social composition and Operation of the municipality dimension is higher with score of 45.96% than general information and citizen information dimension with 32.07%. It means that general information disclosed, Indonesia is still considered to have Lack of Transparency Website.

In the managerial and administrative disclosed, from four dimensions, plans and planning dimension has the highest score with 70.02%. It followed by local taxes, rates, service charges, and regulations dimension with 51.71%, economic and financial transparency with 33.48%, and the lowest is urban planning and land use management dimension with 23.86%. In this categories, Indonesia has Enough Transparency for plans and planning dimension and local taxes, rates, service charges, and regulations dimension. In term of economic and financial transparency, it is considered as Lack of Transparency. Meanwhile, urban planning and land use management, Indonesia has no transparency.

While in the relationship with external parties, from two dimensions, public procurement dimension is higher with score 64.97% than relationship with citizens dimension with score of 44.19%. Related to public procurement dimension, Indonesia has Enough Transparency, but it has Lack Transparency for relationship with citizen's dimension.

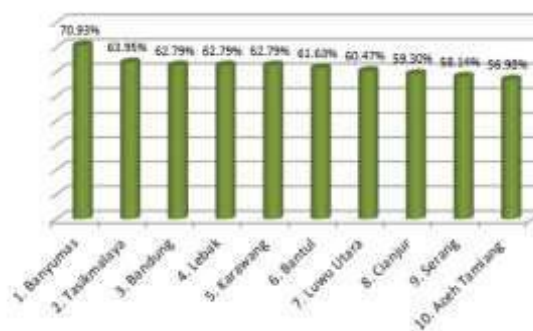
Figure 2 shows the top 10 cities in Indonesia that have the highest score of web transparency. From 97 cities, Tangerang City is the highest score of transparency with 72.092%, while Pare-Pare City is in the 10th position with the score of 54.65%. Top 10 is dominated with city in Java Island.

**Figure 2: Top 10 Best Transparency City**



From 416 regencies, Banyumas Regency has the highest score of transparency with 70.93%. Figure 3 shows the top 10 regency in Indonesia that has the highest score of transparency. It shows that the top 10 regency has dominated with Java Island. Aceh Tamiang Regency is in the 10th position with 56.98%.

**Figure 3 : Top 10 Best Transparency Regency**



## CONCLUSION AND RECOMMENDATION

In this study, related to the previous discussion regarding the transparency level of local government websites in Indonesia, the authors draw the conclusions that the transparency level of local government websites in Indonesia is 46.12%. It is found that the level of transparency in Indonesia is less transparent. It means the local government still needs to improve and develop their transparency level, by more provide any information such as financial and performance reports. One of the city in Indonesia that has the highest level of transparency is Tangerang with 72.09% which is Transparent. And the highest level transparency of regency is held by Banyumas with 70.93% which is enough transparent.

The government can routinely provide training in term of information and communication technology for the staff who managing the websites. To increase public knowledge of the importance of using a website, the government can conduct socialization so that people can use the website properly. The improvement of local government websites will provide convenience for external and internal users. This study may continue further, so that we can compare the research to having better implementation.

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# THE REGIONAL OPEN IN SOUTHEAST ASIA “IS THERE A THREAT OR CHANCE FOR INDONESIA AS QUINTESSENTIAL TRANSIT COUNTRY?”

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## ABSTRACT

The main question in this research is to seek whether a new civilization who has better and more prosperous can be embodied in the Southeast Asian region, especially in Indonesia. Problems that arising from the non-traditional security concept are attractive to international relations researchers because the presence of refugees who are non-state actors can threaten the stability of security in a region, whether it threatens the country at majority or threatens the security of the people whose face it directly. The arrival of refugees often has implications for the emergence of economic, social, environmental and health problems for host countries. Through a concept called open regionalism, which is a regionalism that has no consensus on the nature, membership or purpose of this threat to Indonesia as a "Quintessential Transit Country. Therefore, improving the quality and developing institutional functions must be carried out by Indonesia, especially in controlling bureaucratic procedures and increasing legal certainty. The research approach used in this study is a qualitative approach. However, this research also uses some quantitative data such as statistical data tables, graphs and quantitative graphs on the scale development of figures from an empirical phenomenon. Based on this explanation, the main mission of this research is to find out whether the profits obtained by the government when receiving foreign refugees in their area.

**Keywords:** Regionalism, Refugees abroad, Government, Threats, Non-Traditional Security, Interests, Management.

## INTRODUCTION

One important element in the increasingly complex number of foreign refugees is the increasing role of transit countries. This is especially true for asylum seekers and for irregular migration. In both cases, transit countries are increasingly significant; This refugee research is focused on whether opportunities and threats for Indonesia are a transit country. Some Asian countries play an increasingly significant role as a transit location, however whether Indonesia can play its role.

Indonesia is the largest country in comparison to countries in Southeast Asia, which is considered a temporary destination for the assignment, with open regionalism based largely on the idea that, regional security cooperation, effective economic cooperation in Asia because it must be in accordance with them the same principles of openness, equality and evolution [1].

The Association of South-East Asian Nations (ASEAN) Community at the regional level, Southeast Asia is a region that faces considerable challenges in the security sector. Reflecting on past history, the Southeast Asian region is full of conflicts, both those that have occurred with other countries and domestic conflicts. ASEAN as a regional organization does not yet have a mechanism to deal with refugees. Of the ten ASEAN member countries, only Cambodia and the Philippines have signed the

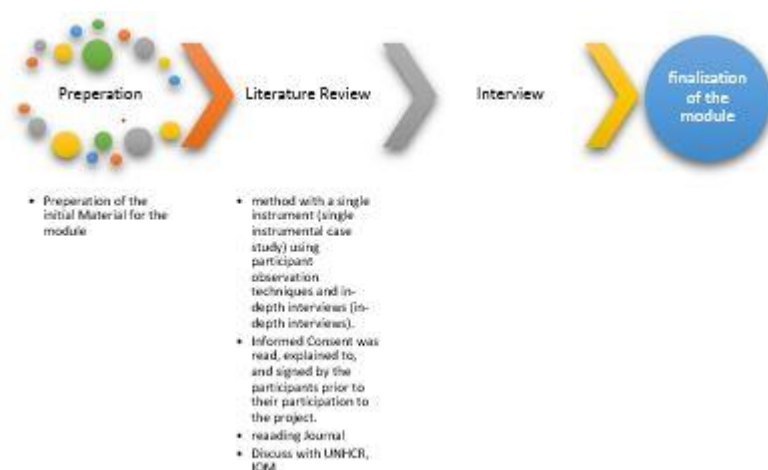
Convention relating to the Status of Refugees 1951 (Refugee Convention 1951). The handling of refugees in ASEAN is closely related to the level of sensitivity of ASEAN countries to their sovereignty issues. on the issue of sovereignty, it will be increasingly difficult to develop an 'integrated' attitude in resolving issues of mutual security in dealing with refugee arrivals [2].

The problem of the arrival of refugees to Indonesia is an emergency problem that needs to be responded by following up in the form of serious and comprehensive handling by the Indonesian government, especially with the number of refugees that continues to grow from year to year with a very large number, Indonesia is a transit country for asylum seekers from Middle East, Africa or Asia who wish to move to other countries for resettlement [3], Indonesia has hosted 14,405 persons of concern, including 7,827 refugees and 6,578 asylum-seekers, most of whom came from, among others, Afghanistan, Myanmar, Somalia, Iraq and Sri Lanka [4]. Situated in the Northern part of Indonesia, Medan is considered as a ‘gate’ of the asylum seekers route to Indonesia, where 2,131 persons of these concerns are accommodated (D. Aryani, personal communication, 04 July 2018). The main question in this research is to seek whether a new civilization who has better and more prosperous can be embodied in the Southeast Asian region, especially in Indonesia and is there a threat or chance for Indonesia as Quintessential Transit Country?

## RESEARCH METHOD

This research uses case study method with a single instrument (single instrumental case study) using participant observation techniques and in-depth interviews (in-depth interviews). See Figure 1.

**Figure 1. Flow of the Method Research**



As shown in Figure 1, the method research consisted of five (4) main phases: (a) preparation of the initial material; (b) conduct of literature review. (c) interview with stakeholder organizations and focal point persons; (d) finalization of the module that, essentially, involved reconciliation of information and data gathered throughout the project cycle.

The research approach used in this study is a qualitative approach. However, this research also uses some quantitative data such as statistical data tables, graphs and quantitative graphs on the scale development of figures from an empirical phenomenon. This study is a case study using a qualitative approach that seeks to describe the problem of refugees that have accumulated in Indonesia from year to year. The object of research in this study is Australia which issued a policy of reducing refugee acceptance, with a focus on analyzing the problems faced by Indonesia in dealing with refugee arrival problems.

Thus, this research tries to illustrate the threats and opportunities for Indonesia when ASEAN security fails to deal with the entry of legal immigration in Southeast Asia. Based on the source, research data can be grouped into two types of data: primary and secondary data.

## LITERATURE REVIEW/RESULT

The problem of the arrival of refugees to Indonesia is an emergency problem that needs to respond with follow-up in the form of serious and comprehensive handling by the Indonesian government, especially with the number of refugees increasing from year to year with a very large number, recorded in May 2017, the number of refugees based on data issued by the United Nations High Commissioner for Refugees (UNHCR) was 1,150 people, then in 2018 the number of refugees increased to 1,176 people. In addition, migrants and asylum seekers registered with UNHCR in Indonesia after July 1, 2014 will never be able to be accommodated in Australia, a refugee destination country. This condition certainly creates a buildup of foreign refugees in Indonesia [4].

Indonesia occupies a position as a transit country in this case having the role of temporarily accommodating refugees from the country of origin of the refugees, before heading to the destination country. This position is very significant for Asia Pacific countries, especially Australia as a destination country for refugees arriving in Indonesia, so that Indonesia is called a quintessential transit country by Hugo, Tan, and Napitupulu. This condition makes Indonesia displaced by many refugees so this also has implications for increasing the number of refugees in Indonesia. The following is data on asylum seekers and the number of refugees from year to year [5].

Indonesia's function as a transit point for asylum seekers and irregular migrants who have Australia as an intended final destination is not new. Indonesia was an important transit point, along with Malaysia and other parts of Southeast and East Asia, for the wave of Indo Chinese boat people in the 1970s, 1980s and 1990s [1].

This shows a pattern of initially flying to Kuala Lumpur in Malaysia and then moving to Indonesia through multiple channels. The survey respondents' countries of origin. The bulk of respondents were from Afghanistan, Sri Lanka and Myanmar. Among these groups, only Sri Lankans have large numbers that sail directly from their homeland to Australia [5].

**Figure 2 : The Trend of Asylum Seekers in Indonesia**



Source: [6]

Data on the number of refugees from year to year should have been taken seriously by the government by making anticipatory efforts to prevent social conflicts from arising in the community, because in the uncertain process of waiting, which on average takes up to five years or even more, searchers asylum and refugees are very vulnerable. In Indonesia, they do not have the right to work, the right to health, the right to shelter and access to basic education for their children. While of the total number of asylum seekers and refugees, there are around 3000 children who are of school age. Logistical assistance received by refugees has not been provided by the Indonesian government, but rather depends on the assistance of international organizations with a very limited amount [7].

**Figure. 3. Refugee Placement Policy**



Source: [6]

In 2014, Australia issued an anti-resettlement immigration policy against refugees residing in Indonesia. This policy clearly contradicts Australia's international requirements as a state party to the 1951 Refugee Convention and renewed renewal of refugees during transit in Indonesia. The immigration policy issued on 18 November 2014 was on the allocation denied by asylum seekers and refugees to the resettlement process (Australia) for Australia for those who registered with UNHCR Indonesia as of 1 July 2014. The policy could also be used to move the resettlement quota of 600 450 people per year only those who come before July 2014 [8].

The implication, this policy makes around 1,911 asylum seekers and refugees who register with UNHCR after July 2014, will not get the right to be placed in Australia. In addition, there are around 4,300 refugees and 6,200 asylum seekers currently in Indonesia, forced to wait for a longer resettlement process due to a quota reduction. In this case, the writer is interested in conducting research whether Indonesia's position as a transit country for refugees becomes a threat or an opportunity later if the refugee problem is not of particular concern by the Indonesian government. Moreover, recently, the concept of a "safe state" has become an argument for refugees to be present in Indonesia [4].

## **RESULT AND DISCUSSION**

From the results of interviews in the field it was found how much information related to the movement of refugees more who entered through the sea. The movement of irregular migrants and asylum seekers who use Indonesia as a transit country with the aim of moving to Australia [1]. Some of the main features are as follows:

1. There is a strong family, community and agent network that connects Malaysia and Indonesia, which facilitates migration.
2. A strong 'industry' has developed, with many stakeholders at various levels from local to international.
3. There are various sea routes and embarkations and beach landing points in Malaysia and Indonesia.
4. There is involvement of government officials in irregular migration in both countries.
5. Most movements, especially irregular migration, involve marine travel, most use fishing vessels, and there is a lot of fishing involvement.

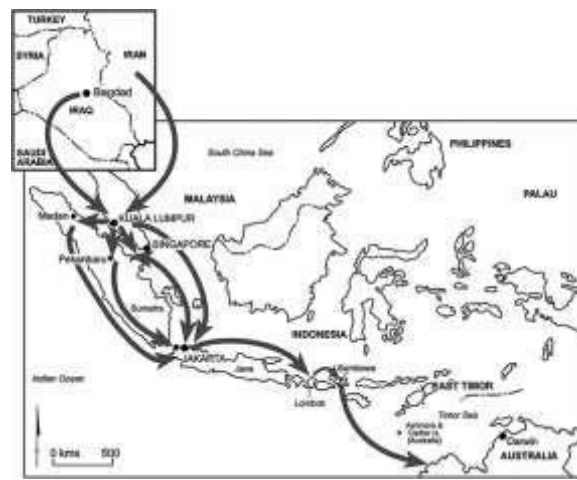
### **Reason Indonesia as transit Country**

The reason why Indonesia became a classic transit country for refugees, because Indonesia fulfills almost all the characteristics of a transit country. This includes:

- a. Medium geographical location between the Middle East, Africa and Asia on one side, and Australia on the other. This is comparable to Turkey and Russia, where, for those countries, located on the outskirts of Western Europe means that they have become important transit locations for illegal migrants from Asia and Africa and the Middle East who intend to enter Europe [9].

- b. Geography of the archipelago, which consists of more than 17,000 islands. This presents an almost unlimited opportunity to enter Indonesia by ship without detection.
- c. Its strong historical linkages, involving centuries of population movement and settlement, with the main origin countries (South Asia and the Middle East) of many groups seeking to enter Australia and seek asylum.
- d. Its complex contemporary migration system, which not only involves important flows to the origins of asylum seekers and to other transit nations involved in their movement, but has seen the development of a substantial migration industry.
- e. A system of government in which corruption and bribery play a significant role, which opens up possibilities, not only for staying in Indonesia, but also for facilitating onward migration.

**Figure 5. Trajectories of movement of 40 Iraqi asylum seekers 2008**

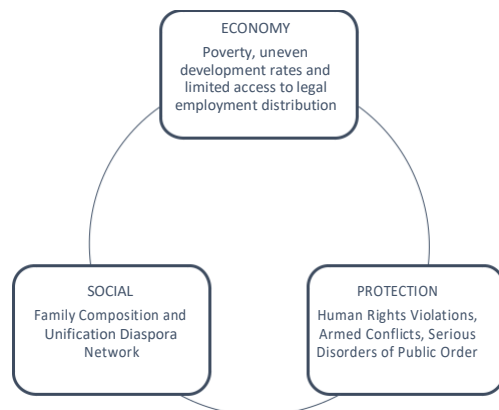


Source: [10]

### Refugee in Pekanbaru

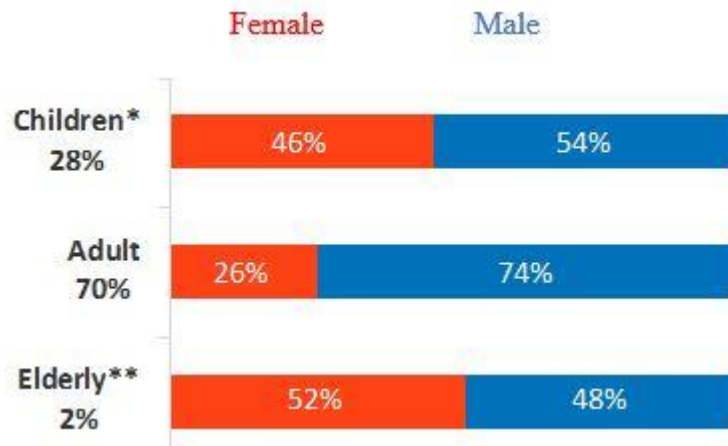
Based on an empirical approach, the reason the author makes the city of Pekanbaru as the focus of research is because geographically, Pekanbaru is on the island of Sumatra, the island of Sumatra itself is an island located in the westernmost part of Indonesia, while foreign refugees who come to Indonesia are dominated by people who are originating from the South Asian and Middle East regions, this makes Sumatra Island the first port of call for foreign refugees in Indonesia.

**Figure 6. Analysis of Refugee Problems in Pekanbaru**



The graph shows that the problems in Indonesia, especially in Pekanbaru there are three refugee issues that must be considered first, economic, social, and protection. this shows that Indonesia itself is the fourth largest country in the world by population, and despite recent economic growth and declining fertility, it has a large labor surplus, especially from low-skilled, low-educated workers. Thus, there is significant emigration with the largest group being temporary skilled low-level contract migrant workers.

**Figure 7. The Number of Refugees Registered by UNHCR in Pekanbaru**



Source: [11]

Based on the number of refugees in Pekanbaru is quite a lot, it becomes something complicated. Although this process is complicated, it has a number of elements that influence the movement of irregular migrants and asylum seekers who use Indonesia as a transit country for the purpose of moving to Australia [12].

Sumatra plays an important role in accepting asylum seekers. Sumatra Clearly, Sumatra's location is important: the island is located in Western Indonesia, close to Malaysia, and with the Malacca Strait along the north-east coast separating it from the Malay Peninsula. The corridor of this movement is well established and an industrial complex of interrelated agents has been developed to facilitate migration along this route. Apart from asylum seekers, illegal workers are another part of irregular migration occurring in the region, with 200,000 to 300,000 Indonesians working in Malaysia estimated to have passed the regular migration path in 2008 [13].

There are elements of corruption, with the story of Malaysian human traffickers working with the Indonesian Navy to facilitate the return of undocumented Indonesian migrant workers[13]. Such examples contribute to blurring the boundaries between legal and illegal practices that have led to the 'asphalt' route, which turns gray from the illegal nature of labor migration from Indonesia to Singapore and Malaysia [13]. In this context, it is easy to see how smuggling operations can develop in the Riau Islands and other locations along the north-east coast of Sumatra and how they become a magnet for asylum seekers who use Indonesia as a transit point.

### **Risk that Pekanbaru Deal with the Arriving of Refugee**

#### **Social Problems; Social Jealousy**

For the sake of their survival, foreign refugees are placed in a community house or a term that is often used by the IOM and Immigration City of Pekanbaru is accommodation. It is the duty of Kesbangpol as a government official to determine the accommodations to be occupied by foreign refugees.

Overseas refugees in Pekanbaru and also in other shelter areas are given permission to leave accommodation at 07.00 WIB until 19.00 WIB, at these times, refugees carry out personal activities, so starting from where various problems arise.

Social jealousy that occurs has an impact on the unfavorable interaction between refugees and residents around, it can be seen that the interaction that often occurs is between refugees and residents who are entrepreneurs, namely trading in a shop or shop. Due to language barriers and the lack of education of local residents related to the presence of refugees, resulting in mixed information is spread in the community related to the luxury lifestyle of refugees financed by the local government, because refugee financing is the responsibility of IOM not the recipient local government.

### **Criminalization; Sexual Abuse and Gigolos**

An IOM staff explained, starting in 2012 refugees, especially men, were often seen around Pekanbaru Mall, precisely at Jalan Sudirman at night, it was also a public secret for people who especially work as traders in the region, foreign refugees work as gigolo or men who work as commercial sex workers. They began operating at 22:00 WIB until before dawn at 04:30 WIB. This profession is carried out by a number of well-built, light-skinned young male refugees with customers who are older and wealthy women, they will pay a sum of money so that these young men will emerge with new cell phones, clothes and styles spikyhair in their daily lives, it is no wonder that foreign refugees (especially men), wearing brand clothes, using the latest models of cellphones, in essence look striking, do not show their status as someone who seeks protection. This phenomenon actually also occurs in various cities where other refugee camps are located, such as in the Puncak area, Jakarta.

Refugees who work as prostitutes have become common knowledge in the people of Puncak. However, for the case of Pekanbaru that happened not as much and as open as happened in Jakarta. Because of this reason, there was no serious follow-up from the city government or the security forces. There were no protests in the form of demonstrations like the one at Puncak, the anger of the local community arose because their villages were no longer merely used as temporary dwellings, but had become permanent, and also because the foreign refugees failed to inter agree and follow customs. local customs. Not only did they demonstrate for several days in front of the Bupati's office, but they also made a petition for local authorities and requested that the central authorities in Jakarta look for alternative housing options for the refugees.

The next case was reported by one of Pekanbaru's local newspapers at the end of 2018, as many as 4 refugee men from Afghanistan committed immoral acts. They committed a disgraceful act with an Indonesian woman with a husband. Then the next case, in January 2019, a refugee with the initial MA was suspected of having an affair with a wife in Pekanbaru, then directed and fostered at the detention center.

The accumulation of social problems that have been carried out by refugees during the waiting period is not taken seriously by the Pekanbaru City government, efforts to reduce crime are more directed at fostering and providing a deterrent effect so that refugees can realize the crimes they have committed. Policies or efforts to tackle crime are essentially an integral part of efforts to protect society (social defense) and efforts to achieve social welfare (social welfare). Then it can be said that the ultimate goal to be achieved from efforts to tackle crime is to provide protection, a sense of security and prosperity to the community, but this goal cannot be achieved by the Pekanbaru City government.

### **Cultural Differences**

Pekanbaru City people tend to see refugees as uninvited guests. General concern for the rights of asylum seekers and refugees among host communities in Indonesia is lacking. In areas where refugees are more visible, community responses and responses tend to be tougher. Refugees revealed that there was a lack of interest in learning Indonesian or making friends with Indonesians, assuming that this was not very important because they only stayed for a while in Indonesia.

## CONCLUSION AND RECOMMEDATION

The economic and political interests are proven by various rent seeking practices carried out by various parties to the government, such as; giving tribute from the owner of the guesthouse or hotel which is used as a community house so that the building can continue to be rented by IOM, various socialization activities and immigration training using funds from IOM, logging practices that continue to be carried out for refugees to be carried out administrative matters or matters of personal documents.

It makes sense if the Pekanbaru government continues to accept refugees in its city because the more the number of refugees residing in a shelter city, the more funds provided by IOM Jakarta for the city IOM so this also means that it will increase the amount of funds provided by IOM Pekanbaru to regional government.

At the national level, there is an incentive fund from Australia that is obtained by Indonesia if it can continue to accommodate refugees, Australia realizes that to stop the presence of foreigners in the country, what is really needed is assistance from Indonesia as a "buffer" or buffer zone. In realizing this national interest, Australia has provided a large amount of incentives to Indonesia as of 2009 and has continued to increase in subsequent years.

Based on the institutional theory of rational choice, the local government of Pekanbaru receives foreign refugees on the basis of maximizing value and minimizing losses, expenditures, and efforts in the form of acquired economic-political interests, but actually there is something big that is sacrificed by the government regions in the form of internal threats; not fulfilling human security for the local people of Pekanbaru City relating to the protection and creation of welfare for each individual citizen so that each individual can get security and freedom to obtain their welfare. The people of Pekanbaru City themselves feel insecure or threatened by the presence of refugees from abroad with a language and culture that is certainly far different from the local community. The various problems that have occurred have not been taken seriously by the Regional Government of Pekanbaru City which, if measured, has the same scale of conflict as other cities in Indonesia which have stated that they no longer accept refugees.

Threats or risks resulting from the acceptance process are minimized by reducing physical interaction between the two decision-making entities; community and foreign refugees by finding shelter far from residential areas. This condition actually does not change anything because violations often occur, this is due to the lack of oversight processes by the authorities, coupled with a lack of coordination between institutions and institutional egoism causing problems in the field to be ignored.

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# EU CITIZENSHIP AND RELEVANCY FOR ASEAN IN SUSTAINABLE REGUGEE MANAGEMENT THROUGH THE ROLE OF TNCS

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## Abstract

The increasing numbers of refugees globally has become a phenomenon recently. The EU and ASEAN regions have to deal with the influx of stateless refugees from Syria and Myanmar respectively. Furthermore, the UNHCR has difficulties in resettlement process in which the demand for global resettlement has increased while quota for resettlement has decreased significantly. This problem creates uncertainty and long waiting periods of refugees in transiting or origin countries. Relying on the practicality of EU Citizenship rights, in particular of free mobility and residency to look for job, this paper will develop a discourse on promoting rights for refugees to move freely and look for work chances by enabling them with capacity building and skill development to enter labor market. In addressing the above goals, the UNHCR will need to collaborate with TNCs since TNCs operate across state boundaries and tend to hire refugees in large number. Using literature review as a research of methodology, it is found that active labor market policy and capacity building are parts of sustainable refugee management and TNCs have capabilities to provide capacity building for refugees and access to market expansion in their supply chains globally.

**Keywords:** EU Citizenship, ASEAN, refugee, TNCs

## INTRODUCTION

Issue of refugees has become a global phenomenon recently where the number of refugees has reached 19.9 million in 2017 [1]. European region in particular has to deal with refugees from Syria while ASEAN needs to deal with refugees from Myanmar. Most refugees from Syria are identified as Kurds and Palestinian in which they are identified as not Syrian citizens [2]. Similarly, in the ASEAN region, refugees from Myanmar, known as Rohingya are also stateless refugees after the Government declaration that Rohingyas are not part of Myanmar citizens [3].

Stateless person according to the Convention of Stateless persons is defined as an individual who is not recognized by any states or by its law [4]. Without citizenship, a person will not be viewed as membership of specific nation and make them unable to have welfare, free movement and travel across the state [5]. In addition, stateless persons could also be perceived as deprivation of citizenship, in which individuals are placed outside of protection and loss of their rights and advantages as member of a specific nation [6].

Since states have no authorities to determine the status of stateless refugees, it is the role of UNHCR in providing further citizenship status for stateless refugees, particularly the rights for free travel and job opportunities to enter market workplace. The idea of free mobility and labour market opportunities are gained from the EU Citizenship. It is believed that intervention in active labor market policy as well as education and training to increase employability of refugee is part of achieving sustainable migration in the future [7]. Furthermore, it is also stated that residency and employment opportunities in labor workforce are some key factors that need to be taken into consideration in the 1954 Convention on Stateless persons [4].

However, relying only in states and UNHCR to take action alone is inadequate since refugee problem is a very complex issue, touching not only economic factors, but also social and environmental aspects. States are reluctant to receive more refugees in their countries by reducing the quota resettlement up to 50% while the global necessity for resettlement has increased by 17% in 2017. Moreover, the UNHCR faces a challenge in relation to resettlement process in which there are less than 0.1 % of refugee having successfully resettled each year or less than 100 thousands of refugees from nearly 20 million refugee population globally [1].

Therefore, it is important for UNHCR to get involved with other stakeholders who have capabilities to work across the globe and region, including in the EU and ASEAN. It seems that partnership with Transnational Companies (TNCs) will be an alternative solution. TNCs could play a key role in providing capacity building through education and training for refugees from the allocation of Corporate Social Responsibility (CSR) programmes as well as market expansion through supply chains across the globe. Moreover, TNCs tend to hire refugees in large number as their workers for their future competitive advantage [8].

The remainder of this paper is organized as follows. Firstly, it will discuss the research method used followed by the importance of EU Citizenship initiative and ASEAN experience in dealing with refugees. In the next section, the concept of sustainable refugee management is analyzed together with global partnership with TNCs in providing capacity building and market expansion for refugees. Lastly, the paper is summarized with stressing in providing additional discourse of UNHCR citizenship status for stateless refugees to move freely in looking for job opportunities across the globe for the future research agenda.

## **RESEARCH METHOD**

Traditionally, research methodologies have been classified into two distinctive methods, qualitative and quantitative leading to dividing two large groups of researchers in particular field of social studies [9]. This paper will use a qualitative method, in which, according to Strauss & Corbin in Mohajan, it is defined as an exploratory meaning and insights by researchers in a naturally specific condition [10] Furthermore, the exploratory study is conducted when there is not enough information about the situation at hand or little information on how similar issue has been solved previously [11].

Data collection and data analysis in this paper is carried out through document reviews. In reviewing documents, important notes, policies, regulations, related articles and journals about the topics are collected. Those documents are then separated into different stakeholders to ease classification and identifying typology of required documents. Global policy initiatives are also reviewed including but not limited to, the global Partnership in the SDGs, states and UNHCR role in refugee resettlement, as well as Global Compact for Refugee objectives. In addition, literature review is also carried out at the regional level, including EU experience particularly in Germany as well as ASEAN experience in refugee management in Thailand, Malaysia and Indonesia.

## **RESULT AND DISCUSSION**

### **EU Citizenship Initiative and Refugee Management**

The idea of EU Citizenship is to get people closer among member states, and it functions as an additional citizenship without losing national identity [12]. Historically, it was formally introduced in

the Maastricht Treaty in 1993 that gives free movement and social rights including employment benefits for member states, even though the EU establishment has started since 1954 [13].

In relation to market opportunities, the EU Citizenship also gives benefit for workers to have free labor movement in the region as a basic freedom of EU Citizens to search job and access to country welfare benefit [14]. Other EU Citizenship rights also include consular protection abroad, national election and language communication within EU Institutions [15].

Taking into consideration the particular rights of EU Citizenship in free movement and labor opportunities, the similar rights might also be implemented for refugees in the region. Germany for example, has been well known by its welcoming culture when accepting more than one million of Syrian refugees in 2015[16]. Those refugees are placed across the Country and the government help them with direct and humanistic way through integration process including supports on accommodation, job opportunities either in public or private sector and legal application process for refugees [17].

The integration is also intended to bridge interaction with German citizens and neighborhood in order for refugees to start a new life in Germany and had smooth relation with local people. From more than one million of refugees in 2015, almost three hundred thousands of refugees in Germany were successfully integrated to local labor market in 2016 [18]. In addition, the State also use technology to increase the capacity building of refugees in Germany, such as the introduction of an application to help refugees learn basic German language course, and on how to find jobs, asylum procedures and social custom for refugees [19].

The idea of EU Citizenship for free mobility and job opportunities for refugees seems applicable through the integration process as shown by the Germany. However, the status of those refugees are required to be issued by the UNHCR in order to move freely and search for job in their future of life.

### **ASEAN Free Mobility and Experience in Managing Refugee**

Unlike its counterpart, the concept of ASEAN identity is somewhat weak in the discourse of ASEAN citizenship. This is perhaps due to differences in culture, social and political situation in member states and also because of no specific coordination between states and public to develop the sense of ASEAN belonging [20]. This creates difficulty in providing free mobility of ASEAN people to travel or to stay for some period of time. However, visa exemption is currently available for short visit to member states of ASEAN, although it is intended mostly for tourism purposes [21].

Nevertheless, the region has already planned to move forward for free mobility in the region in its Blue Print 2025 of ASEAN Economic Community (AEC). The AEC will eventually have free flow of goods, services and skilled labors to enhance ASEAN trade and production networks in the future [22].

Furthermore, the region has also launched its Master Plan on ASEAN Connectivity 2025 to enhance physical, institutional and people-to-people linkage among members by promoting greater competitiveness, prosperity and inclusiveness for its members [23]. In those two documents, the necessity of free mobility and skilled labor workers is clearly stated as important issues to plan ahead.

In relation to refugee management, ASEAN does not have comprehensive management in dealing with refugee, although the region has issued the human right declaration as a guide to international protection for refugee [24] This includes prohibition to return back refugees and avoidance of violation of human rights. In addition, the region also provide common interests as indicated in the ASEAN Charter in which it respects, promotes and protects life of refugees, including their fundamental rights such as civil and political rights, economic, social and cultural rights [25].

Since there is no comprehensive management of refugee in the region, each country takes different action in dealing with Rohingya refugees. In Malaysia for example, the number of Rohingya refugees in 2018 has reached almost 115.000 people, and Malaysia have been a very famous country for Rohingya [26]. However, Rohingya's refugees are reluctant to claim their status as refugees

under UNHCR since it could limit their movement and work opportunity. Similarly, the Government does not allow them to have legal status or work permits in the country which creates difficulties for refugees to search for job [27]. As a result, they tend to look for work informally in the Country from their colleagues who have been already settled in the Country. It is argued that the biggest barrier for Rohingya to find a job in Malaysia is the absence of identity document such as passport or UNHCR status [28].

Thailand also received a large number of Rohingya refugees although the number has a slightly decrease from 106.000 in 2015 to 99.000 in 2017 [26]. The Government together with UNHCR has provided temporary accommodation for the refugees. Unfortunately, the Country has been perceived as a transit country and creates opportunities for people smuggling to bring more refugees in to the country. The Government of Thailand has urged to investigate the role of people smuggling after the findings of hidden camps and mass graveyard in the Country in 2015 [29].

Indonesia as one of ASEAN states has also received Rohingya refugees since 2015 although in a small number compared to Malaysia and Thailand. The arrival of 1300 refugees from Myanmar and Bangladesh in the province of Aceh after being floated in the ocean on their journey to in 2015, has constituted the number of refugees in the Country up to 7.827 [30] Those refugees are placed in temporary accommodation as well as in the Immigration Detention Center. Most of Rohingya's refugees transiting in Aceh, Indonesia is on their journey to Australia, although it is difficult to enter the Australia due to tight policy implemented. Moreover, Australia has decreased its refugee placement from 600 to 400 refugees in 2016 [31].

It seems that refugee management in the ASEAN region has been difficult particularly to have free mobility and job chances for refugee. It is partly due to having no comprehensive management in practice as well as lack of constitutional identity of its citizen.

### **Partnership with TNCs for Sustainable Refugee Management**

The role of states in managing refugees has actually been started since decades ago after the establishment of the 1951 Convention of Refugee to provide standard treatment for refugees after the World War II where a large number of refugees, particularly in Europe has challenged international communities [32]. In recent years, states have difficulties not to receive large number of refugees in which most refugees are not allowed to enter the countries. As a result, refugees have to stay longer in transiting or origin countries with no certainty and free mobility to look for economic and job opportunities for their future.

In the meanwhile, the role of the UNHCR has also been difficult in relation to resettlement. On the one side, the existence of the UNHCR is absolutely important in providing technical assistance for states to accelerate stateless refugees through assimilation or naturalization of refugees integration with local people [33]. On the other side, there is a gap between the high necessity for global resettlement and the low quotas available for resettlement in third countries.

Having state limitation and UNHCR challenge, it needs a global partnership with relevant stakeholders because refugee is a complex issue, which touches economic, social, environmental factors and beyond state jurisdiction. It is the fact that the world is more interconnected nowadays and all countries agreed upon strengthening the implementation of global partnership and work together to achieve other goals of SDGs [34]. In addition, the Partnership has several thematic issues including capacity building and trade to provide stronger workforce and better economics leading to growth environment in the future [35]

Furthermore, capacity building for refugees and job opportunities to enter labor market are part of interventions in sustainable refugee management as stated by the Italian Cooperation for International Development. It could be used as a guidance and framework in designing sustainable refugee management, in a global context [7]. The specific intervention includes an active labor market policy in origin or transiting countries. This will give opportunities for refugees to have work and job opportunities in the origin or transiting countries. Other interventions include capacity building in the form of vocational training and basic skill development, entrepreneurship promotion

for business skills, financial and market access for refugees to improve job efficiency and effectiveness in the future [7].

These interventions will be able to provide self-reliance for refugees which will equip them with skills and knowledge to enter the market. Self-reliance is referred to as —the ability of people, households or communities to meet their basic needs and to enjoy social and economic rights in a sustainable and dignified way [36] In addition, enhancing self-reliance for refugees is also part of the Global Compact for Refugee objectives. The other objectives include easing pressure in host countries, developing opportunities and access to developed states as well as providing safe return of refugees in their home countries [37].

Although the intervention is emphasized largely in home and transit countries, the initiative for active labor market policy could also be carried out in country of destination. For example, the government of Iran accepted refugees from Afghanistan between 2006 and 2009 due to conflict in the origin country. Those refugees were trained and educated in Iran to work in housing construction due to limitation of Iranian workers. As a consequence, the Government of Iran had to fund a large amount of money to train and educate refugees but also received benefits since the workers could boost the country economy especially from housing construction. In the meantime, workers from Afghanistan have also been benefited from salary they received for remittances in home countries [38].

In order to prepare refugees entering labour market, the UNHCR might need to have partnership with business enterprises particularly TNCs since TNCs operate across the boundaries with supply chains available for market expansion. It is believed that business can also contribute to the solution of refugees by providing training and skills for their future [39].

Moreover, it is the fact that TNCs tend to hire workers from refugees to become their labour workers in supply chains rather than to hire local workers, because diversity in workplace will create and advance their competitive advantages in their companies globally [8] In addition, TNCs also are better places to recruit migrant workers since they are able to identify the skills that will be useful and productive for the company [40].

Apart from preparing refugees to market opportunities, TNCs could also play a key role in providing capacity building for refugees through allocation of CSR programme to equip refugees with skill development and education as well as vocational training for the future livelihood of refugees. TNCs are required not only to gain as much as profit for their goals, but there are also responsibilities to have wider purposes for the betterment of environment and social advantage. Similarly, in achieving economic development, TNCs are also obligated to deal with societal and environmental issues through allocation of CSR programme while avoiding negative impact on community [41].

In the CSR principle, there are four layers of main activities that every company needs to pay attention, which at the end, form a pyramid, started by economy, legal, ethical and Philanthropy [42]. Every business has main goals to gain profit in the first layer, but it has to abide the law and be in line with ethical perspectives. The highest rank which is philanthropy is the top layer that the business entities need be encouraged to perform its business for the betterment of community.

In relation to refugee problem, TNCs could allocate their CSR Programme to empower skill development of refugees. For example, some German companies have begun to contribute in the refugee management through integration of refugees into labour markets in the new forms of CSR including occupational preparation course [43]. Furthermore, it would be an advantage if TNCs could work together with Non-Governmental Organizations (NGOs) to deliver training, education and skill development for refugees. While TNCs have CSR programme of capacity building for refugees, NGOs which are closer to community will be able to implement the program through training and skill development programme for refugees [44] In addition, the allocation of CSR for capacity building of refugees would be an opportunity for TNCs to gain competitive advantage, which in the end could increase trusts from other businesses, government, policy makers and investors [45].

Nevertheless, it is argued that the role of TNCs will become problematic if it is not appropriately managed. On one hand, TNCs are expected to gain profit with the existence of refugees and thus they might be able to catch opportunity to gain best brain in their multinational companies. On the other hand, it is also a chance for smuggling and trafficking refugees as a result of supply and demand necessity in business enterprises either legally or illegally [46]. The smuggling and trafficking network could also create labour exploitation, particularly for children and women who have large percentage that violate human rights and further establish modern slavery in labour market. There are 40.3 million of people in modern slavery in 2018 and 71 percent of them are women and children who are working in supply chain of industries worldwide [47].

To avoid modern slavery in labour market, the UNHCR needs to collaborate with the International Labour Organization (ILO) to have formal work possibility for refugees. In doing so, the UNHCR has provided cooperation with the ILO through a 5-year global education strategy (2019-2023) to reduce the gap in education for refugees and to be involved of multi stakeholders to develop refugee self-reliance. Primary attention will be addressed to non-formal education and skill training to support host countries in managing refugees [48] Previously, ILO and UNHCR collaboration on the market and value chain have been implemented in many countries such as Costa Rica, Egypt, Mexico, Pakistan, South Africa and Zambia to enhance refugee protection and households in building their better future. Those collaborations will also enhance positive economic development in the host countries and community through skill development of refugees as well as expansion of market and increasing employability for refugees [49].

## CONCLUSION

It is the fact that refugees are still facing problem globally. Not only states in EU and ASEAN regions are currently reluctant to receive more arrivals of refugees into their countries, but the UNHCR has also been difficult to resettle those refugees due to high necessity of resettlement while the quota has decreased significantly. In addition, relying on free mobility and job opportunities for stateless refugees is somewhat important to reveal additional discourse on the UN Citizenship status for refugees.

This paper has shown that partnership with private sectors particularly TNCs is believed as one part of durable solutions due to their operations beyond jurisdictions and supply chains across the globe. TNCs are also important in providing market expansion and delivering skill development for refugees through allocation of their CSR programs. Moreover, active labour market policy is also part of sustainable refugee management for the betterment of refugee in the future.

However, further research is needed to acquire best practice and implementation of TNCs in managing refugees sustainably as well as the idea of the UNHCR citizenship status for stateless refugees.

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# THE REGULATION OF INTERNET AS LITERACY MEDIA FOR CYBER COMMUNITY

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## Abstract

Social media phenomena bring real life changes to society as result of virtual or cyber. With the specific goal of identifying and analyzing the existence of Internet media regulatory tools in cyber society can be an intelligent and useful cyber community for real society. The proposed study of the empirical law study of Soerjono Soekanto consists of research into legal (unwritten) identification and the efficacy of the law. Based on the current discussion of the study, it will also be subject to the comparative regulation in the state of ASEAN where researchers are going to the ratio of regulation between the Indonesian state and Singapore. Therefore to be the proof of the concept of function and or character as applied to the tools of Internet media regulation It can grow the cyber-society of Indonesia into an advanced society that is either ready for globalization or for developments within the ASEAN state in the future, in order to preserve the technological advance in the offline world or the saiber that has always been protected by globally adapted and enforced regulations or at least by ASEAN has followed the same standard targets to implement regulation.

**Keywords:** Regulation, Literacy Media, Cyber Community.

## INTRODUCTION

The role of media in social life according to various literary texts is no doubt although viewed differently but is no denying its significant role in modern society at the outset [1]. This development in social media has also been a central necessity for some of our modern society to follow the advances in computer technology that continue to develop according to the needs of society [2]. Therefore the social media impact is ironic that a common theme in contemporary media representations is one that warns people about the evil control of media rulers "Elliott Carvers" the world (starting up) in large numbers of people around the world [3].

The very existence of society is a mutual group of people "intermingled" or in scientific terms "interact" where a union can have an infrastructure whereby citizens can interact [4]. With one another in social change is a social process experienced by society members and all cultural elements and social systems where all levels of society's life voluntarily or are influenced by external elements leaving behind cultural and social patterns and systems long after they adjust or use new cultural and social systems [2]. The shift in society in these interactions is evident from the youth who replace their habits by social interaction directly into interactions through online media tools and they (teenagers) can be identified as cyber. Based on the discussion of his research, it will also lead to the ratio of regulation in the ASEAN state where researchers are going to the ratio of regulation between Indonesia and Singapore.

That is because Singapore is among the most dominant in developing technology. Thus, the proof of the concept of function and character applied to the regulatory Internet as a tool for the alternative media will grow to develop the cyber community in Indonesia into a more developed and ready to face the competitiveness within the globalization as well as the development within the ASEAN state, for advancements in cyberspace or technologies to always be protected by regulation adapted and enforced globally or at least by ASEAN has followed the same standard target for the implementation of regulation.

Thus, urgent the phenomenon in the above social media can bring real-life changes as a result of cyberspace, so it can be limited to its scope through the application of regulation (Undang-Undang RI Number 19 years 2016) about the amendment for information and electronic transactions). Therefore the researcher was interested in examining her from the title "Internet media regulations as a means of literalizing media to the cyber community".

Therefore the researchers can take the problem formula as :

1. How is the implementation of Internet media regulation as a tool of cyber-intelligence?
2. How does the effect of implementation of Internet media regulation as a means of literation in the cyber-society?

## **RESEARCH METHOD**

In accepting this research, using this type of empirical legal research according to Soerjono Soekanto consisted of research on meeting the law (unwritten) and the use of law [5]. It is also based on the philosophy and paradigm of empirical legal science, which is by looking at the reality that exists in society regarding the Internet Media Regulation as a Media Literacy Tool in Cyber Society.

The recommendations of this study use a sociological juridical discussion of media literacy studies conducted in the following manner:

1. Identify the implementation of Internet Regulation Media as a Media Literacy Tool in Cyber Communities.
2. Analyzing the Internet Regulation Media as a Media Literacy Tool in the Cyber Society.

Data collection techniques used in this research proposal are through qualitative interviews which are one of the techniques for collecting data and information [6]. So, this direct and in-depth interview was conducted on the Regulation of the Internet Media as a Media Literacy Tool in the Cyber Society along with participant observation to complete the data objects to be taken.

The data analysis technique in this study is a qualitative descriptive analysis which is an activity carried out by the writer / researcher to determine the content or meaning of the rule of law which is used as a reference in solving legal problems that are the object of study [7]. Then an analysis or interpretation of all aspects is carried out to understand the meaning of the relationship between cyber society and media literacy tools in the social reality of the community and with all aspects that are the main problems in this study carried out inductively, namely drawing conclusions about things that are specific (concrete) towards to things that are general (abstract) [8]; to give a complete picture of the results.

## **DISCUSSION AND ANALYSIS**

### **1. Implementation of Internet Media Regulation as a Media Literacy Tool in Cyber Communities**

Based on the AECT (Association of Education Communication Technology) in 1977 an organization engaged in education and communication technology, interpreted the media as all forms used for the process of channeling information [10]. In other words, the media is a communication tool that is very

instrumental to convey information both directly and indirectly (ie through intermediaries). Therefore the media is needed by all groups. It's just that in the delivery of this media sometimes there are many obstacles and challenges going forward.

Several functions of this communication media are as follows [9]:

1. Function explained;Is the main function of communication media.
2. The function of selling ideas;It is intended that the function of selling ideas of contents and sources of information comes from the presenter himself, which is related to presenting ideas or new ideas to be criticized by the recipient of the message.
3. Learning function;It is the function of the media to teach students who not only receive the information presented but how the media can stimulate students to move towards learning goals.
4. Administrative functions;Is the use of media as a tool for educational institutions in disseminating information about academic administrative activities.

If viewed from some of the media functions above, it can be concluded that any form of media that will be used must have a meaning or significance for the user or recipient. So much media will be more widespread also the development of the media among the world community, especially in the ASEAN community. This was proven easily by the community being able to access each other's media and even between countries. For example, Indonesia with Singapore or Malaysia, which have developed rapidly in implementing their technological advances through the media they have now.

Previously this media was only considered as delivering news or information. But in the current era of national development, the media is not just about delivering information. But the media has also been considered as a very important need, both carried out among adults and even among the children. If we want to discuss one by one in each society regarding the use of these media, they certainly have different functions and benefits.

The development of media in the current technological era changes the mindset of modern society into a pattern that is spontaneous and instant and easy to access. Yet if you want to be studied more deeply in the application of current media technology or often also referred to as internet media, limitations must be given to avoid negative things.

As for the restrictions on internet media, this can be assessed from the communication and ethics patterns as well as the ethical patterns of social media. According to the characteristics of communication is also associated with the realm of ethics to position ethics as an important part of communication, where these characteristics can be classified as follows [10]:

1. Communication is dynamic;
2. Communication cannot be repeated in the same context;
3. Communication is related by culture;
4. Communication is influenced by ethics;
5. Competency-based communication;
6. Communication is transformed with media and technology.

Therefore in any social media there is an ethical requirement. That is because social media ethics must have personal virtues and advantages that are very reliable in navigating the world of communication today, because with virtue one can sort out sharply, what is good, right, necessary and valuable in this modern world of communication [10].

After so many kinds of media in communicating, each country has begun to develop its own regulatory system as well as technological advancements that make ASEAN countries do not want to miss the system or ways to protect their cyber society from the influence of media ethics that is not good . As Indonesia has implemented several rules / regulations in order to overcome the impacts that

will occur from irregularities in the internet media, by starting to make rules on Information and Electronic Transactions, rules on Pornography and Porno-Action, to the rules on Openness of Public Information, this is to ensure the public as internet media users can avoid bad behavior.

Likewise, just as in Singapore, that they also anticipate their community as good internet users, Singapore countries apply several regulations, namely: to facilitate trade channels through internet media, Singapore countries also make a regulation called the ETA (Electronic Transaction Act) ), this is related to the scope of electronic contracts based on online trade law that is conducted fairly and quickly and to ensure that electronic contracts have legal certainty [11].

Based on the two ASEAN countries above, it has been pointed out that Indonesia and Singapore also have similarities, namely to provide protection and legal certainty to the cyber community as internet media users.

## **2. Impact arising from the implementation of Internet Media Regulation as a Media Literacy Tool on Cyber Communities**

If we look at it from the perspective of the impact of implementing internet media regulations as discussed above. Then based on examples of existing cases such as [12]:

"DIGITAL PAYMENTS. The third aspect that is excellent and an important foundation for the digital economy is the digital payment system. Unfortunately, the World Bank found that the implementation of digital payments in Southeast Asia was still quite underdeveloped compared to other regions. In most countries in Southeast Asia, the payment system is still very dependent on the physical system or cash, he wrote. Singapore is the country with the highest share of digital payment account ownership, reaching almost 50% of the total population, while the lowest share of digital payment account ownership is Myanmar, which is only around 2%. Specifically, the World Bank recommends simplifying customs procedures. This is intended to speed up the process of shipping goods, so as to be the driving force behind the birth of online trade or e-commerce service providers. Likewise, regional integration, including harmonizing regulations and facilitating transactions between Asean countries, can create integrated digital markets that benefit both businesses and consumers, the World Bank wrote. If all aspects have been maximized, then the last step that must be taken by both the government and the private sector is the management of risks and vulnerabilities that come with digital transformation. The World Bank recommends that ASEAN countries have effective standards and regulations in the digital economy sector. These include standards for electronic transactions, cross-border data flow, cyber security, data privacy, and consumer protection which must be a shared priority."

So seen from digital payment users in Singapore in the case of the use of internet media is very helpful, especially in the field of banking finance. Because the existence of regulations in the internet media is very helpful in the pattern of performance of the development of the financial system in ASEAN countries and also has given a trust to the public as users of the internet media to get legal protection and legal certainty.

The above is also almost the same as the application of internet media regulations in Indonesia, that [13]:

"The ITE Law applies to every person who commits legal actions both in the territory of Indonesia and outside Indonesia, which has legal consequences in Indonesia. Dispute resolution can also be resolved using alternative dispute resolution methods or arbitration. There will be at least nine Government Regulations as implementing regulations for the ITE Law, so that this Act can be carried out effectively. On the other hand we know the rise of carding or credit card theft on the internet comes from Indonesia. With the presence of the

ITE Law, it is expected to reduce the occurrence of carding practices in cyberspace. With this ITE Law, credit card users on the internet from our country will not be blacklisted by online stores from abroad. Because sites like www.amazon.com are still backing up the list of credit cards issued by Indonesia, because they think we don't have cyber law yet. Now, with the ITE Law as the first cyber law in this country, other countries will have more trust in us."

In Indonesia with the ITE (Electronic Information and Transaction) Act, it can also provide a guarantee of legal protection for cyber people as users of the internet media. Therefore, if viewed from the two countries in ASEAN, namely Singapore and Indonesia, the impact that occurs with the application of internet media regulations is positive in order to build public confidence in the comfort of using existing internet media both among children, adolescents, and even mature though.

## CONCLUSION

On the problem and discussion chapters in the above research, it can be concluded that:

1. Implementation of Internet Media Regulation as a Media Literacy Tool in Cyber Communities, wanting in a variety of media to communicate, each country has begun to develop its own regulatory system as well as technological advancements that make ASEAN countries not want to miss the system or a way to protect the cyber community from the influence of media ethics that is not good. As Indonesia has implemented several rules / regulations in order to overcome the impacts that will occur from irregularities in the internet media, by starting to make rules on Information and Electronic Transactions, rules on Pornography and Porno-Action, to the rules on Openness of Public Information, this is to ensure the public as internet media users can avoid bad behavior. Likewise, just as in Singapore, that they also anticipate their community as good internet users, Singapore countries apply several regulations, namely: to facilitate trade channels through internet media, Singapore countries also make a regulation called the ETA (Electronic Transaction Act) ), this is related to the scope of electronic contracts based on online trade law that is conducted fairly and quickly and to ensure that electronic contracts have legal certainty.
2. The impact arising from the implementation of Internet Media Regulation as a Media Literacy Tool on Cyber Society, is positive in order to build public trust in its comfort in using existing internet media among children, adolescents, and even adults, both for Indonesia and Singapore. , both of which are included in ASEAN countries which have a stake in the use of internet media which is very dominant for their people.

Regarding the recommendation given by researchers here are as follows:

1. For the Government in ASEAN countries, it is expected to be able to further develop regulations to create legal certainty in ensuring the use of internet media that continues to grow rapidly following technological advances.
2. For the cyber community, it is expected to be more intelligent in using existing internet media in order to avoid the matter that deviates and harms many people, so as to create an ethical atmosphere in the use of media.

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# THE CONTINUITY OF ASEAN CENTRALITY WITHIN INDONESIAN FOREIGN POLICY UNDER PRESIDENT JOKO WIDODO

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## Abstract

Indonesian foreign policy under President Joko —Jokowi Widodo continues to propel the significance ASEAN Centrality through official statements from Jakarta and its corresponding diplomatic practices. Despite the premature skepticism that President Jokowi would turn away Indonesia from ASEAN-led mechanisms in achieving its national interest, Jokowi's first term as president illustrates how ASEAN remains to be a primary driving force behind Indonesia's implementation of key foreign policy objectives. This paper aims to explore practical instances where Indonesia utilizes its position as the largest ASEAN member state, both geographically and economically, to drive its agenda forward while simultaneously promotes the profile of ASEAN as an autonomous and cohesive regional organization. In order to demonstrate Indonesia's continuity of upholding ASEAN Centrality under President Jokowi, three main areas of Indonesia's foreign policy will be examined. The first area concerns Indonesia's close coordination with all ASEAN member states towards the recent and eventual adoption of ASEAN Outlook on the Indo-Pacific. The second area involves President Jokowi's call for ASEAN to strengthen its economic resilience amidst the ongoing US-China tit-for-tat imposition of trade tariffs. The third area looks at Indonesia's adherence to ensure the safety of Rohingya ethnic group in the Rakhine State of Myanmar. After closer examination that accounts for the maintenance of ASEAN Centrality by Indonesia in those three areas, it becomes evident that ASEAN is an indispensable forum with tremendous significance to Indonesia's foreign relations.

**Keywords:** ASEAN Centrality, Bilateralism and Multilateralism, Indonesian Foreign Policy, Joko Widodo, Regional Organization, The Indo-Pacific Concept, The Rakhine State, US-China Trade War.

## INTRODUCTION

ASEAN has always been positioned in the center of Indonesian foreign policy. This phenomenon is not only continued but strengthened under current President Joko Widodo's (Jokowi) administration. Such centrality is evident not only in the implementation of Indonesian foreign relations under Jokowi, but they are also legally bound under Law Number 38 Year 2008 of the Republic of Indonesia on the Ratification of ASEAN Charter [1]. When Jokowi took over the Indonesian presidency in late 2014, there was a growing alarm among the academic community on Indonesian Political Science and International Relations that Indonesian foreign policy under his leadership would sideline multilateralism in general and ASEAN in particular. This paper attempts to demonstrate that such prediction does not capture the reality of how Indonesia conducts its foreign relations as Jokowi's presidency continues. Indonesia's successful efforts to garner consensus of all ASEAN member states on the outlook of Indo-Pacific concept, its initiative to address the ongoing US-China trade war through an ASEAN-led forum, and its increasing call for ASEAN to address the issue of Rakhine State in Myanmar show how ASEAN remains to be the cornerstone of Indonesian foreign policy not only in legal but also practical terms.

In order to illustrate the continuity of ASEAN Centrality under President Jokowi, this paper firstly provides a brief overview of Indonesia's historical origin and role within ASEAN's regional grouping. It subsequently unpacks the conceptual and operational definitions of ASEAN Centrality. The initial assessment in early years of Jokowi's presidency that Indonesia would be retreating from ASEAN is

accounted afterwards. The main content of this paper examines the three cases outlined above where Indonesian foreign policy places high emphasis on ASEAN Centrality both in terms of norms-setting and regional engagements. The paper finally concludes that ASEAN is not only an indispensable platform that advances Indonesia's foreign relations. The studies also indicate that President Jokowi is becoming increasingly pragmatic when it comes to combining bilateral and multilateral approach in Indonesia's handling of international affairs.

## **RESEARCH METHOD**

This research employs both primary and secondary data to assess Indonesian foreign policy continuity in upholding ASEAN Centrality. Relevant literature is employed when exploring Indonesia's role and position within ASEAN membership as well as in the conceptualization and operationalization of ASEAN Centrality. Commentaries from scholars and observers on Indonesian Politics and International Relations are taken into consideration with regards to the initial prediction that Indonesia would no longer prioritize ASEAN in its foreign relations. Lastly, in the three areas of Indonesian foreign policy, government accounts from the Ministry of Foreign Affairs (Kemlu), press releases from the Cabinet Secretariat (Setkab) are collected to demonstrate the presence of ASEAN Centrality in Indonesian foreign policy. By fusing the general literature on Indonesian foreign policy vis-à-vis ASEAN with official sources indicating the continuity of ASEAN Centrality, this research aims to strengthen the argument that ASEAN-led mechanisms as well as its norms and principles are thoroughly and conscientiously implemented in the conduct of Indonesian foreign policy.

## **RESULT AND DISCUSSION**

### **Indonesian Foreign Policy and ASEAN**

Before Indonesian foreign policy is placed within the context of Southeast Asia's regionalism, which extends to interactions among ASEAN member states, there is a need to understand the fundamental principle of Indonesian foreign policy first. Indonesian foreign policy is driven by the 'independent and active' politics wherein the state:

does not maintain a passive or reactive stand on international issues but seeks active participation in their settlement... it is one that does not align Indonesia with the super powers nor does it bind the country to any military pact [2].

The non-alignment element of Indonesian foreign policy points to Indonesia's consistency in advocating towards the autonomous regional order within ASEAN. When the 'independent and active' politics is applied into Indonesia's role and position in ASEAN, the conviction that ASEAN needs to be free from external interference is constantly emphasized by Indonesia [3]. Furthermore, the notion that ASEAN should be free from external interference is reflected in ASEAN official documents and treaties from its founding until the present moment[4]. For this reason, Indonesia accentuates the central role of ASEAN in formulating initiatives that concern regional issues as well as shaping the regional security architecture [3].

Aside from the application of 'independent and active' politics principle to Indonesian foreign policy towards ASEAN, Indonesia's membership and changing behavioral pattern during the years of ASEAN's establishment deserves prior attention. As one of the founding members of ASEAN, Indonesia's entry to ASEAN was motivated by a collective intent to institutionally enmesh Indonesia into the regional organization [5], [6]. As pointed out by Wibisono [7], Indonesian foreign policy under President Sukarno, which preceded the founding of ASEAN, had high inclination towards nationalist ideology and assertiveness. When Indonesia transitioned from Sukarno to Suharto's presidency, there was an attempt by Southeast Asian states to shape Indonesia's foreign policy approach from that of assertiveness to accommodation by incorporating the latter into ASEAN. The change in Indonesia's behavior towards its external environment after it participated in the founding of ASEAN bears effective results. Indonesia maintains adherence towards the habit of dialogue and consensus through consultation, which is an embodiment of ASEAN Way, when interacting with ASEAN member states as further elaborated in this paper.

## **The Concept of ASEAN Centrality**

While Indonesia promotes ASEAN that is autonomous and free from external interference, the concept of ASEAN Centrality requires further exploration in order to ascertain that Indonesian foreign policy continues to preserve the practice of such concept. Conceptually, ASEAN Centrality is defined as the ability of ASEAN to ensure that regional processes and engagements are led and shaped by themselves through ASEAN-led mechanisms [8], [9]. To determine the extent to which regional processes and engagements are led by ASEAN, three indicators are used to measure the strength of ASEAN Centrality. Operationally, the first indicator points to whether ASEAN can shape the norms that “define the regional institutions in Asia” [8]. This implies that the capacity of ASEAN to ensure that its own norms and principles are followed by its external partners is an essential element to secure ASEAN Centrality. As explained by Haacke [10], the core norms of ASEAN include :

sovereign equality, non-recourse to the use of force and the peaceful settlement of conflict, non-interference and nonintervention, non-involvement of ASEAN to address unresolved bilateral conflict between members, quiet diplomacy, and mutual respect and tolerance.

The second indicator relies on whether ASEAN has the capacity to set up agenda for regional cooperation to move forward [8]. In practice, this is one characteristic of ASEAN Centrality wherein ASEAN faces significant challenge in assuring that the organization remains in the driver seat when engaging with dialogue and external partners whose military and economic leverage exceeds that of ASEAN member states. Lastly, the intra-ASEAN relations define the ability of the organization to advance its regional objectives [8]. In the absence or lack of unity and cohesiveness among the member states, ASEAN would be less able to maintain its centrality within the Asia-Pacific regional dynamics.

## **Indonesia’s Mythical Retreat from ASEAN**

The start of Jokowi’s presidency was marred with skepticism that Indonesia’s long-established customs in placing ASEAN at the center of its foreign policy would change due to President Jokowi’s perceived preference for bilateral approach to international relations. Senior editor of *The Diplomat*, Prashanth Parameswaran, aside from identifying the diminishing role of ASEAN under Jokowi’s presidency, saw that “there are also signs that Indonesian foreign policy is becoming more domestic-oriented and bilateral under Jokowi” [11]. Harding and Merchant [12] are more critical in their assessment that “under Jokowi’s watch, Indonesia has retreated from its traditional leadership role in ASEAN, leaving the bloc leaderless and fragile.” This view is similarly shared by Connelly where he commented [13]:

Jokowi’s emphasis on delivering tangible domestic economic results and his associated scepticism of multilateral summit diplomacy has led to less active Indonesian diplomacy...the change has been most noticeable within ASEAN, which had come to rely on Indonesian leadership in advancing regional norms and forging consensus on them at its summits.

Poole also made a remark that [14]:

He (Jokowi) emphasises bilateralism more than multilateralism and is more likely than his predecessor to ask what ASEAN (and other organisations) can do for Indonesia, rather than accept unquestioningly the value of liberal internationalism.

As outlined above, the view that President Jokowi would undermine the role of ASEAN in Indonesian foreign policy and that bilateralism would become the primary tool in which Indonesia advance its national interest is shown to be premature, erroneous, inaccurate. The second half of Jokowi’s first term as President demonstrates how Indonesia asserts its confidence in utilizing ASEAN - led

mechanisms as well as its norms and principles to address regional issues and challenges. This is reflected in the three cases of foreign policy area that are to be discussed in the following subsections of this paper.

## **Indonesia's Continuity in Upholding ASEAN Centrality under President Jokowi**

### **ASEAN Outlook on the Indo-Pacific**

The idea of Indo-Pacific started to gain traction within the discourse of Asia-Pacific security when the concept is advanced for the past couple of years by the United States and its allies in response to the rise of China. While the ontology of the concept is still being contested among various regional actors in the Asia-Pacific, the term 'Indo-Pacific' was first used formally by Australia in 2013 Defense White Paper. Indo-Pacific is defined in that document as "the wider Asia-Pacific region" alongside the need to reinforce the importance of US-China relationship to Australia's strategic environment [15]. In 2017, both the United States and Japan issued a "Free and Open Indo-Pacific" strategy [16] [17]. The 2017 US National Security Strategy White Paper explicitly stated the risk of China's growing dominance to the neighboring Indo-Pacific states [16]. Additionally, even though India's vision towards Indo-Pacific strives towards regional inclusiveness and pursuit of common security, it joined Australia, Japan, and the US in ensuring "Free and Open Indo-Pacific" region for all [18].

In response to this shift in Asia-Pacific regional dynamics, Indonesia, through its Ministry of Foreign Affairs (*Kemlu*), worked towards formulating and adapting an Indo-Pacific concept through ASEAN led-mechanisms as well as instilling its norms and principles during much of 2018 and 2019. The first usage of the term "Indo-Pacific" under President Jokowi's administration was made by Foreign Minister Retno Marsudi (2018) in her 2018 Annual Press Statement where she stated that, "Indonesia will work together with countries in the region, to develop an Indo-Pacific cooperation umbrella." Since then, the concept has been heavily promoted by Marsudi and Jokowi himself during ASEAN fora and meetings.

Indonesia's development of Indo-Pacific concept was introduced by President Jokowi in his speech at an ASEAN-India Commemorative Summit in January 2018 [19]. At the 32nd ASEAN Summit in April 2018, President Jokowi accentuated the need for Indo-Pacific that is inclusive and promotes ASEAN Centrality [20]. A month after the 32nd ASEAN Summit, Marsudi during CSIS Global Dialogue and the 25th Pacific Economic Cooperation Council (PECC) General Meeting raised Indonesia's intention to discuss the —Indo-Pacific concept at the upcoming East Asia Summit [21]. The discussion between policy think tank and business stakeholders with government officials on Indonesia-led Indo-Pacific concept shows that there is an inclusion of track 1.5 diplomacy throughout its formulation process. At the 13th East Asia Summit in November 2018, President Jokowi emphasized the Indo-Pacific Cooperation Concept that builds on cooperation, inclusiveness, transparency, and openness [22]. The push for an ASEAN Indo-Pacific concept continues as Marsudi called on ASEAN member states to move forward with the development of Indo-Pacific Cooperation Concept in her 2019 Annual Press Statement [23].

Indonesia's effort to promote and adopt an Indo-Pacific concept in Southeast Asia came into completion as ASEAN leaders adopted "ASEAN Outlook on the Indo-Pacific" (see Appendix A for the full document) at the 34th ASEAN Summit in Bangkok in June 2019 [24]. That same month, Jokowi conveyed the adoption of ASEAN Outlook on the Indo-Pacific to several of his East Asian counterparts and received verbal support from Australia, India, Japan, and South Korea [25]. In addition, Beijing also welcome ASEAN's concept of Indo-Pacific months before it was formalized where it was seen as "more constructive than those of the United States and Japan" according to one of the diplomats at Chinese Mission to ASEAN [26].

The formulation process and completion of the ASEAN Outlook on Indo-Pacific reveals three analytical inferences with regards to ASEAN Centrality. Firstly, the adoption of ASEAN Outlook on Indo-Pacific demonstrates Indonesia's commitment to uphold ASEAN Way of consensus and consultation as well as using ASEAN-led mechanisms to reach a unanimous agreement on its content. Consensus among the ten ASEAN member states are required for the concept to be acknowledged and

prospectively institutionalized within the regional organization. Indonesia used ASEAN-led mechanisms as well as applied ASEAN norms and principles in working towards the completion of the outlook. Secondly, the content of the outlook likewise strengthens ASEAN Centrality both from the perspective of norm-setting and ASEAN-led engagement in the region. The outlook promotes the principles of “ASEAN Centrality, openness, transparency, inclusivity” and “provide a guide for ASEAN’s engagement in the Asia-Pacific and Indian Ocean regions” [27]. “A visual representation depicting the framework of ASEAN outlook on the Indo-Pacific issued by Kemlu (see Appendix B) shows how the principles, objectives, and mechanism of Indo-Pacific revolves around ASEAN Centrality, ASEAN Community Building Process, and ASEAN-led mechanisms respectively. Whether or not the outlook will strengthen ASEAN’s position vis-à-vis its external partners remains to be seen. Thirdly, the outlook strengthens ASEAN’s preference for cooperative security, i.e. ‘security with’ as opposed to ‘security against’ the adversary [28] coupled by the norm of inclusiveness [29]. This pattern shows significant degree of continuity from the early post-Cold War formation of ASEAN Regional Forum (ARF) wherein ASEAN conforms to norms of inclusiveness by engaging all principal actors to address regional security issues [8] [29]. Unlike the US expansion of Indo-Pacific concept, which highlights greater capacity to deter aggression [30], ASEAN’s advocacy towards cooperative security focuses more on accommodating the diverging interest of its external and dialogue partners. ASEAN’s preference for cooperative security and inclusiveness in the ARF as well as the ASEAN Outlook on Indo-Pacific is indeed a testament to extension of ASEAN principle of non-interference. It is highly tantamount to how accommodation and respect towards national interest and internal affairs of its member states respectively would yield to domestic tranquility among themselves [31].

Recent short-piece publications leading up to and following the ASEAN Outlook on Indo-Pacific display comparable views with regards to ASEAN Centrality and the Indo-Pacific concept. Oba [32] points out that “the document also suggests that Indo-Pacific cooperation be conducted based on the ASEAN way.” Acharya [33] similarly states that “the Outlook stresses reliance on existing ASEAN norms and mechanisms, such as the Treaty of Amity and Cooperation and the East Asian Summit.” Rezasyah [34] also explains that the adoption of ASEAN Outlook on Indo-Pacific accentuates the role of ASEAN to be in the driver seat when defining its relations with external partners.

### **US-China Trade War**

Aside from the ASEAN outlook on Indo-Pacific, another area of Indonesian foreign policy issue where ASEAN Centrality is preserved can be attested by Jakarta’s response in the second quarter of 2019 towards the escalating US-China trade war. Since 2018, the US and China are both engaging in tit-for-tat tariffs. which largely emanates from US President Donald Trump’s inclination towards trade protectionism (see Appendix c for the graphical summary).

The exacerbation of tit-for-tat tariffs on trade goods between the US and China compels President Jokowi to identify a response for Indonesia that involves both domestic and foreign policy actors. This is one foreign policy area wherein there is a direct intertwine between domestic politics and foreign policy output.

From the domestic-level approach, Jokowi met with members of Indonesia’s Chamber of Commerce and Industry (KADIN) as well as Indonesian Young Entrepreneurs Association (HIPMI) to discuss the opportunity that Indonesia can gain from US-China trade war [35]. In addition, Marsudi and other high level Kemlu officials held a working meeting with Commission I of the People’s Representative Council (DPR – Indonesia’s Lower House of Parliament) to discuss current issues on foreign relations, including the ongoing US-China trade war [36]. These meetings took place early in June; the week before 34th ASEAN Summit in Bangkok. Shortly before departing for the 34th ASEAN Summit, Jokowi held a limited meeting with his cabinet members and announced Indonesia’s intention to unite ASEAN member states for common stance towards US-China trade war at the summit [37].

The interaction within the pertinent Indonesian domestic actors on this issue transforms a foreign policy output wherein ASEAN member states, through their respective economic ministers, agreed to strengthen regional economy by working towards the conclusion of Regional Comprehensive Economic Partnership (RCEP) negotiation by the end of 2019 [38] [39].

The question of whether the expedition of RCEP negotiation process will boost ASEAN's collective resilience towards the ongoing trade war is subject to further debate. What is noteworthy from this outcome however is that Indonesia's call for ASEAN unity amid the growing protectionism among the two largest global economy, coupled by the use of ASEAN meeting to discuss the ongoing issue, illustrate the continuity of ASEAN Centrality within Indonesian foreign policy.

### **The Issue of Rakhine State in Myanmar**

The last area wherein the practice of ASEAN Centrality is exerted in Indonesian foreign policy is the humanitarian crisis at the Rakhine State of Myanmar. The issue of Rakhine State is categorized under strategic challenges and issues in 2016, 2017, and 2018 Kemlu's performance report (*Laporan Kinerja Kementerian Luar Negeri*).

Indonesia's proactiveness to ensure the safety in the Rakhine State intensifies after November 2016 clash between the Rohingya and Myanmar's army. There was a discrepancy on selected ASEAN member states' response towards the incident. On one hand, Malaysia under the then Prime Minister Najib Razak resorted to megaphone diplomacy in condemning the violent clash [40]. On the other hand, Indonesia was focused more quiet diplomacy as Marsudi visited Myanmar's State Counsellor Aung San Suu Kyi in Naypyitaw in December 2016 followed by a dispatch of humanitarian aid the following month [41]. The year 2017 saw the intensification of Indonesia's bilateral effort towards the safety of Rakhine State. This is exemplified by President Jokowi's meeting with Suu Kyi in April during the sideline of 30th ASEAN Summit followed by a meeting between FM Marsudi and Suu Kyi in September. President Jokowi emphasizes how peace and stability in Myanmar is of regional importance during the former's talks [42] [43].

The year 2018 saw the introduction of both bilateral and multilateral approaches by Indonesia to the issue of Rakhine State. Starting in January, Jokowi visited the Rohingya refugee camp at Cox's Bazar after a bilateral meeting with Bangladeshi Prime Minister, Sheikh Hasina [44]. Three months later, Jokowi met with Myanmar's President Win Myint in Singapore before the 32nd ASEAN Summit and raised his concerns about the safety of Rohingya refugees [45]. This culminated in President Jokowi raising the issue of Rakhine State at the 33rd ASEAN Summit [46].

The year 2019 sees continuation of bilateral and multilateral fusion as Preliminary Needs Assessment (PNA) Mission of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) was dispatched to the Rakhine State [47]. The implementation of PNA recommendations include officials from Myanmar [48]. In addition, the bilateral meeting between President Jokowi and State Counsellor Suu Kyi in the sideline of 34th ASEAN Summit in Bangkok coupled by President Jokowi's call for the clear implementation of PNA Mission of AHA's recommendation during the summit accentuates Indonesia's effort to ensure the security in Rakhine through bilateral and multilateral avenue [49] [50]. Indonesia's approach to the humanitarian crisis in the Rakhine State under Jokowi shows how there is a mixture of bilateral and multilateral diplomacy that culminates in greater engagement towards ASEAN cooperation. While Indonesia opt for bilateralism in the beginning, its efforts to ensure peace and stability in Myanmar and thus Southeast Asia is further advanced by multilateral instrument, i.e. ASEAN. This corresponds with Indonesia's concepts of 'national resilience' and 'regional resilience'; the idea that domestic stability within ASEAN member states serves as a vital prerequisite in cultivating regional security and thus unity when it comes to intra-ASEAN relations [5] [29].

Lastly, Indonesian foreign policy with regards to the humanitarian issue of Rakhine State shows some degree of continuity from the constructive engagement stance of ASEAN towards Myanmar from early 1990s to 2000s. When Myanmar was admitted to ASEAN in 1997, it took place amidst massive condemnation by the West on human rights abuses perpetrated by the Myanmar's military junta

against the National League for Democracy (NLD) led by the now state counsellor Aung San Suu Kyi. ASEAN nevertheless admitted Myanmar as its new member state, citing that it would not cave to external interference by outside powers [29]. At the same time, constructive engagement was aimed at institutionally enmesh Myanmar to ASEAN norms and principles and that it will “carry out necessary reforms and adopt ASEAN’s values, code of conduct and traditional practices so as to promote the resolution of the Myanmar issue” [51]. Jokowi’s strategy in using bilateral diplomacy with Myanmar to address the humanitarian crisis at the Rakhine State coupled by its use of multilateralism through ASEAN fora and summits sends a signal that Indonesia is receptive towards the sovereignty and national integrity of Myanmar but simultaneously refuses to downplay the scenario where the issue will undermine regional peace and stability.

## CONCLUSION

The three cases examined in this paper illustrate Indonesia’s continuity to maintain ASEAN Centrality in the conduct of the former’s foreign policy. Indonesia’s effort for ASEAN to adapt a collective stance on Indo-Pacific cooperation and strategy shows how ASEAN norms and principles are maintained throughout its formulation and incorporated in the outlook. Discussions leading up to this outlook and its prospective application are also done through ASEAN-led mechanisms. In addition, the completion of the outlook demonstrates Indonesia’s use of quiet diplomacy to ensure that it is avoided from being perceived as too dominating in Southeast Asia. Indonesia’s former Ambassador to the United Nations said in a Talking ASEAN forum held by the Habibie Center that “this is not the Indonesia Outlook on Indo-Pacific but the ASEAN Outlook on Indo-Pacific” [52]. The Head of Policy Analysis and Development Agency at Kemlu also wrote an op-ed at the Jakarta Post after the outlook was adopted with an assertion that “For Indonesia, however, leadership...should be collegial in nature. Indonesia shall lead from behind, or sometimes the middle; rather than the front” [53].

Amidst the escalating trade war between US and China, Indonesia have also worked towards the unity of ASEAN in responding to the growing protectionism between the two largest global economy through ASEAN ministerial meeting. Indonesia’s engagement towards Myanmar at both bilateral, and multilateral level through ASEAN to address the security issue in Rakhine State shows that like the ASEAN Indo-Pacific Outlook, the principle of inclusivity remains important to strengthen cooperation among ASEAN member states.

Indonesia’s continuity in ensuring and upholding ASEAN Centrality can also be linked to President Jokowi’s amenability to embrace multilateral engagement. In a Facebook post he made at the 12th East Asia Summit in Manila (see Appendix B”, Jokowi expressed the tediousness and exhaustion of having to attend meetings but ends his commentary with a silver lining reading “*tapi semua pertemuan ini begitu penting bagi masa depan kawasan, bagi kita semua,*” which is translated to “but all of these meetings are very important to the future of the region, to all of us.” ASEAN Centrality is not only continued under President Jokowi, but it is further reinforced and becomes embedded in the implementation of Indonesian foreign policy.

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## APPENDICES

### Appendix A

#### “ASEAN OUTLOOK ON THE INDO-PACIFIC”

##### I. BACKGROUND AND RATIONALE

1. The Asia-Pacific and Indian Ocean regions are amongst the most dynamic in the world as well as centers of economic growth for decades. As a result, these regions continue to experience geopolitical and geostrategic shifts. These shifts present opportunities as well as challenges. On the one hand, the economic growth of the region opens up possibilities of cooperation to alleviate poverty and elevate living standards of millions of people. On the other hand, the rise of material powers, i.e. economic and military, requires avoiding the deepening of mistrust, miscalculation, and patterns of behavior based on a zero-sum game.

2. Southeast Asia lies in the center of these dynamic regions and is a very important conduit and portal to the same. Therefore, it is in the interest of ASEAN to lead the shaping of their economic and security architecture and ensure that such dynamics will continue to bring about peace, security, stability and prosperity for the peoples in the Southeast Asia as well as in the wider Asia-Pacific and Indian Ocean regions or the Indo-Pacific.

3. ASEAN, which for decades has been engaging in the development of an inclusive regional architecture, needs to consistently come up with its collective leadership in forging and shaping the vision for closer cooperation in the Indo-Pacific and to continue to maintain its central role in the evolving regional architecture in Southeast Asia and its surrounding regions. ASEAN also needs to continue being an honest broker within the strategic environment of competing interests.

4. Against this backdrop, ASEAN Leaders have agreed to further discuss an initiative that reinforces the ASEAN-centered regional architecture, namely, ASEAN Outlook on the Indo-Pacific. This Outlook is not aimed at creating new mechanisms or replacing existing ones; rather, it is an Outlook intended to enhance ASEAN’s Community building process and to strengthen and give new momentum for existing ASEAN-led mechanisms to better face challenges and seize opportunities arising from the current and future regional and global environments. Moreover, the Outlook is intended to be inclusive in terms of ideas and proposals.

5. ASEAN Outlook on the Indo-Pacific envisages ASEAN Centrality as the underlying principle for promoting cooperation in the Indo-Pacific region, with ASEAN-led mechanisms, such as the East Asia Summit (EAS), as platforms for dialogue and implementation of the Indo-Pacific cooperation, while preserving their formats. Furthermore, ASEAN may also seek to develop, where appropriate, cooperation with other regional and sub-regional mechanisms in the Asia-Pacific and Indian Ocean regions on specific areas of common interests to complement the relevant initiatives.

##### II. ASEAN OUTLOOK ON THE INDO-PACIFIC

6. Consistent with decades of ASEAN’s role in developing and shaping regional architectures in Southeast Asia and beyond, and with ASEAN’s norms and principles as contained in the ASEAN Charter and other relevant ASEAN documents, ASEAN Outlook on the Indo-Pacific envisioned by ASEAN consists of the following key elements:

- o A perspective of viewing the Asia-Pacific and Indian Ocean regions, not as contiguous territorial spaces but as a closely integrated and interconnected region, with ASEAN playing a central and strategic role;
- o An Indo-Pacific region of dialogue and cooperation instead of rivalry;

- o An Indo-Pacific region of development and prosperity for all;
- o The importance of the maritime domain and perspective in the evolving regional architecture.

### III. OBJECTIVES

7. This ASEAN Outlook on the Indo-Pacific should support and provide ballast for the current dynamism in the Indo-Pacific region, which should be viewed from the perspective, of encouraging progress. As such, it should also provide added value to the existing regional arrangements. Therefore, the said ASEAN Outlook on the Indo-Pacific is aimed at: (1) offering an outlook to guide cooperation in the region; (2) helping to promote an enabling environment for peace, stability and prosperity in the region in addressing common challenges, upholding the rules-based regional architecture, and promoting closer economic cooperation, and thus strengthen confidence and trust; (3) enhancing ASEAN's Community building process and further strengthening the existing ASEAN-led mechanisms, such as the EAS; and (4) implementing existing and exploring other ASEAN priority areas of cooperation, including maritime cooperation, connectivity, the Sustainable Development Goals (SDGs), and economic and other possible areas of cooperation.

8. ASEAN Outlook on the Indo-Pacific involves the further strengthening and optimization of ASEAN-led mechanisms, including the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers Meeting Plus (ADMM-Plus), the Expanded ASEAN Maritime Forum (EAMF) and others such as the relevant ASEAN Plus One mechanisms.

9. ASEAN Outlook on the Indo-Pacific is meant to contribute to the maintenance of peace, freedom, and prosperity.

### IV. PRINCIPLES

10. ASEAN Outlook on the Indo-Pacific is based on the principles of strengthening ASEAN Centrality, openness, transparency, inclusivity, a rules-based framework, good governance, respect for sovereignty, non-intervention, complementarity with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit and respect for international law, such as UN Charter, the 1982 UN Convention on the Law of the Sea, and other relevant UN treaties and conventions, the ASEAN Charter and various ASEAN treaties and agreements and the EAS Principles for Mutually Beneficial Relations (2011).

11. Recognizing the continuing importance, relevance and positive contributions of the Treaty of Amity and Cooperation in Southeast Asia (TAC) to sustaining peace and stability in the region for over 40 years, ASEAN Outlook on the Indo-Pacific would be guided by the purposes and principles contained in the TAC, which, among others, encompass peaceful settlement of disputes, renunciation of the threat or use of force and promotion of rule of law, with a view to further promoting amity and cooperation among countries in the Indo-Pacific region.

12. ASEAN Outlook on the Indo-Pacific will, at the same time, help to generate momentum for building strategic trust and win-win cooperation in the region, which would be further reinforced by ASEAN reaffirming those purposes and principles of the TAC and promoting their application in the conduct of relations between states in a wider Indo-Pacific region, including through an appropriate ASEAN document.

### V. AREAS OF COOPERATION

13. In order to realize the key elements of ASEAN Outlook on the Indo-Pacific, ASEAN will undertake cooperation in a broad range of areas, including:

## Maritime Cooperation

14. The existing and arising geopolitical challenges facing countries in the region also revolve around maritime issues such as unresolved maritime disputes that have the potential for open conflict. In addition, unsustainable exploitation of maritime resources and maritime pollution have also increasingly become major problems. There is a need to prevent, manage and eventually resolve these issues in a more focused, peaceful and comprehensive way.

15. Areas of maritime cooperation, in accordance with universally recognised principles of international law including the 1982 United Nations Convention on the Law of the Sea, may include the further enhancement of:

- o cooperation for peaceful settlement of disputes; promoting maritime safety and security, and freedom of navigation and overflight; addressing transnational crimes, including trafficking in persons or of illicit drugs, sea piracy, robbery and armed robbery against ships at sea; etc.
- o cooperation for sustainable management of marine resources; to continue to promote maritime connectivity; to protect livelihood of coastal communities and to support small-scale fishing communities; to develop blue economy and to promote maritime commerce, etc.
- o cooperation to address marine pollution, sea-level rise, marine debris, preservation and protection of the marine environment and biodiversity; promoting green shipping, etc.
- o technical cooperation in marine science collaboration; research and development; sharing of experience and best practices, capacity-building, managing marine hazards, marine debris, raising awareness on marine and ocean-related issues, etc.

## Connectivity

16. The second area of cooperation is connecting the connectivities. The existing and future connectivity initiatives in the Indo-Pacific region should complement and support the existing Master Plan on ASEAN Connectivity (MPAC) 2025. The ASEAN vision on Connectivity, that is to achieve a seamlessly and comprehensively connected and integrated region that will promote competitiveness, inclusiveness, and a greater sense of community, as well as the Declaration on the 6th East Asia Summit on ASEAN Connectivity should guide the ASEAN outlook on connectivity in Indo-Pacific region. The increasing integration and interconnection among Indian Ocean and Pacific Ocean countries require investments and efforts to build connectivity infrastructures, including physical, institutional and people-to-people linkages. Environmental and ecological impacts and considerations must be taken into account to ascertain the sustainability of such initiatives in the long term.

17. Connecting the connectivities may include:

- o Exploring key priority area of cooperation to reinforce the existing MPAC 2025 and promote prosperity and development in the Indo-Pacific region;
- o Developing a regional public-private partnership (PPP) development agenda to mobilize resources for connectivity projects, including infrastructure projects in Indo-Pacific region;
- o Exploring potential synergies with sub-regional frameworks, such as, IORA, BIMSTEC, BIMP-EAGA, Mekong subregional cooperation frameworks, including ACMECS, etc.;
- o Working towards the establishment of a Seamless ASEAN Sky, with ASEAN airspace as a seamless block of airspaces with harmonised and interoperable procedures and operations, to increase air traffic management capacity and efficiency while enhancing safety;
- o People-to-people connectivity, through cooperation, collaboration and exchanges between the academe and business, etc.; and
- o Addressing challenges of rapid urbanization through the ASEAN Smart Cities Network (ASCN) initiative.

## UN Sustainable Development Goals 2030

18. The SDGs targets are in line with those of the ASEAN Community Vision 2025 as well as the wider EAS vision. This common objective of realizing SDGs under ASEAN Outlook on the Indo-Pacific will be a major contribution of the region to the global community.

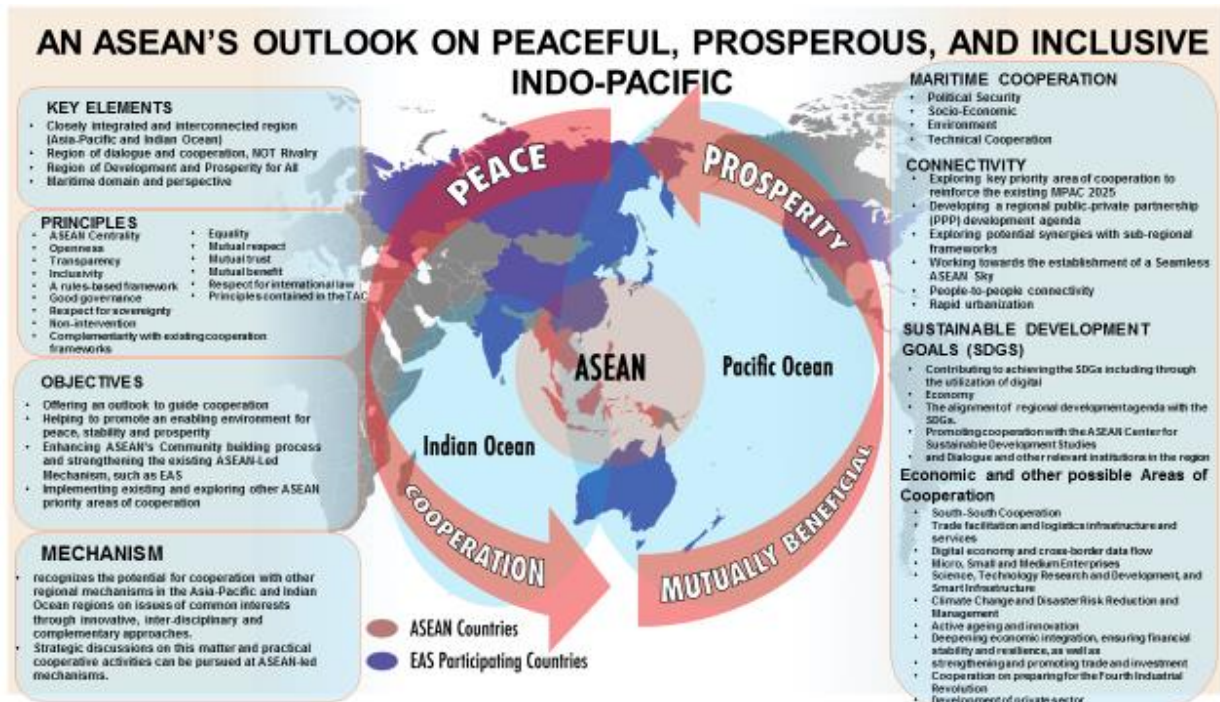
19. Activities to attain the SDGs may include:
  - o Contributing to achieving the SDGs including through the utilization of digital economy;
  - o Enhancing complementarities and aligning regional development agenda with the SDGs, such as the ASEAN Community Vision 2025 and the 2030 UN Agenda for Sustainable Development.; and
  - o Promoting cooperation with the ASEAN Center for Sustainable Development Studies and Dialogue and other relevant institutions in the region.
  
20. Economic and Other Possible Areas of Cooperation:
  - o South-South Cooperation (including South - South Triangular Cooperation /SSTC)
  - o Trade Facilitation and Logistics Infrastructure and Services
  - o Digital Economy and the facilitation of cross-border data flow
  - o Micro, Small and Medium Enterprises
  - o Science, Technology Research and Development, and Smart Infrastructure
  - o Climate Change and Disaster Risk Reduction and Management
  - o Active ageing and innovation
  - o Deepening economic integration, ensuring financial stability and resilience, as well as strengthening and promoting trade and investment by supporting the implementation of the ASEAN Economic Community Blueprint 2025 and other free trade agreements including the Regional Comprehensive Economic Partnership (RCEP)
  - o Cooperation on preparing for the Fourth Industrial Revolution, including by facilitating the sharing of experiences and expertise on ways to benefit from, and address challenges of, the digital revolution.
  - o Development of private sector, including Micro, Small and Medium Enterprises, can also be further explored to enable their participation in the regional and global value chains.

## VI. MECHANISM

21. ASEAN Outlook on the Indo-Pacific provides a guide for ASEAN’s engagement in the Asia-Pacific and Indian Ocean regions.
  
22. The Outlook also recognizes the potential for cooperation with other regional mechanisms in the Asia-Pacific and Indian Ocean regions on issues of common interests through innovative, interdisciplinary and complementary approaches based on the relevant ASEAN-led mechanisms, such as the EAS.
  
23. Strategic discussions on this matter and practical cooperative activities can be pursued at ASEAN-led mechanisms including, among others, the EAS, the ASEAN Plus One mechanisms, ARF, and ADMM-Plus.

Source: Association of Southeast Asian Nations. (2019). “*ASEAN Outlook on the Indo-Pacific.*” Retrieved from [https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific\\_FINAL\\_22062019.pdf](https://asean.org/storage/2019/06/ASEAN-Outlook-on-the-Indo-Pacific_FINAL_22062019.pdf)

## Appendix B



Source: Pramono, S. (2019). *The ASEAN Outlook on Indo-Pacific: EU, UK, and Partnership for Africa* [PowerPoint slides]. Retrieved from Policy Analysis and Development Agency, Ministry of Foreign Affairs of Indonesia, Jakarta, Indonesia.



## Appendix C

### How the US-China trade war has escalated



The US and China have threatened to impose new tariffs and increase existing ones.

Source: BBC research

BBC

Source: Source: BBC News. (2019). *A quick guide to the US-China trade war*. Retrieved from <https://www.bbc.com/news/business-45899310>

## Appendix D



Presiden Joko Widodo

· November 14, 2017 ·

Sehari di Manila, Filipina, kemarin benar-benar terasa sebagai hari yang panjang. Berpindah dari rapat ke rapat dalam rangka KTT ASEAN, pertemuan bilateral dengan Sekjen PBB, bertemu para pemimpin dunia, menyimak dan berpidato.

Sekitar 15 jam lamanya, dari pagi sampai tengah malam, saya menjalani seluruh rangkaian acara itu hampir tanpa jeda, selain sekadar rehat makan siang dan salat, dan beberapa kali coffee break. Tapi semua pertemuan ini begitu penting bagi masa depan kawasan, bagi masa depan kita semua.

Untunglah, saya selalu berbekal sebotol minyak kayu putih. Bila mata mulai diserang kantuk, pikiran dan badan lelah, menghirup aroma minyak kayu putih dari Tanah Air menjadi jalan keluar untuk tetap awas. Saya selalu menyelipkannya di kantong jas.

Foto: Biro Pers Setpres

Source: Presiden Joko Widodo. (2017, November 14). In *Facebook* [Page]. Retrieved September 01, 2019 from <https://www.facebook.com/Jokowi/photos/a.404578553064333/789458541242997/?type=3&theater>

# THE SECURITIZATION OF CYBER ISSUE IN ASEAN

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## Abstract

This paper aims to explain the securitization of cyber issue in ASEAN. This is important because of the increase in trade, capital flows, and ASEAN's linkage in cyber generates vulnerability to them. Internet user in ASEAN active in e-commerce and social media platform is susceptible to the cyber threat. It becomes critical when the majority of ASEAN citizen do not aware of the cyber threat. This phenomenon requires the state to take action to protect the security of its citizen. Moreover, the gap in the development of information and technology infrastructure in ASEAN create more complexity. Securitization theory by Barry Buzan and Ole Waever applied in explaining this phenomenon. This paper employed a qualitative approach as methodology and the library research as a data collection technique. It concludes that securitization in ASEAN has not been successful, because only a few countries consider cybersecurity as a serious problem namely Singapore. Even though the cyber issue is one of the main issues on the international level and most of the ASEAN countries have experienced cyber threats. The majority of ASEAN countries still view the traditional issues like security and economy as main interest, although low politic issues like environmental, human rights, and social-culture are currently a concern of ASEAN the cyber issue still views as not important like other issues.

**Keywords:** ASEAN, Cyber, Internet, Securitization.

## INTRODUCTION

More than half of the world's internet users or around 55 percent are users from Asia. This number has doubled since 2011, due to the rapid development of the digital world in various fields such as social and economic. The existence of cyberspace has become an inseparable part of the ASEAN community. When viewed ASEAN has 400 million internet users and 6 countries experiencing significant digital population developments such as Indonesia, the Philippines, Vietnam, followed by Thailand, Singapore, and Malaysia [1]. Nevertheless, Singapore and Malaysia already have procedures to deal with cyberattacks [2]. This indicates that other countries in the region do not yet have specific policies to deal with cyber issues.

Weaknesses in the capability of handling cyber threats in the region prompted Singapore to submit a proposal for a formal mechanism of cybersecurity in ASEAN which was delivered at the third ASEAN Ministerial Conference on Cybersecurity (AMCC). It was convened today as part of the Singapore International Cyber Week 2018. This became an important step considering the lack of reference strategy documents in dealing with cyber problems that arise [3]. As a result, countries in ASEAN do not have the same laws and policies in achieving cybersecurity goals that have been developed within the ASEAN framework [4]. Cooperation between countries in the region in dealing with cyber threats is also an urgent one because these threats can come from anywhere against anyone and often in areas where law enforcement is weak [5]. Therefore, this paper aims to explain the securitization of cyber issues in ASEAN. Because ASEAN can act as a forum to formulate discourse and actions related to cyber threats.

## RESEARCH METHOD

This paper uses a qualitative approach. The data collection technique used is library research. The data collected is secondary data from the official ASEAN website, journal articles, and online news articles. The data is selected and grouped by keywords such as cyberthreat, ASEAN, securitization,

Cybersecurity regime, cybersecurity policy. After that, the data were analyzed using securitization theory from Copenhagen School. Securitization is a process of constructing a security issue into an agenda that deserves attention [6]. Before becoming a security issue, Buzan categorized public issues into three scopes: first, non-politicized, that is, the government does not address the issue because of no debates in the public sphere. Second, politicized is the issue has entered the realm of public policy that requires the government to allocate a resource or additional policies. Third, securitized is an issue that has been considered as a real security threat, which of course requires emergency action where the use of procedures over political procedures is usually considered legal to do.

According to Buzan, the securitized issue is an issue that threatens security and requires emergency actions. The securitization process is carried out by actors by identifying issues (political or non-political) into security issues and showing three related units, including referent objects, that is, something that is seen as being threatened and has legitimacy to survive; securitizing actors, ie actors who declare security issues and play a role in shaping threatened objects; and functional actors, ie actors who influence the dynamics of the sector. Without being a referent object or securitizing actor, but can discourage a threat that is in the middle of the public.

Therefore, 3 things need to be considered so that securitization can be successful, namely (1) the issue causes a threat; (2) emergency action; (3) there is a change in behavior through an official procedure. The mechanism used according to Waever is through the speech act, which is a speech that represents and recognizes phenomena as "security" to provide special status and legitimize the extraordinary actions carried out by influential actors. In this case, the utterance is an action, so the meaning of security is in the security discourse that identifies threats and calls for emergency action. Based on this theory, the data will be presented through conclusions

### **Existential Threat of Cyberspace and ICT Gap in ASEAN**

The threat of cyber is one of the important global security issues today. Because, the high use of the internet, especially in the fields of business and administration so vulnerable to cyber attacks that can damage data in cyberspace. The World Economy Forum in 2019 named cyber-attacks and data breaches as the fourth and fifth serious threats facing the global world today [7]. ASEAN countries emerged as the main target for cyber-attacks because, first, Malaysia, Indonesia, and Vietnam developed as global hotspots against the activity of suspicious sites that were blocked. Second, the ability of policy, governance, and cybersecurity in the region is low, thirdly the lack of ability and skills of domestic experts. Finally, perceptions of cyberspace risk by corporate stakeholders do not see cybersecurity as a business priority so there is no holistic approach to cyber resilience [8]. Besides, Singapore in 2017 has been the main target of cyberattacks for three times, namely the Ministry of Defense cyber breach in February, WannaCry Ransomware attacks in May, and Petya Ransomware activity in June. Four years earlier, in 2013, Singapore had the highest per capita loss for global cybercrime at US\$ 1,158. While in 2016, Vietnam also suffered a cyberattack by the 1973 CN which is a hacker group from China. They hijacked information screens and sound systems at Vietnam's largest airports and planes. They broadcast anti-Vietnamese and propaganda in the Philippines. Besides, due to cybercrime, Malaysia also lost around US\$ 900 million between of 2007-2012, with an average of 30 people being victims of cybercrime every day. In Indonesia, the government suffered a loss of around US\$ 2.7 million billion. Not only that, but threats to cyberspace in the region also arise from piracy behavior, because pirated software is usually vulnerable to malware. Cambodia has a piracy rate of more than 95 percent, followed by Vietnam and Indonesia with a piracy rate of more than 80 percent. Therefore, it is projected that consumers in the region will spend US\$ 10.8 million to tackle the problem of malware due to pirated programs. This indicates that the threat of cross-border cyber world makes national security riskier.

Not only the cyber threat of hacking, but Southeast Asia is also the region which frequently subject to phishing threats. Phishing derived from the word fishing, which is a cybercrime that attracts victims to be caught in the culprit trap. For example, providing a link, which the perpetrator can then use to retrieve important information from the victim. Based on reports from Kaspersky, one of the software companies from Russia, the Philippines was the country with the highest phishing in early 2019. For the Southeast Asia region as a whole, there have been 14 million phishing attempts. Philippines,

Indonesia, Malaysia, and Vietnam are countries with the largest phishing business [9]. Based on this, it is very important efforts to rejuvenate the information security system for a country.

The Southeast Asian region is catching up in the field of information technology (IT) as indicated by the growth in cross-industry developments. Southeast Asian countries such as Singapore, Malaysia, Indonesia, and Thailand are the countries that invest the most in the IT sector. However, among ASEAN countries, Singapore invested the most in terms of cybersecurity, followed by Malaysia and Thailand in 2017. This is based on the fact that Singaporeans have more elderly populations who are unfamiliar with technology than young people so it becomes the country's priority to protect its people [10].

The development of IT in Southeast Asian countries such as Indonesia, the Philippines, and Malaysia is quite rapid, but not accompanied by an awareness of the importance of IT protection from cyber-attacks. The frequency of Southeast Asia being targeted by cyberattacks indicates two things; first, the weak protection of IT in Southeast Asia. Second, the vulnerability drives cybercriminals to target Southeast Asia as an attack. The risk of cyberattacks in the Southeast Asian region will have a significant impact on losses. Based on the AT Kearney report, cybersecurity risks could cause 1,000 companies in the Southeast Asian region to suffer a loss of US \$ 750 billion [8]. The great risk faced by Southeast Asia is not in line with the priorities of its actors in seeing cybersecurity, for example, Myanmar will only initiate plans to ward off cyberattacks, Indonesia is even worse, the Indonesian state does not yet have a framework for planning to counter cyber-attacks [11]. Indonesia is a country with industry development trends that use IT quite high. Startups such as Gojek, Bukalapak, are digital industries that store user data, making Indonesia one of the most vulnerable countries in Southeast Asia, but will suffer huge losses if attacked.

The explanation above shows that the Southeast Asian region is a region that is vulnerable to cyber-attacks. Besides, the Southeast Asian region also has the potential to experience large losses from cyber threats. This condition is exacerbated by the country's lack of attention to cyber threats. This is indicated by the budget spent by ASEAN countries on relatively small cybersecurity, namely 0.06 percent or US\$ 1.9 billion collectively [12]. This attitude shows that the issue of cyber threats in most ASEAN countries is still categorized as a non-politicized issue. This can be seen from the people related to cybersecurity. According to survey data from Pew Research [13], most Indonesians and Filipinos know that cyber-attack in the future, it can cause damage to public infrastructure, data and information relating to national security can be accessed.

However, the challenge for the two countries is that there is no concrete plan to deal with cyberattacks developed by the governments of the two countries. Similar to Indonesia and the Philippines, according to Yaksha [14], Malaysia also has the same challenges related to concrete plans and strategies. While Thailand, according to Yaksha, the challenge that arises is the lack of knowledge related to cyber threats, even though Thai people are already familiar with cyber technologies such as social media and electronic transactions. Besides, human resources who understand in the technical field are also lacking, as a result, there is no authority responsible for preventing and giving an immediate reaction if a threat occurs. This condition is due to a lack of funding for the maintenance of cybersecurity itself.

Yaksha also noted that as a developing country, public awareness of the importance of cybersecurity is relatively low. This condition is caused by the low literacy of threats from the cyber threat and the information security culture that is not yet part of the mindset of Vietnamese society. As a result, the development of the digital economy by implementing information system security and investment in ICT is still low. Myanmar also faces the same challenge, in addition to lack of technology and infrastructure, the biggest challenges are related to knowledge, skills, and awareness of cybersecurity so that the laws related to cyber are inadequate.

Another case with Singapore, according to the Yaksha, the country already has an awareness of cybersecurity is evidenced by the formation of a special unit that responds to cyber-attacks by the government. The people of Brunei Darussalam already have a high awareness of cybersecurity so that the rule of law for protection in cyberspace is sufficient (Fitriani, Pareira, and Arifin, 2019). Laos and Cambodia according to Fitriani, Pareira and Arifin have begun to accommodate the rule of law related

to cybersecurity because of the large potential threats and cyber-attacks against the two countries. Even so, the two countries still have low public awareness of cybersecurity.

### **Cyber Threat as a Security Issue**

The development of the digital economy also requires countries to secure cyberspace. Countries in ASEAN have shown their concern in dealing with cyber issues in the region through the Singapore Declaration. The purpose of this declaration is to promote interoperability, interconnectivity, security, and integrity of networks and information systems in the region. Therefore, all ASEAN member countries will develop and implement a national emergency response and response team (known as the Computer Emergency Response Teams, CERT) in 2005, according to minimum performance criteria. This initiative is based on the idea of securing cyberspace through regional cooperation in forming a strong national security system [15]. This declaration was delivered at the 3rd Meeting of the Ministers of Telecommunications and Information Technology (TELMIN) of ASEAN in 2003.

However, technological developments are also accompanied by developments in security challenges that are increasingly large in every aspect that makes the country to determine the priority scale in terms of security. Referring to the survey report conducted by the ASEAN Study Center-ISEAS Yusof Ishaq Institute on people in Southeast Asia, the three top security issues that have to be faced are domestic political instability, ethnic and religious tensions, and finally climate change [16]. These results indicate that the issue of cybersecurity has not been considered a real threat even though in the past few years, ASEAN countries have been victims of the attack. For this reason, it is very important to raise awareness in the ASEAN environment that cyber issues are issues that can threaten individual and national security. In this endeavor, Singapore is active in socializing that the cyber problem is a real threat. Singapore's activity is due to the condition of Singapore as a technology hub in Southeast Asia and its economy that is dependent on internet-based interaction. This vulnerability is strengthened by Deloitte's report (2016) which states that Singapore is a country that is nine times more vulnerable to cyber-attacks than other ASEAN countries. Therefore, Singapore is very active in strengthening its cybersecurity in the country so that globally, Singapore ranks sixth in cybersecurity based on the Global Cyber Index [17]. This achievement achieved by Singapore certainly encourages Singapore to continue inviting countries in the region to pay attention and jointly improve the security system so that it is not easily penetrated by cyber-attacks.

The cyberattack described in the previous section shows that ASEAN countries can be victims at any time. Therefore, during Singapore's leadership in ASEAN in 2018, Singapore focused on increasing cooperation in the field of cybersecurity. For the level of regional cooperation, ASEAN as a regional organization in Southeast Asia has made cyber threats an issue of concern. The leaders of the ASEAN countries adopted the ASEAN Declaration to Prevent and Combat Cybercrime at the 31st ASEAN meeting in Manila on November 13, 2017. The document is the first formal declaration document specifically referring to the issue of cybercrime in Southeast Asia. The presence of this document shows that cyber threats are an important problem to be solved together. However, this document does not yet contain concrete indicators and measures related to the commitment of ASEAN countries in dealing with cyber threats in the region. As a result, there are still gaps between ASEAN countries in terms of their views on threats and their cybersecurity system.

### **Singapore's Securitization in ASEAN**

Singapore's efforts to increase cooperation in the field of cyber certainly encourage Singapore to frame the issue of cyber attacks as a threat. Singapore then had to securitize the issue of cybersecurity. Efforts to securitize the issue of cybersecurity by Singapore cannot be separated from the efforts of the speech act carried out by Singapore on the issue of cybersecurity. Speech Act or politicization of security issues is the stage when the securitization actor makes a statement to the public or referent object if there is something that is becoming a threat. Singapore is a country that continues to conduct speech acts in securitizing cybersecurity issues. It can be seen in the statement of Teo Chee Hean, Minister of National Security of Singapore in opening the fourth Singapore International Cyber Week on October 1, 2019, which states that if the growth of connectivity between people in the world through digital interaction raises threats. The threat comes from criminals who aim to exploit and

utilize digital data for their benefit. Cybersecurity and digital domination become major challenges that must be faced in the development of digital technology. Singapore, through Minister Hean also sought to encourage cooperation and collaboration between actors in dealing with cybersecurity issues. This is in line with Singapore's desire to focus on strengthening security cooperation on cyber issues. Minister Hean also added that to obtain the benefits of the digitalization era, states and business people need to work together to create a safer and more protected digital future. He also mentioned that if this collaboration was needed at three levels, namely international, regional (Southeast Asia), and domestic stakeholders [18].

Earlier in 2018, Singapore's Attorney General, Lucien Wong, in the ASEAN-China Public Prosecutors Conference in Brunei Darussalam on 14 August 2018 stated that cybercrime was a major concern in Singapore [19]. Wong also mentioned the hacking incident in 2018 that struck SingHealth, the largest health institution in Singapore, which managed to steal personal information from 1.5 million patients, including data from the Prime Minister of Singapore, Lee Hsien Loong. Cybercrime in Singapore has also increased since 2014, based on Singapore Cyber Security Agency data, 7.9% of crimes that occurred in Singapore in 2014 were cybercrime which increased in 2017 to 16.6%. Wong also stated that Singapore would continue to fight cybercrime to realize Singapore's goal of becoming a Smart Nation [19]. The smart nation is the use of technology that is useful to improve the quality of life, strengthen business, and help the government to improve services to the community [20]. A statement from Wong and Hean shows Singapore is conducting a speech act in securitizing the issue of cyber threats, Hean mentioned cybercrime as a threat that requires joint cooperation in overcoming it, while Wong shows the danger of cyber hacking, stealing large amounts of public information and affirmation if cybersecurity becomes the main concern for Singapore.

The conditions needed for successful securitization are: first, the ability of securitization actors to use the power of language (speech) to force or encourage the public to comply with or at least agree with the ongoing securitization efforts. Second, the ability of securitization actors in maintaining their position so that the securitization efforts they undertake can be realized. For example by giving authority or establishing an institution. Singapore in its speech act always emphasizes the danger of cyber-attacks on the progress of the digital world that requires "peopleware". As Minister Hean's statement stressed that the connectivity of hundreds of people in the world faces threats from those who misuse digital data. Through Wong's statement, it can also be understood that he is emphasizing on cyber threats based on SingHealth hacking. Here shows Singapore's ability to convince the public, if the cyber threat is a real threat in the digital age. Singapore also demonstrated its ability in terms of maintaining its position so that the securitization of the cyber issue could be actualized. According to the Iswaran's speech in the MCI Seminar on July 10, 2019, Singapore will implement a recommendation from the Committee of Inquiry (COI) over the occurrence of cyber-attacks on SingHealth. Iswaran also stated that the Cybersecurity Act will be applied, a document to regulate the protection of important information infrastructure in 11 sectors such as The Protection against Online Falsehoods and Manipulation Act has also begun to be implemented [21].

Singapore's efforts to securitize cyber issues in the ASEAN is to build cooperation to achieve harmonious relations with other ASEAN countries. Singapore has made a speech act by stating the danger of cyber-attacks and the loss that will be suffered if the attack occurs. Singapore's efforts in creating harmony in securitizing cyber issues by cooperating with ASEAN in developing cyber norms. Singapore also hosted the 14th routine exercise of the ASEAN Computer Emergency Response Team Incident Drill. This exercise aims to strengthen the cybersecurity readiness and cooperation of ASEAN member countries. Singapore, by the statement of Minister Hean, is ready to hold cybersecurity training together again. In 2016 Singapore also launched the ASEAN Cyber Capacity Program to increase ASEAN regional cyber capacity. Singapore will also launch the ASEAN-Singapore Cybersecurity Center of Excellence as a continuation of the ASEAN Cyber Capacity program. The program consists of ASEAN member countries, and industry players [18]. The importance of this effort was also related by Minister Iswaran to the use of the word "we" several times in his speech at the ASEAN Ministerial Conference on Cybersecurity [21]. This implies that the cyber problem is a joint problem that must be resolved jointly between ASEAN countries.

Vietnam's cybersecurity law came into force on January 1, 2019, aims as if to prevent cyber-attacks. The law was used to prohibit internet users in Vietnam from spreading anti-government information and has been criticized as a totalitarian act. While Thailand's cybersecurity law came into force in February 2019 has a general clause correlating to the authority's right to confiscate data and equipment [22]. Indonesia does not have a strategy related to cybersecurity and minimum awareness of cybersecurity. In general cybersecurity in the ASEAN region other than Singapore, has no focus in the public and private sectors, except for Cambodia which is recognized in the financial area. As well as low awareness of cyber threats, in the absence of specific strategies in tackling attacks [8]. So that even though Singapore continues to collaborate and initiate cybersecurity in the Southeast Asian region, many countries in Southeast Asia have no awareness of cyber threats and do not make security a focus.

Securitization of cybersecurity issues in Southeast Asia carried out by Singapore, so far can be said to fail. Although Singapore has cooperated and there have been commitments from the leaders of Southeast Asian countries related to cybersecurity, but in its application, especially in the strategy and plan to deal with cyberattacks, other ASEAN countries do not have it. Securitization of cyber issues by Singapore experiences obstacles to success because Singapore is not a country that is in control or has full authority in applying its securitization policy. Singapore is a country in regional cooperation that prioritizes non-intervention and sovereignty above all else. Singapore cannot impose its securitization policy beyond the call for cooperation. Cooperation is only limited to norms without any binding rules.

## CONCLUSION

Cybersecurity is a real threat to ASEAN countries. In this matter, Singapore is present as an actor who securitizes cybersecurity issues in the Southeast Asian region. At every opportunity, Singapore always uses words like a breach of privacy, digital security, and *peopleware* to describe the real threat of the cyber issue. Cooperation that gave birth to the Cyber Capacity Program and the statement of the leaders of Southeast Asian countries related to cybersecurity. But in practice, many Southeast Asian countries do not yet have plans and strategies to deal with cyber threats, showing Southeast Asian countries that have not seen the cyber issue as a serious threat. So that securitization efforts by Singapore in the Southeast Asian region have failed so far.

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# **ASEAN CONNECTIVITY 2025: SHALL AUSTRALIA BECOME THE FUTURE MEMBER OF ASEAN?**

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## **Abstract**

The issue of Australia becoming a full member of ASEAN has been a widely-debated topic in recent years. Nowhere is this more relevant than in Southeast Asia, where the future idea of connectivity in the region is compromised. This paper aims to investigate whether or not Australia can join ASEAN in 2025. The ‘secondary research’ method is utilized to gather data as well as adopting a qualitative approach to analyze the topic. This paper finds that Australia will not become the ASEAN member for several reasons. Firstly, the Australian community is different from Southeast Asian nations. Secondly, Australia is geographically not in Asia. Thirdly, the bid of Australia to be a full ASEAN community partner may not only trigger the debate among ASEAN leaders but also undermine its community vision for 2025. Lastly, Australia will restrict itself to its policy autonomy and comply with ASEAN Way (the principle of non-interference and consensus decision-making) which are not in the best interests of Australia. This paper finally concludes that ASEAN Connectivity 2025 will be better off without Australia and, to work towards a better ASEAN, it recommends for Australia to maintain its status quo as the ASEAN dialogue partnership.

**Keywords:** Australia, ASEAN, Connectivity.

## **INTRODUCTION**

Being the first of ASEAN’s ten dialogue partners in 1974, forming a Strategic Partnership in 2014, and the hosting of biennial leaders in 2016, has shaped the way in which Australia perceives ASEAN today [1]. One event making the significant symbolic milestone for Australia-ASEAN relations was to achieve the ASEAN-Australia Special Summit in Sydney in mid-March 2018 [2]. Interestingly, the summit has sparked off the debate on a call for Australian membership in ASEAN. The proponents argue that joining ASEAN would be better for Australia in order to foster its regional engagements both strategically and economically. It is the Indonesian President Joko Widodo who endorsed the concept that Australia should join ASEAN to play a bigger role in defense, trade and security matters [3]. Concurrently with the Indonesian view, Graeme Dobell [4] from the Australian Strategic Policy Institute argued that Canberra should aim for ASEAN membership by 2024 - its 50th anniversary of being a partner. Dobell believes that ASEAN needs the extra middle-power like Australia and New Zealand in response to the growing geostrategic and geo-economic pressures in Asia. Such an idea is not new in Australia because it has been reverberated by previous leaders, including former Prime Ministers Paul Keating and Kevin Rudd [5].

However, the opponents reject the proposal for Australia’s ASEAN membership by arguing that it would not serve Australia’s interests whatsoever; one of whom, Malcolm Cook [6] from Lowy Institute, emphasised that Australia would be better off maintaining its status quo in the ASEAN dialogue partnership because it provides significant room for growth. Cook believes that even though the ASEAN leaders reach a consensus or amend the Charter to allow Australia to gain membership, it would not advance Australia’s interests in Southeast Asia and nor would further Australia-ASEAN dialogue partner relationship. Furthermore, a Professor from university of Indonesia also commented on President Widodo’s statement on Australian membership where he said it remains tough for Australia to become the member of ASEAN because other countries - Timor Leste and PNG – are already in queue to ask for membership. But more importantly, ASEAN leaders will consider the direction of the ruling party in Australia which often changes [7].

Many scholars have discussed this topic from a range of perspectives, but very little thus far have been written on the relations with regard to the ASEAN Connectivity 2025; thereby this paper shall try to fill this gap. This paper aims to investigate whether or not Australia can join ASEAN and meet the concerns of the connectivity in 2025. It argues that being a future member of ASEAN and integrating itself into Southeast Asia sounds impossible for Australia. This paper will first provide the methodology utilized in this research. Second, it will present a brief review of existing literature on ASEAN Connectivity 2025 and the Australian view. Third, this paper will go into the discussion part, and finally, draw a conclusion and offer a recommendation.

## **RESEARCH METHOD**

This paper applied ‘secondary research’ to gather data in which the materials were emanated from journals, books, government websites, webpages with an author, working papers, and other related sources. The data was then analysed using a qualitative approach. The qualitative study was used to explain the reasons why Australia was very unlikely to be the member of ASEAN in the future.

## **LITERATURE REVIEW**

The vision of ASEAN members to integrate themselves in terms of physical, institutional, and people-to-people connectivity, was clearly stated in the 2016 Vientiane Declaration on the Adoption of the Master Plan on ASEAN Connectivity 2025 [8]. The Master Plan underlines five strategic areas: sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility. Sustainable infrastructure is aimed to enhance project preparations, thus offering investors an opportunity in sustainable infrastructure, while digital innovations focuses not only on the forming of regulatory frameworks concerning the new digital services but also on the endorsement of open data sharing and the management of micro, small, and medium enterprises. Seamless logistic, on the other hand, is intended to enhance logistic competitiveness which will help the flow of goods within ASEAN member states and open up trading opportunities for ASEAN people. Regulatory excellence is purposed to improve tariff standards, technical requirements, and mutual recognition. People mobility, in particular, outlines several strategic objectives and initiatives, for example making it easier in matters such as travelling throughout ASEAN countries, obtaining travel information, issuing of visas, and so forth [8]. In short, these five strategic areas will focus on how to improve the connectivity 2025 in ASEAN.

Sanchita Das [9] observes that ‘connectivity’ played a pivotal role in minimizing the cost of cross-border transaction, travel and time. He further mentions that all actors, including the elites and the poor, as well as the core and the periphery member countries, should take advantage of the regional integration. Yet, he questions why the concept of connectivity is raised after ASEAN has successfully cooperated for years, and found the answer that every ASEAN country needed infrastructure development which will ultimately drive the pace of trade and investment in the region. In the same way, Bruno Jetin [10] asserts that ASEAN Connectivity is more than just the lowering of costs for commercial transaction, time and travel; it is also about offering the potential benefits to all members, thereby ensuring the fair treatment in Southeast Asia. Nonetheless, he found that ASEAN will probably encounter several challenges such as the inability to reduce policy and institutional barriers, and the inability to fund itself to achieve the Master Plan for ASEAN Connectivity in 2025.

Australia-ASEAN relations have gone through many ups and down since 1973. Frank Frost [11] observed that Australia initially approached ASEAN in two different ways, namely as a US alliance and as a country that is interested in economic and strategic interests in Asia-Pacific region. However, ASEAN leaders are often pessimistic about the intervention and cooperation offered by Australia because they feel that ASEAN’s identity would be threatened and replaced by new, greater power. This was clearly seen when former Indonesian President Suharto expressed his disapproval of the concept of the ‘Asia-Pacific forum’ proposed by Prime Minister Whitlam in 1973. Frost even noted that ASEAN leaders tend to signal a veto to Australia’s policy initiatives long before they had multilateral relations. At the end of the 1980s, ASEAN countries also express disinterests to Australia’s proposal to widen the existing groups, where ASEAN felt that its identity would again be

threatened. For that reason, ASEAN then took a greater role in influencing the new groups formed such as the ASEAN Regional Forum (ARF) which is now led by ASEAN. Finally, the proposal developed by former Prime Minister Kevin Rudd on ‘Asia-Pacific Community’ was also seen to lower the profile of ASEAN and the threat to the existence of ASEAN.

Looking at the Sydney summit, Hoang Ha [12] describes the efforts made by the Turnbull government as the \_nuanced approach between quiet diplomacy and frank engagement‘ in promoting mutually beneficial cooperation between Australia and ASEAN in the years to come. She observes that even though the Turnbull government fostered their mutual cooperation (economic integration, counter-terrorism and maritime security) and mentioned the Rohingya issue, clash of democracy, and human rights values with some ASEAN member states, Turnbull was very careful and did not allow such issues to disturb the cooperative relations they have built for years. The former PM Turnbull himself considered the summit as a ‘historic and unprecedented opportunity to strengthen Australia’s strategic partnership with ASEAN and deliver tangible economic and security benefits to Australia‘ [4].

Previously, the Former Prime Minister Paul Keating also proposed Australian membership in ASEAN in 2012 [6]. He said that Australia may contribute to the ASEAN community by offering its skills and expertise in foreign policy [13]. But Andrew Clark [14], a senior writer from Financial Review, underlined that the reason why Keating wanted Australia to join ASEAN was because he had projected that the rise of China was inevitable – ‘twice as big as the US‘ - and for that reason, Australia had to join ASEAN and took a position by not being engaged in the US-China conflict in the South China Sea. Likewise, John Ravenhill [15] observed that in certain circumstances former Prime Minister Paul Keating emphasized the need for Australia to join ASEAN to establish an equilibrium in response to the dynamics of the major powers in the region. However, neither Turnbull nor Keating proposed the membership to the parliament, or sent out any signals to join ASEAN formally. This paper, therefore, finds that Australia will not become an ASEAN state. The reasons to consider are due to its community, its geographical location, the political impacts it may bring to ASEAN, its policy autonomy, and its current status - the ASEAN dialogue partnership.

## RESULT AND DISCUSSION

While it is true that Australia could be an ASEAN member in 2025 for the economic and strategic advantages, it does not work in a cultural context as the Australian community is different from that of Southeast Asian nations. Although Australia is multicultural, it is dominated by a Western culture which is not similar to that of Southeast Asia. The projected ethnic composition of Australia’s population in 2025 shows that people of Asian background will make up only 16 % of the total population (with Chinese being the largest ethnic group at 7 %), whilst 77 % will be from a European background, comprising of Anglo-Celtic at 62 per cent and other European origins at 15 % [16]. Clearly, this will pose an enormous challenge if the Australian people were to integrate themselves with Southeast Asians vis-à-vis the ASEAN connectivity in 2025. In other words, people in Australia will be expected to adapt and learn more about Southeast Asian culture than the Western one, which I think would be opposed by many Australians. This cultural difference has also been acknowledged by some leaders including Kishore Mahbubani, the former head of Singapore’s Foreign Ministry, stating that the \_cultural dimension is the main disconnect between Australia and ASEAN‘ even though he supports Australia to enter ASEAN [4]. By the same token, ASEAN observers from LIPI, Dr. Adriana Elisabeth, who completed her doctoral studies in Australia also said:

*"Kultur itu perlu diperhatikan. Walaupun dekat, tidak berarti Australia memahami kultur Asia, dan Asia itu luas sekali. ASEAN saja dengan 10 negara secara kultur berbeda, sistem politik berbeda, ekonomi juga berbeda (English: Culture needs attention. Although it is close, it does not mean that Australia understands Asian culture, and Asia is very broad. ASEAN alone with 10 countries is culturally different, the political system is different, the economy is also different." [17]*

Another point which needs to be discussed is Australia's geographical location. This is important because Article 6 of the ASEAN Charter states that one of the admission criteria for new members is a 'location in the recognized geographical region of Southeast Asia' [18]. This means that Australia must belong to Asia in order to become the new member of ASEAN. Yet, the National Geographic clearly denotes Australia to belong to a continent called 'Oceania'; not 'Asia', thereby merging itself into Southeast Asia will shift the status quo. Such disagreement is also expressed by the former ASEAN Secretary-General Rodolfo Severino contending that Australia could not join because it is 'not Southeast Asian' [19]. It is therefore fair to say that Australia does not fit geographically to become a future member of ASEAN. Moreover, ASEAN Studies Center [20] observed that Australia's region is not defined by a community, but through partnership, friendship, and tightened by social and cultural identity. The center further argued that Australia is very unlikely to bring itself into ASEAN community because it considers itself part of the 'Indo-Pacific' region. This means that joining ASEAN is not in the best interests of Australia. Indeed, if Australia were to integrate itself within the ASEAN community, it would not only narrow down its influence in the Indo-Pacific region, but also affect the relationship it has built with other countries such as the United States, New Zealand, and other Pacific nations. In addition to the geographical location, it should also be noted that many of the asylum-seekers arriving by boat made an attempt to land on Australian soil through ASEAN countries like Indonesia and Malaysia. This has created an anxiety of an 'Asian invasion' which is growing significantly within Australian society [21]. I suppose if Australia were to join ASEAN and build people-to-people linkages in 2025 throughout the region, it might make the movement of asylum seekers to Australia smoother, and Canberra would not like that.

The proposal for Australia's ASEAN membership could also water down ASEAN's community vision for 2025. Indeed, the former Indonesian foreign minister Marty Natalegawa said the membership was a 'distraction', while the ANU Indonesia expert Dr Greg Fealy was sceptical about other ASEAN countries agreeing to the decision due to ASEAN's requirement for consensus [13]. Distraction, in this sense, could be interpreted that Australia's presence as an ASEAN member is politically undesirable because it may lead to dispute among ASEAN leaders. Put it differently, Australian bid for membership in ASEAN is seen as having a severe impact on the community, or worse, it could be like a trojan horse. ASEAN leaders do need focus and work hand-in-hand in order to pursue their vision of connectivity in 2025 (sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility). Furthermore, ASEAN works on consensus – this means that if any of the 10 ASEAN members is not in favor of Australia then it should be presumed that Australia's ASEAN membership remains impossible. Despite the fact that Indonesian President Widodo endorses Australia to join ASEAN, he does need to convince other ASEAN leaders to get on board. Aaron Connelly from the Lowy Institute argues that only a few people in Indonesia could agree with Widodo's statement of supporting Australian membership in ASEAN, 'I've seen no evidence that anyone else in the Indonesian system has said anything supportive of it,' he said [22]. In a nutshell, bringing Australia into the ASEAN community may only trigger the debate among the 10 leaders, causing a lack of focus on pursuing its community vision for 2025.

Moreover, if Australia were to join ASEAN, it will restrict itself to its policy autonomy particularly when responding to any sensitive topics such as human rights violations. Indeed, the way in which ASEAN reaches a decision is quite different compared to other organizations like European Union (EU), not to mention the principle of non-interference. ASEAN needs a process of consensus to respond to an issue, while EU can end up taking votes. In other words, ASEAN restrains its members from their policy autonomy and it therefore does not work for Australia. Over the years, Australia has been active in speaking up human rights issues at national, regional, and international level. Australia is even a party to the seven core international human rights treaties as well as in the Universal Periodic Review process. Restraining itself only undermines Australia's international reputation in the context of human rights advocations. Also, it should be noted that Australia will not be allowed to criticize any ASEAN countries involving in human rights violations due to the non-interference principle. This concern has been exemplified by the Department of Foreign Affairs and Trade's ministerial submission to former Foreign Minister Bob Carr in January 2013 in regards to ASEAN membership for Australia:

(Membership of ASEAN would) subordinate aspects of Australian foreign policy to ASEAN. It would require Australia to refrain from any real criticism of ASEAN governments (eg. on human rights issues) and from putting forward alternatives to ASEAN positions. It would require Australia to accept other ASEAN countries, notably the ASEAN Chair, representing Australia in discussions with external parties such as the United States, China and international organisation' [23].

The statement above not only predicts the consequences Australia will face when joining ASEAN such as restriction on its foreign policy and the inability to express critics of ASEAN, but it also examines the impact Australia will encounter within the international arena where its representation to deal directly with great powers like the US and China will be limited. I believe that Australia would not sacrifice its political values and cramp its independence just because of the membership in ASEAN. As argued by Viviani, as cited in Ravenhill [15], while it is true that the cultural and geographical difference are the excuses which will always be used by ASEAN countries to reject Australian membership, 'what it is really about is the difference in political values'. Additionally, it is worth remembering that Australia has become a developed country, why Australia should subordinate itself to join ASEAN whose majority of its members are developing countries? The proposal for Australia's ASEAN membership will definitely limit Australia's power. The other question to remember is how can Australia uphold ASEAN's norm of non-interference while it still speaks up human rights all over the world? Australia therefore does not fit the criteria to become an ASEAN member, not to mention the unlikely situation of subordinating itself to ASEAN.

It should also be underlined that maintaining the status quo as the ASEAN dialogue partnership will still offer many benefits to Australia – without joining the community. Economically, Australia still have access to engage in trade relations with ASEAN as well as Southeast Asian states. Cook [6] observes that Southeast Asian states cannot be restricted to expand their bilateral and plurilateral trade agreements outside of ASEAN because of its status, which is not a customs union. For this reason, Australia has signed the bilateral agreements with Singapore in 2002, Thailand in 2003, and Malaysia in 2012. Furthermore, Australia has enjoyed the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) since it entered into force in January 2010 [1]. Strategically, Australia can still play a pivotal role in advancing its interests in ASEAN. Indeed, it can always fortify its cooperation and partnership with ASEAN through the arrangement of Australia-ASEAN Special Summit held every two years. This is similar to Japan, which always reaffirms its friendship and cooperation through ASEAN-Japan Summit every year. Australia can also keep its interest through the East Asia Summit which is based on the ASEAN Plus Six mechanism. In this context, the advantages of being the dialogue partner is that Australia does not have to deal with 'ASEAN Way' - the principle of non-interference and consensus decision-making. This means that Australia can still continue to be the forefront of human rights advocates as well as working directly with the major players like the US and China in the Indo-Pacific region. More importantly, Australia does not need to integrate its community within Southeast Asia region in 2025 but still plays a significant role in ASEAN.

Apart from the explanations above, the big question here is that 'does Australia really want to join ASEAN?'. The answer can be mixed among Australians. Stephen Dziedzic [22] says 'probably not'. In his analysis, he outlines some recent cooperations Australia have built with several ASEAN countries under Turnbull government such as signing a new strategic partnership with Vietnam, a new maritime agreement with Indonesia, and holding a press conference with his Singaporean counterpart Lee Hsien Loong. Yet, Dziedzic argues that being closer to ASEAN is not what Australia wants. From this view, I would say that Australia is probably interested in working at bilateral level; not the community, thus staying away from the membership may be better for Australia. Peter Hartcher [13], however, found that the way Australia looks at the world is now different, where it feels more insecure than before since World War II. This feeling of insecurity is triggered by the competition between the US and China, thereby pushing Australia to seek security. In this sense, Hartcher maintains that Southeast Asia could be Australia's last best option, and for that reason, Malcolm

Turnbull invited ASEAN leaders to the summit in Sydney. I think it is clear that the external factor also contributes to encourage Australia to join ASEAN. As the world's sixth oldest continuous democracy, I also think we need to listen to voices from the Australian grass roots whether or not they want to join ASEAN.

## CONCLUSION

This article has discussed the matter of Australian membership in ASEAN and found that it remains impossible for Australia to join the community particularly considering the concept of connectivity in 2025. The connectivity means that all parts of the Southeast Asia region will be linked in terms of sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility. In this sense, Australia is considered inappropriate to join ASEAN community. First, the majority of Australians identify themselves as Westerners; not Asians, so joining ASEAN could be a mistake. Given the ethnic predictions in 2025, it is clear that the European background will still dominate Australia's population in the future. Second, Australia's position is not in Asia, it therefore does not fit to join ASEAN. Change the existing map would not serve Australian interests in ASEAN either. Third, it should also be considered the political impact Australia could bring into ASEAN and make ASEAN leaders become unfocused to pursue their vision of connectivity in 2025. Fourth, Australian policy autonomy is also in danger if it were to join ASEAN and its international representation will be restricted as well. Last, it should be noted that its current status as a dialogue partner still provides many advantages in serving Australian interests.

Furthermore, the disadvantages of joining ASEAN outweigh the benefits. Indeed, if Australia were to join ASEAN, it must remain silent on human rights issues and obey the consensus way. Just because Australia is considered as the middle power does not mean it has to join ASEAN. It should also be noted that Australia could not subordinate itself to ASEAN in the name of economic and strategic advantage. Learning from the other dialogue partners like Japan and India which have conducted the summit with the leaders of ASEAN, it could be said that there is no need to move forward into the bid for membership in ASEAN. Without having status as an ASEAN member, Australia can still play an important role in the economic and strategic position. From an economic standpoint, Australia can still conduct bilateral trade with Southeast Asian countries, and even it can also continue to enjoy the single-undertaking free trade agreement with ASEAN and New Zealand (AANZFTA). In terms of strategic consideration, Australia can still emphasize its cooperation through the Australia-ASEAN Special Summit, as has been undertaken in Vientiane (2016) and Sydney (2018). Australia can also play an important role in the regional architecture of Asia-Pacific through an ASEAN initiated grouping - the East Asia Summit - which is conducted annually. Therefore, this paper recommends for Australia to maintain its status quo as the ASEAN dialogue partnership.

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# IMPLEMENTATION OF HALAL FOOD POLICY IN PADANG CITY AND SOUTHEAST ASIA

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## Abstract

Discussions about halal-certified food are on the rise and are becoming a trend in the cities of Padang, Indonesia, and Southeast Asia. As the country with the largest Muslim population has long established a policy of halal products under the auspices of the Indonesian Ulema Council and the Ministry of Health. For this it is necessary. This article aims to identify the potential and problems of halal food policy in Padang City and ASEAN and determine the policy priorities for handling halal food in Indonesia. It is hoped that the results of this study can be used as information and input for stakeholders in formulating food policies in the face of MEA competition. The research method used is the descriptive qualitative method by studying the literature. The results of the study indicate that several countries in ASEAN together with the Muslim community also developed policies on the same thing. This encourages competition among ASEAN countries to develop and promote halal products. In the city of Padang itself, many companies have received halal certificates. This has become an obligation for the city of Padang, which is a city with a majority Muslim population. The implementation of halal food still faces several obstacles and challenges going forward, especially with the increasingly halal tourism trend in the Southeast Asian region.

**Keywords:** Halal Food Policy, Padang City, Southeast Asia.

## INTRODUCTION

The growing popularity of halal tourism in various countries and the increasing population of the Muslim world makes halal food a culinary tourism trend that is quite interesting for research today. It is not wrong if various countries in the world competing to target Muslim tourists as a target market. Therefore the halal of a product becomes a mandatory requirement for every consumer, especially Muslim consumers. Whether it's products in the form of food, medicines or other consumer goods [1].

In the Province of West Sumatra, especially in the City of Padang, the Halal Food policy was strengthened by the existence of halal certification from MUI. Moreover, the Province of West Sumatra has been designated as the world's halal tourist destination at the World Halal Tourism Award 2016. Under these conditions, the Government of West Sumatra Province requires halal certification both hotels, restaurants, and restaurants, and must be seen by tourists visiting. Even though the Minangkabau are predominantly Muslim, tourists are not yet convinced that any food and other consumption has been halal. With halal certification, the tourists are sure of the halal product. Because it has been through a study or audit by a study institution that issued this halal certification [2].

Chairperson of Central PPHI Riyanto Sofyan said that the West Sumatra Province was included in the top five halal tourist destinations in Indonesia based on data compiled by PPHI. "There are five major regions that become halal tourism destinations based on a survey conducted, namely Aceh, West Sumatra, Jakarta, West Java, and Lombok." Then Chairperson of West Sumatra PPHI Havid Dt

Rangkayo Basa added, that the potential for halal tourism in West Sumatra is very large, and since 2016 the Ministry of Tourism has designated it as one of the halal tourism destinations. Further, it was said, that the development of halal tourism is in line with indigenous philosophy, namely *Adat Basandi Syara', Syara' Basandi Kitabullah* which means adat based on sharia and sharia refers to the Koran. "It means, if the potential is well managed, it will certainly be able to increase foreign tourist arrivals to West Sumatra such as from the Middle East" [3].

In Southeast Asia, Indonesia also competes with several countries that develop halal products. Halal-certified food procurement is not a simple thing, because the food supply chain must be guaranteed halal. As stated by Mohd Helmi Alia, Norhidayah Suleiman in *Eleven shades of food integrity: A halal supply chain perspective* that halal supply chains can be categorized into four dimensions of the supply chain, related to raw materials, production, services, and consumers. Weaknesses in handling, monitoring, processing, and other factors along the food supply chain can disrupt integrity along the food supply chain. It is this integrity that affects the fulfillment of halal standards. Halal food needs, especially those that are certified, are not only the monopoly of Muslim groups. This is due to the awareness that halal-certified products have gone through several provisions on health and food safety, so halal-certified food represents the cleanliness, safety, and quality of food consumed [4]. Because researchers are interested in further studying how the implementation of halal food policies in the city of Padang and Southeast Asia in general.

## RESEARCH METHOD

This research is qualitative. The research method used in this study is a literature review (literature review) from various studies that have been done before. Data collection methods used are secondary data obtained from journals, documentation books, and the internet. Methods Data analysis in this study was conducted by descriptive analysis method. The data that has been obtained is then analyzed by descriptive analysis method. The descriptive analysis method is done by compiling the data obtained and then interpreted and analyzed to provide information for solving problems encountered.

## RESULT AND DISCUSSION

In Dwiyanto Indiahono [5] shows four variables that play an important role in achieving the successful implementation of a policy. The four indicators are as follows: Communication, Resources, Disposition, and Bureaucratic Structure. The popularity of halal tourism in various countries makes halal food a current culinary tourism trend. In matters of Islamic religion, including the issue of halal products, Indonesia has an agency that regulates this matter, namely the Indonesian Ulama Council (MUI).

Halal food is defined as any food that can be consumed by humans and is permitted in Islamic Shari'a and that food is not prohibited food mentioned by Allah in the Qur'an. ([Disnakerin.padang.go.id](http://Disnakerin.padang.go.id)). The halal food must include halal certification from the Food, Drug and Cosmetics Assessment Institute (LPPOM MUI) so that the food can be said to be halal for consumption. Objection not only does not come from pig breeds. However, including the source of materials and processing must also be halal. For example, beef ingredients. Should be a concern here, the process of slaughtering cattle in abattoirs must be carried out in an Islamic way. Based on MUI data from 2011 to October 2018 the number of products that have received halal certification is 727,617 products. Keep in mind that halal certification is only valid for two years and then re-registered or revoked certification. So the report on the amount of halal food that is certified by MUI cannot be separated from these conditions. Some policy changes regarding halal food in Indonesia are based on the content and context of existing policies. Currently, the policies relating to halal food are Law No. 33 of 2014 concerning Halal Product Guarantee and Government Regulation No. 31 of 2019 concerning Halal Product Guarantee (JPH).

Padang is one of the cities in Indonesia which is very famous for halal food tourism. For West Sumatra, especially Padang City, the existence of MUI Halal Certification in halal food policy is very important. From formerly West Sumatra is very famous for its culinary taste. Even one of the famous culinary and has worldwide, "Rendang". Rendang is famous for its delicious taste and can last a long

time. Moreover, this province has been designated as the 2016 halal world destination at the World Halal Tourism Award 2016 which takes place in Abu Dhabi, the Arab Emirates (UAE).

In Southeast Asia, the existence of halal food has become a trend that shows that trade in processed foods is part of the market integration between countries. In 2010 to 2015, it showed that the total ASEAN Muslim population was around 256,250,448 people out of the total ASEAN population of 634,875,762 people or around 40.4% of ASEAN Muslim population. The number is spread in all ASEAN countries, such as Indonesia (87.2%), Brunei Darussalam (78.8%), Malaysia (61.3%), Laos (31%), Singapore (14.3%), the Philippines (5%), Thailand (4.9%), Myanmar (4%), Cambodia (1.9%), and Vietnam (0.1%). In 2013, it was stated that Indonesia was the country with the highest amount of expenditure for halal food consumption, which was valued at 197 billion US dollars. While Malaysia became a country with a total meat import of 0.80 billion US dollars. This shows that the majority of ASEAN countries need halal food industry to meet their country's food needs. This potential can be used as a form of regional cooperation within the framework of the ASEAN Economic Community (AEC) [6]. In ASEAN, Indonesia, Malaysia, and Thailand are countries that represent emerging markets and leading players in the food industry. lawful. The existence of halal food in Southeast Asia in the application of the ASEAN Economic Community (AEC) emphasizes food security as a priority, in the form of availability, affordability and food security are existential needs.

## CONCLUSION

In the implementation of halal food policy, according to Director of LPPOM MUI West Sumatra Syaifullah Zoelkiar, the constraints of restaurants or restaurants in obtaining halal certificates are usually caused by delays in getting proper health certification. In human resources, the understanding of halal food still needs to be reconsidered. Because, in this case even though Indonesia is a Muslim-majority country, the awareness and understanding of halal products are still not high. Indonesia needs to improve the quality of food in general and not only on halal food but also on regulations that are made to be more targeted and in line with the objectives than expected. And Padang city itself the concept of halal food must continue to be developed not only in quality but also the services provided. So that in future Indonesia can become the largest supplier of halal products in the world.

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# IMPLEMENTATION OF INDONESIA LAW NO.18/2017 AND ASEAN CONSENSUS FOR INDONESIAN WOMEN MIGRANT WORKER BY PLACEMENT AND PROTECTION SERVICE CENTER, SOUTH SUMATRA PROVINCE

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## Abstract

This study aims to describe and analyze the implementation of Law Migrant Worker Protection No.18/2017 and the ASEAN Consensus on the Protection and Promotion of Migrant Workers Rights for Indonesia Migrant Workers by Agency for the Service, Placement and Protection of Indonesian Overseas Workers (Balai Pelayanan Penempatan dan Perlindungan Tenaga Kerja/BP3TKI) in Palembang, South Sumatra. The research was carried out in descriptive qualitative research with in-depth interviews, observation and documentation. The results of the study indicate: 1) there has been no technical regulation of Law Migrant Worker Protection No.18/2017 regarding procedures for handling cases of migrant workers, 2) ASEAN consensus has not affected the progress of the protection of migrant workers as BP3TKI doesn't even know what the consensus is, and 3) The existence of this law does not guarantee that migrant workers believe in protection. Many of the troubled migrant workers keep silent because they avoid complicated bureaucracy and certain reasons like debt. Government must take Indonesian migrant workers more seriously by providing technical rules for guaranteed protection of migrant workers and ASEAN consensus should be the principle of protection of migrant workers, and not only be a morally binding declaration but also a legal framework capable of binding ASEAN member countries.

**Keywords:** Women; Migrant Workers; Protection; Law; ASEAN Consensus; Indonesia; Malaysia.

## INTRODUCTION

Labor migration has become important for the growth and development of countries, for they become the solution of labor shortages in countries of destination and countries of origin become benefited by that. Sadly, even though they are playing such important role, they are often treated inhumanely, they become subject of abuse during recruitment. In Southeast Asia, many migrant workers have unpleasant experiences such as lack of access to regular immigration and secure immigration channels, high costs and illegal immigration fees, problems with recruitment agencies, violations at various stages of the migration process, human trafficking, violence against women and exploitation, gender-based harassment, low wages, long working hours, exploited working condition, occupational safety and health issues, illegal work, harassment and persecution, the criminalization and detention of undocumented migrant workers.

Currently, migrant workers in Southeast Asia are increasing every year, so the possibility of workers experiencing inhuman treatment. The key issues in labor migration in ASEAN consist of irregular migration, women and domestic workers. Irregular migration workers and women migrant workers in the informal sector are often the targets of abuse and fraud. Therefore, ASEAN is encouraged to provide protection for migrant workers. After 7 (seven) years of adopted the Cebu Declaration on the

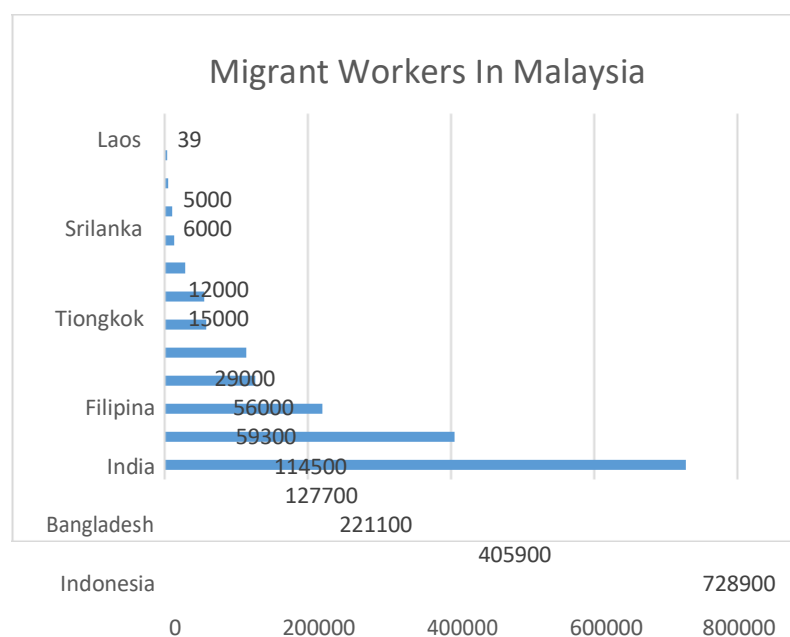
promotion and protection of the rights of migrant workers. The framework for the implementation is compiled in the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers. This consensus is believed to help in establishing a framework for cooperation on migrant workers in Southeast Asia and contributing to the development of the ASEAN community. Nevertheless, there is still debate among researcher that its development has not been transparent and lack of clarity in the process of adopting the instrument [1].

Indonesia is known as one of the world’s suppliers of domestic migrant workers. In 2018, Indonesia sent migrant workers abroad as many as 283.640 workers, 60% of them is women. The remittance rate of these migrant workers reached US \$ 8.8 billion or around Rp124 trillion, equivalent to almost 1% of Indonesia's total Gross Domestic Product (GDP). It can be said that Indonesian migrant workers have a great contribution to the country's economy. The protection of Indonesian migrant workers has been regulated in Law No.18/2017. This law was created as a substitute for Law No.39/2004 that was considered to have many gaps and weaknesses in protecting Indonesian migrant workers. But after two years in implementing, migrant workers have not gotten enough protection as they are still treated inhumanely [2].

### Malaysia Favored Destination for Indonesian Workers

Malaysia is one of the destination countries favored by Indonesian migrant workers, especially in the South Sumatra region. One of the reasons migrant workers chooses this country is because of its close geographical location, the similarity of languages, cultures, and religions. Figure 1. Showing that Indonesia is the largest group among the other countries with more than 728 thousand or 41% workers.

**Figure 1. Data of Migrant Worker in Malaysia by June 30, 2017**



Source: databoks.katadata.co.id, accessed on February 24,2019

Even so, Malaysia is often in the media spotlight because of cases of violence. According to Tempo. Co [3], Malaysia is still the first country with the highest number of Indonesia works with problems, followed by South Africa, Saudi Arabia, Taiwan, and Hong Kong. The Indonesian Migrant Workers Union Data (Serikat Buruh Migran Indonesia/SBMI) shows, in 2014-2015, there are 321 cases of problematic Indonesian migrant workers, and Indonesian migrant workers in Malaysia are first placed, followed by South Africa in case of a ship's child, Saudi Arabia, Taiwan, and Hong Kong. In 2016-2017 there was a surge of 1,501 cases that SBMI dealt with the most cases of Indonesian migrant workers in Malaysia, Singapore, Taiwan, and Saudi Arabia. In January-March 2018, SBMI handled approximately 800 cases and again Malaysia ranks highest.



## **Indonesian Women Migrant Worker from Palembang**

The phenomenon of labor migration in Palembang and surrounding areas is still low compared to other regions and provisions. Looking at the data on placement and protection of PMI from the National Agency for Placement and Protection of Indonesian workers (Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia/BNP2TKI), Indonesian migrant workers from the province of South Sumatera in 2019 only about 1,146 workers, numbers is still low compared to Indonesian migrant workers from the provinces of West Java, East, Central, West Nusa Tenggara, Lampung, North Sumatera, Bali and Banten which reached tens of thousands of workers. The main factor that drives migrant workers is economic considerations, many of whom hope to get higher incomes by working in other countries. On the other hand, the lack of employment in Palembang made them forced to become migrant workers.

### **Workers Placement and Protection Service Center**

Workers Placement and Protection Service Center (Balai Pelayanan Penempatan Dan Perlindungan Tenaga Kerja/BP3TKI) was established to help the National Agency for the Placement and Protection of Indonesian Workers (Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia/BNP2TKI) in carrying out the coordination function with the local government to provide services, placement and protection for prospective Indonesian migrant workers [4]. This study presents an analysis of the implementation of Law Migrant Worker Protection No.18/2017 and the ASEAN Consensus on the Protection and Promotion of Migrant Workers Rights for Indonesia Migrant Workers by Agency for the Service, Placement, and Protection of Indonesian Overseas Workers (BP3TKI) in Palembang, South Sumatra. This study is expected to increase knowledge for readers on the application of protection policies of migrant workers and can provide new formulations for the government in providing better protection of migrant workers, stable and assured.

## **RESEARCH METHOD**

Research conducted by qualitative descriptive method is to describe the fact of the field (descriptive) and subsequent in qualitative analysis of researchers combining the empirical facts obtained with the opinion of the informant. Facts in the field are illustrated under theory of implementation of Merilee S. Grindle (1980) in Subarsono [5]. According to Grindle, there are two variables that drive the success of law implementation: First, content of policies, including interests affected, type of benefits, the extent of change envisioned, set of decision making, program implementors, and resources committed. Second, context implementation such as power, interest, and strategies of the actors involved, institutions and regime characteristics, compliance and responsiveness. Sample of the study was five candidates/workers/former Indonesian Women migrant workers who were placed in Malaysia (Johor and Kuala Lumpur). One prospective Women migrant worker working in the informal sector or domestic servant named Linda, three Indonesian Women migrant workers in the formal sector or refinery workers named Desma, Najwa, and Sarah, and a former Indonesian migrant worker named Mariam. Data obtained through in-depth interviews. In order to obtain objective analysis results, the data obtained from the policy target groups are supplemented with data from the following key informants: 1) Head of the Placement Preparation Section Mr. Agung Hidayat, S.H. 2) Head of the Protection and Empowerment Section of the Indonesian Workers Placement and Protection Service Center (BP3TKI) Palembang Ms. Aminah, S.H.

## **RESULT AND DISCUSSION**

In Brief, the protection provided in Law No.18 / 2017 is divided into three: first, pre-employment protection. It consists of administrative protection such as the completeness and validity of placement documents, prospective Indonesian migrant workers are required to have documents from a certificate of marital status, a permit from the husband or wife, parental or guardian permission known by the head of village, work competency certification, health certificate based on health and psychological examination, passport issued by the local immigration office, working permit visa, placement and work agreement. In addition to the documentation, these documents will further facilitate representatives of the Republic of Indonesia to help migrant workers resolve their case (problematic migrant workers). Pre-employment protection also includes technical protections, such as providing information dissemination and socialization, improving the quality of prospective workers, providing

social security, facilitating the fulfillment of prospective workers' rights and one-stop placement services integrated [2].

Secondly, the protection during the work includes the collection and registration of data by Foreign service officials, monitoring and evaluation of employers, monitoring of occupational and environmental conditions, fulfillment of Indonesian migrant workers' rights and resolving cases. The provision of consular services, mediation, advocacy and legal assistance in the form of advocacy and trust services in accordance with the laws of the local state by the central Government and/or representatives of the Republic of Indonesia and the facilitation of repatriations. And lastly, protection after work includes the facilitation of returning to the area of origin with various causes of return such as the termination of the work agreement, leave, termination of employment before the work agreement expires, accident, mistreatment, war, natural disasters or epidemics in the destination country of placement, deportation, death or others that cause harm to workers. Protection after work also includes resolving workers' rights that have not been fulfilled, facilitating the management of sick and dead workers, social rehabilitation and social reintegration and empowering workers and their families [2].

While the ASEAN consensus contains the rights of migrant workers, the obligations of origin countries as well as the obligations of receiving countries of migrant workers. The rights of migrant workers, including basic rights to get visits from family members, keep personal documents, including passports, and work permit documents and obtain assistance from government representatives in the country of placement. Legal protection rights such as obtaining legal equality when detained or imprisoned while awaiting trial or when detained for other reasons. Furthermore, migrant workers have freedom of movement, gaining access to employment information such as employment and working conditions for the origin and receiving countries. Migrant workers also have the right to receive fair treatment at work, appropriate accommodation under the laws, regulations and policies of national receiving countries as well as obtain fair remuneration, benefits, and revenues.

The origin country is responsible for providing pre-departure orientation programs that contain human rights, workers' rights, working conditions, legal, social, cultural and so on related to the receiving country. Ensure that workers understand employment contracts through written employment contracts in easily understood language. The origin country is responsible for determining the costs incurred by migrant workers that are appropriate and transparent and prevent high costs. Simplify the placement of governance by creating integrated services. The origin country is also responsible for fulfilling the health requirements for migrant workers and is responsible for developing reintegration programs for migrant workers returning to Indonesia such as the employment program.

The receiving country of migrant workers is responsible for guaranteeing human rights and basic rights and dignity of migrant workers by providing fair treatment and preventing abusive treatment and torture. The receiving country is obliged to create a program to increase understanding of the receiving country's procedures and regulations, crackdown on the use of illegal migrant workers prevents high recruitment costs, ensure workers receive contract documents. The receiving country is obliged to create a program to increase understanding of the receiving country's procedures and regulations, crackdown on the use of illegal migrant workers prevents high recruitment costs, ensure workers receive contract documents. Receiving countries also guarantee fair wages and benefits, as well as provide work safety protection for migrant workers, preventing violence and sexual harassment for migrant workers, ensure the treatment of workers in accordance with gender equality, provide assistance and access for migrant workers, facilitate legal assistance and translators including consular functions for migrant workers.

This study focuses on the characteristics of institutions and authorities in implementing the law and consensus through the service, placement, and protection provided by BP3TKI from aspects of the theory of policy implementation Merilee S. Grindle (1980), in context implementation, including institution and regime characteristics and compliance and responsiveness and content of policy such as interests affected and types of benefits.

## **Institution and Regime Characteristics**

From the results of interviews and observations in the field the researchers found that the character or nature of the Indonesian government and other ASEAN member countries, especially Malaysia were not serious in providing protection and promotion of migrant workers' rights in Law No.18/2017 and the ASEAN consensus regarding the protection and promotion of the rights of migrant workers. This is due to the lack of regulations derived from the Law on the Protection of Indonesian migrant workers and the nature of the consensus is not implemented yet in the protective services at BP3TKI.

The regulations contained in the Indonesian migrant worker protection law are still general rules while the detailed regulations in the derivative regulations have not yet been completed. Hence postpones the implementation of the law, for example, the law stipulates that all services mandated to be free and the process of regulating documents for prospective migrant workers must be integrated under one roof involving relevant institutions such as the Office of Manpower, Placement and the Indonesian Workers Protection Agency (BP3TKI), Immigration, Population and Civil Registry Offices, Health Offices, Police Departments, Hospitals and *Badan Penyelenggara Jaminan Sosial* or known as BPJS (Employment Security Agency).

However, in Palembang services are not provided by one makes the process is pricey. According to Mr. Agung, the reason of absences of one-stop placement services in Palembang because the number of migrant workers in Palembang is still small compared to other provinces that already have this service. This shows that Indonesia is not ready to provide protection to migrant workers in accordance with Law No.18/2017. The purpose of implementing a one-stop placement services is not only to make it easy for prospective migrant workers but also to make handling documents free, transparent, and to avoid fraud and scalpers. The problem that occurs with migrant workers in addition to violence is the large number of prospective migrant workers who make the decision to become a non-procedural or illegal worker. According to Ms. Aminah, it is still difficult to solve the problem of non-procedural workers because it is constrained in finding the person responsible for making them work illegally.

Regarding to the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers, plicity implements were not familiar with it. In carrying out their duties, Mr. Agung and Ms. Aminah only relies on Indonesian law. This explains why on January 29, 2019, the Human Rights Working Group (HRWG) coalition concluded that there had been no significant developments in the plight of migrant workers because this consensus did not determine concrete and direct actions to protect migrant workers. In fact, the consensus did not become a principle or basis governing the protection of migrant workers. There is no binding law on whether this consensus should be applied in protection of migrant worker hence Indonesian migrant workers continue to be disadvantaged [6].

For example, the medical test, the results medical test or Medical Check-Up (MCU) from Indonesia are often rejected by Malaysian health authorities hence the MCU must be redone in Malaysia. Malaysia has its own standards for MCU which are quite expensive makes migrant workers must owe their banks or sponsors. All key informants from candidates/workers/ former Indonesian Women migrant workers agreed that they are burdened with the costs to fill the requirements, but since they have no other choice, they end up doing it for the sake of their lives and families. Although the determination of the cost in the process of obtaining documents is not under the authority of BP3TKI, but Mr. Agung and Ms. Aminah was concerned because not a few of them failed at this stage, hence they suffered loss of money and time. "*Can you imagine, they failed a medical test, so they were not eligible to work in Malaysia but still had to pay the money they borrowed for it*", said Ms. Aminah.

Commitment should not only be demonstrated by signing consensus, but also implemented at the national and local levels through policies/regulations, work programs, and national action plan so that consensus can become a legally binding document and be a moral burden for ASEAN countries, especially Indonesia and Malaysia to protect migrant workers. Malaysia and Indonesia relations in this situation are mutually beneficial. Malaysia demands Indonesian workers to fill the labor shortage and Indonesia needs jobs provided by Malaysia. For reach this demand, Malaysia shouldn't complicate the process and Indonesia must take firm decisions regarding agreements that have been

mutually agreed upon. This simple matter continues to create problems between countries, stability of ASEAN countries and the worse is the migrant workers continue to be disadvantaged hence them rather to access irregular channels that seems easier and more promising.

### **Types of Benefits**

The implementation of the protection policy at BP3TKI is carried out by providing facilities in the process of document processing related to the placement, protection, and resolution of problems of women migrant workers by coordinating with the technical implementation units for the placement and protection of workers in their respective work areas. This includes verification of documents, population, health, and areas deemed necessary. BP3TKI also functions to carry out the issuance service of the E-Card for Overseas Workers (E-KTKLN), collect data, carry out empowerment of workers, harmonize quality and provide final debriefing on the departure of migrant workers, carry out mediation, advocacy in solving migrant worker problems and carry out post-empowerment empowerment retired migrant workers, monitor remittances and assist in insurance claims. As explained earlier, due to the absence of rules derived from this protection law, the implementation of the policy has not been as planned. Mr. Agung and Ms. Aminah said they still refer to the regulations derived from Law No.39 of 2004 in carrying out procedures for providing protection before, during and after work as well as procedure for placement of migrant workers.

### **Interests Affected**

This interest is related to the extent to which the implementation of this law fulfills the interests of migrant workers, especially women migrant workers in Palembang. There has not been a significant impact on migrant worker protection policies at the pre-employment protection stage, according to the prospective women migrant worker from Palembang. From their statements, they were admitted to the final debriefing before departure or known as *Pembekalan Akhir Pemberangkatan* (PAP). They received guidance and information needed before departing, but it's all not detail presented. For example, they lack knowledge about the procedures for obtaining legal assistance or claimed insurance. They were also not able to calculate overtime wages because they still confused about it. According to Mr. Agung, PAP has included important matters such as an explanation of work agreements, mental and personality development, the dangers of drug trafficking, illegal drugs, healthy lifestyles, the dangers of human trafficking, cultural recognition, customs and legislation the destination country of placement, in this briefing also provided an explanation regarding BPJS insurance and the procedures for sending and saving money at Bank Rakyat Indonesia from 8 (eight) in the morning until 4 (four) in the afternoon. Researchers who participated in the debriefing agreed that the debriefing was not effective in terms of providing information, not detailed and unclear. But the participants of the debriefing themselves showed less enthusiasm since none of them asked even though they still did not understand the material provided.

BP3TKI's task in providing protection for workers while working in the destination country is to serve complaints, assist in mediation, advocacy to solving migrant worker problems. Up until now, BP3TKI has always tried to provide the best service in solving migrant worker problems. Ms. Aminah said that BP3TKI serves the protection of all Indonesian migrant workers, including non-procedural workers. For example, when an Indonesian citizen of Palembang died after giving birth in Kuala Lumpur. She is a female migrant worker who has completed her work contract, but she did not return to Indonesia instead she settled there and married a migrant worker from Bangladesh. BP3TKI received a request from his family to help the process of sending the corpse to Indonesia, BP3TKI was happy to provide services and assist the process of returning the corpse to the homeland. The achievement of the interests of this target group is also influenced by the level of compliance that will be explained on the next page.

Protection from BP3TKI after work, one of which is to empower migrant workers and their families. The results of an interview from Mariam, a retired migrant worker, the researcher assessed that the interests of the target groups had been fulfilled. Mariam said that she and her fellow retired workers were greatly helped by the education and grants provided by the government through BP3TKI. Mariam admitted that she always had the opportunity to take part in empowerment training held by

BP3TKI, starting from the course of cutting hair, making tempeh and finally giving grants to businesses. Mariam said that with a grant given by the government, she now has her own cake selling business.

### **Compliance and Responsiveness**

Compliance of prospective migrant workers and migrant workers to protection policies is illustrated in reporting problems before and at work. BP3TKI will assist if the problematic migrant worker reports the problem. However, many prospective migrant workers and problematic migrant workers choose to remain silent. For example, a women migrant worker named Umi was sent to work at a Malaysian refinery, but it turns out she found out the job wasn't in accordance with the job order and a work agreement. She insists to keep the work until three months she decided to run away but end up fell down from the second floor of her hostel. This problem was only reported to BP3TKI Palembang by the Indonesian embassy after she is being rushed to the hospital.

### **CONCLUSION**

Indonesian migrant workers make a major contribution to the Indonesian economy, but the government has not yet provided adequate protection. The results of the research show that the Law on the Protection of Migrant Workers doesn't have a legal standard yet, hence the implementation of the law is still carried out with old regulations which have proven ineffective. Meanwhile a series of cases of migrant workers continues to grow among them is the ineffectiveness of organizing documents in an integrated one-stop placement services. On the other hand, the consensus is not the basis for the protection of migrant workers, especially in BP3TKI. Such a shame that consensus become only the good intentions, not give legal binding nor based strict law. As for recommendation, Government should immediately issue legal standard and seek another protection solution than consensus, such as conventions consider it has a strong legal basis and can be adopted into national legal policies in all ASEAN member countries, a consensus is only based on morals and does not have firm legal force.

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# THE NEED FOR CHILDREN'S TOY SAFETY POLICY IN ASEAN

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## Abstract

Children's toy, like other consumer products must be safe to be used by children. There is a growing concern on the safety of children's toys around the world, particularly within Association of Southeast Asian Nations (ASEAN), European Union (EU) and United States (US). The issue of unsafe toys is very crucial in ASEAN due to the present of unsafe toys in ASEAN Member States (AMS), such as Malaysia, Singapore and Vietnam. There is no data on unsafe toys in other AMS. However, this does not mean that those countries are free from unsafe toys. In addition, it is worth to note that there is an absence of comprehensive children's toy safety legislations within AMS, except for Malaysia, Singapore and Indonesia. Therefore the objective of this paper is to propose Children's Toy Safety Policy in ASEAN in order to enhance the safety children's toy. Adopting a qualitative approach, this paper will highlight the need for ASEAN to have Children's Toy Safety Policy in ASEAN. This paper proposes the components of the Children's Toy Safety Policy in

ASEAN.

**Keywords:** Children, toys, safety, ASEAN, legislations, policy

## INTRODUCTION

Children like other consumers, need to be protected. The need to protect children is very crucial since children, unlike adults are not be able to protect themselves in whatever situation. Being vulnerable consumers, children are easily affected by unsafe products. One of the products that are associated with children is toys. Therefore children's toys shall be safe to be used by children as consumers. There are many unsafe toys marketed in ASEAN member states (AMS). In Malaysia, a test carried by Malaysian Association of Standards Users and Greenfinite Sdn Bhd in 2016 found that half of the tested toys sold in supermarket were found to have heavy metals and chemical more than the allowable limit [1]. Besides that, Selangor Domestic Trade and Consumer Affairs has seized 4,137 toys for non-compliance with safety standards [2]. In Thailand, Decharat et al [3] examined lead level in 100 children's plastic toys imported from China and found that 13% of the tested samples had lead level greater than the European Union permissible limit. In Singapore, ten magnetic toys, including magnetic building blocks and balls commonly known as Buckyballs, were tested and found to be unsafe for children [4]. The result of the tests carried out in Vietnam also very alarming. The Chinese balloon products marketed in Vietnam contained phthalate more than the permitted level [5]. Other AMS do not data on unsafe toys. However, this does not mean that those countries are free from unsafe toys.

Beside many unsafe toys marketed in AMS, not all AMS have specific legislations on toy safety to protect children from unsafe toys. Only Malaysia, Indonesia and the Philippines have specific legislations on toy safety. Malaysia regulates the safety of toys through Consumer Protection (Safety Standards for Toys) Regulations 2009. Under this regulation children's toys that are marketed in Malaysia must comply with mandatory standards prescribed under the regulation. Indonesia has enacted Toy Safety Regulations

and Standards in 2013. Under this legislation, Indonesia has prescribed safety standards for toys. The Philippines also has enacted specific act for toys. The act is Toy and Game Safety Labelling Act 2013. The Act requires all games and toys that are locally manufactured, distributed, donated, imported and sold in the Philippines have to mark with or accompanied by clear safety warnings.

Other AMS do not have specific legislations on toy safety although they have consumer protection legislations. It is submitted that the consumer protection legislations alone are not be able to protect the children. Since the children are vulnerable consumers, they need specific law or legislation to protect them from unsafe toys.

Due to the facts that they are many unsafe toys marketed in AMS and not all AMS have specific legislation on toy safety, the writers argue that it is high time for ASEAN to have Children's Toy Safety Policy. Therefore, the objective of this paper is to suggest the components of Children's Toy Safety Policy in ASEAN.

## **RESEARCH METHOD**

This research is qualitative research. The data collected is analysed using content analysis to see whether children in ASEAN are adequately protected from unsafe toys. Content analysis is a research method which is adopted to analyse legal provisions, ministries' decisions, academic books, contracts and decided cases. Most of the data collected are legislations, books and articles.

## **RESULT AND DISCUSSION**

Dennis [6], Frank and Nancy [7] have discussed children's toy safety from various aspects, including safety practices. The safety of children's toy is very crucial, especially they are toys used in school as teaching aids for handicapped students [8]. Protection needs to be given to children especially, when there are many unsafe toys are being recall from the market due to toxic materials contained in toys [9]. Consumers, particularly children, could not be expected to protect themselves because as a consumer, they are always in a weaker position, compared to manufacturers. This weakness is due to limited knowledge that the consumers have [10] [11]. Protecting the consumers' interests, particularly children started in 1924 when the League of Nations had declared the Children's Rights Declaration and in the same year United Nations had adopted this declaration and had declared Human Rights Declaration which consists of universal human values which apply to all human, including children [9]. The government of every nation is responsible to protect consumer safety, including children. At ASEAN level protecting consumers' interests is the responsibilities of AMS leaders. ASEAN Secretariat in Jakarta can take initiatives to develop policies or directives to protect consumers' interests. ASEAN leaders have agreed to create a single market and production base which is stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment [12]. To create stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment ASEAN has developed Food Safety Policy in 2016 to protect the consumers from unsafe food. Hence, to enhance the children's safety, ASEAN needs to develop Children's Toy Safety Policy. ASEAN has to refer to European Union (EU) development in toy safety whereby the EU has developed Safety of Toys Directive in 1988. In 2009, this Directive was enhanced in 2009 by the development of Safety of Toys Directive 2009 [9]. In this Directive, all toys which are marketed in the EU countries must comply with conformity assessment procedure. Any toys which pass this procedure are allowed to use CE mark. ASEAN is really in need of the Children's Toy Safety Policy to protect children from unsafe toys. ASEAN must united and cooperate with each other to overcome unsafe toys from being marketed in AMS.

## **RESULT AND DISCUSSION**

Based on the above discussion, the writers submit that ASEAN should have the Children's Toy Safety Policy. In drafting the Policy, the writers have referred to the European Union Toy Safety Directives, New Zealand ISO 10377:2017, ASEAN Food Safety Policy and ASEAN Good Regulatory Practice. In

this part, the writers are discussing the components of the proposed Children's Toy Safety Policy (Policy). It is proposed that this Policy will serve as a practical guide to the manufacturers in producing safe toys. This Policy aims to harmonise the regulatory requirements for the marketing of toys in ASEAN and the safety of toys for use in play by children of 14 years old and below. The objectives of the Policy are as follows:

- a. To provide a toy safety framework at ASEAN level;
- b. To improve level of safety, obligation and clarification on scope and principle on toy safety;
- c. To stimulate export and inward investment in ASEAN market;
- d. To enhance the standard and conformance of toy safety requirements to meet the present and future needs of ASEAN;
- e. to strengthen private sector participation in standard and conformance of toy safety requirements; and
- f. To build consumer confidence on toys placed in the ASEAN market.

There are four principles suggested in the proposed Policy. They are:

1. Promoting toy safety culture;
2. Toy safety commitment and responsibility;
3. Systematic toy safety framework; and
4. Responsibility of AMS.

### **Principle 1: Promoting Toy Safety Culture**

Producing safe toys shall be the main agenda of toy manufacturers. This agenda can be achieved if the safety of the children toy is integrated in the Organisation Management Plan which is approved and implemented by the top management of the organisation. The toy safety culture shall be inculcate in the organisation through the following measures:

1. The management shall give full commitment towards safety aspect;
2. The management shall design safety system (such as, safety policy, safety regulations or safety procedures); and
3. The management shall create effective communication in the organisation regarding toy safety.

### **Principle 2: Toy Safety Commitment and Responsibility**

Under this principle obligations are imposed on the manufacturers, importers, distributors and consumers. It is submitted that all persons in the distribution chain together with consumers have their roles to play in ensuring children's toy safety.

#### **A. Obligation of Manufacturers**

The writers have proposed the following components to be inserted in the obligation of manufacturers:

1. Manufacturers shall undertake the commitment to design, manufacture and market only safe toys;
2. The manufacturers shall also ensure that all toys placed in the market have been designed and manufactured in accordance to an international accepted standard;
3. Manufacturers shall be responsible to carry out the necessary conformity procedures, draw up and keep all the necessary documents pertaining to compliance;
4. Manufacturers shall ensure that any changes in toy design or characteristics shall remain in conformity with the international accepted standard;
5. Manufacturers shall ensure that their toys bear a type, batch, serial or model number or other element allowing their identification and the required conformity marking, or where the size and nature does not allow it, such required information is provided on the packaging or in a document accompanying the toy;
6. Manufacturers shall indicate their name, registered trade name or registered trade mark and the address at which they can be contacted on the toy, or where that is not possible, on its packaging or in a document accompanying the toy;
7. Manufacturers shall ensure the toy is accompanied by instructions and safety information in English and local language easily understood by consumers, (as determined by the Member State concerned);



8. Manufacturers who consider or have reason to believe that a toy that they have placed in the market has not conformed to an international accepted standard, shall immediately take corrective measures necessary to bring the toy into conformity, to withdraw it or recall it, if appropriate;
9. Where the toy presents a risk, manufacturers shall carry out sample testing of marketed toys, investigate and document complaints, non-conforming toys and toy recalls; and immediately inform the competent national authorities of the Member State in which they were marketed and relevant distributors giving details, in particular to non-compliance and any corrective measures taken;
10. Manufacturers shall co-operate with relevant authorities as regards to any action taken to eliminate the risks posed by toys they have placed in the market.

The writers argue that by imposing these obligations on the manufactures will ensure the toy safety.

## B. Obligation of Importers

Although importers are not involved in product manufacturing, there is still a need to impose the toy safety obligation on the importers. This is because before the importers agree to import any toys, they have to make sure that only safe toys are place on the market. Hence, the following obligations are imposed on the importers:

1. Importers shall undertake the commitment to place only safe toys in the market;
2. Importers shall ensure that the appropriate conformity assessment procedures and documents have been undertaken by the manufacturers before placing a toy in the market;
3. Importers shall ensure that the toy bears the required conformity marking and is accompanied by instructions and safety information in a English and local language understood by consumers, as determined by the Member State concerned;
4. Importers who consider or have reason to believe that a toy that is placed in the market has not conformed to an accepted international accepted standard shall not place the toy in the market until it has been brought to conformity. Where the toy presents a risk, the importer shall inform the manufacturer and market serveillance authorities;
5. Importers shall indicate their name, registered trade name or registered trade mark and the address at which they can be contacted on the toy, or where that is not possible, on its packaging or in a document accompanying the toy;
6. Importers shall be considered a manufacturer if they place a toy in the market under its name or trademark or modifies a toy already in the market in such a way the compliance with the international accredited system may be affected;
7. Importers shall ensure the toy is accompanied by instructions and safety information in English and local language easily understood by consumers, as determined by the Member State concerned;
8. Importers shall ensure that, while a toy is under their responsibility, storage or transport conditions do not jeopardise its compliance with the international accreditation system;
9. Importers who consider or have reason to believe that a toy that they have placed in the market has not conformed to an international accepted standard, shall immediately take corrective measures necessary to bring the toy into conformity, to withdraw it or recall it, if appropriate;
10. Where the toy presents a risk, importers shall carry out sample testing of marketed toys, investigate and document complaints, non-conforming toys and toy recalls; and immediately inform the competent national authorities of the Member State in which they were marketed and relevant distributors giving details, in particular to non-compliance and any corrective measures taken;
11. Importers shall co-operate with relevant authorities as regards to any action taken to eliminate the risks posed by toys they have placed in the market;
12. Importers shall keep a copy of declaration of conformity to an international accepted standard and make such document available to market surveillance authorities upon request;
13. Importers shall, upon a reasoned request from a relevant national authority, provide all the information and documentation necessary to demonstrate conformity of a toy in English and local language easily understood by the authority. They shall co-operate with that authority as regards to any action taken to eliminate the risks posed by toys they have placed in the market.

### C. Obligation of Distributors

Under the proposed Policy, the distributors shall have the following obligations:

1. Distributors shall undertake the commitment to place only safe toys in the market;
2. Distributors shall ensure that the appropriate conformity assessment procedures and documents have been undertaken by the manufacturers before placing a toy in the market;
3. Distributors shall ensure that the toy bears the required conformity marking and is accompanied by instructions and safety information in English and local language easily understood by consumers, as determined by the Member State concerned;
4. Distributors who consider or have reason to believe that a toy that placed in the market has not conformed to an international accepted standard shall not place the toy in the market until it has been brought to conformity. Where the toy presents a risk, the distributor shall inform the manufacturer, importer and market surveillance authorities;
5. Distributors shall be considered a manufacturer if they place a toy in the market under its name or trademark or modifies a toy already in the market in such a way the compliance with the international accepted standard may be affected;
6. Distributors shall ensure that, while a toy is under their responsibility, storage or transport conditions do not jeopardise its compliance with the international accepted standard;
7. Distributors who consider or have reason to believe that a toy that they have placed in the market has not conformed to an international accepted standard shall immediately take corrective measures necessary to bring the toy into conformity, to withdraw it or recall it, if appropriate;
8. Where the toy presents a risk, distributors shall immediately inform the competent national authorities of the Member State in which they were marketed, giving details, in particular to non-compliance and any corrective measures taken;
9. Distributors shall co-operate with relevant authority as regards to any action taken to eliminate the risks posed by toys they have placed in the market;
10. Distributors shall keep a copy of declaration of conformity to an accepted standard and make such document available to market surveillance authorities upon request;
11. Distributors shall, upon a reasoned request from a relevant national authority, provide all the information and documentation necessary to demonstrate conformity of a toy in English and local language easily understood by the authority. They shall co-operate with relevant national authority as regards to any action taken to eliminate the risks posed by toys they have placed in the market.

### D. Obligation of Consumers

Consumers are not involved in the manufacturing, importing and distributing process of toys nevertheless the consumers also have their roles in ensuring the safety of toys they bought. The following are their obligations:

1. Consumers shall ensure that toys bought are used in a reasonable manner.
2. Consumers shall ensure that they will adhere to all usage methods and warnings given by the manufacturers, importers and distributors in the accompanying instructions and safety information document.

### **Principle 3: Systematic Toy Safety Framework**

Under this principle, the writers divide toy safety framework in three stages:

1. Pre-production;
2. Production; and
3. Post production.

The reason why it is divided in such a way is because every stage has its own safety framework.

## Pre-production

It is the responsibility of the manufacturer to ensure safety in product design, recognizing that design defects are highly preventable. The manufacturer must ensure that the product design has complied with international accepted standard or national standard.

## Production

The toy manufacturer has the primary roles and responsibility for ensuring the safety of toy. The manufacturer shall establish and implement appropriate Good Manufacturing Practices (GMP). The GMP shall consist of quality monitoring and finished product testing. The roles and responsibilities of the manufacturers shall be exhibited in the following measures:

1. Safety in production
  - a. The manufacturer shall provide for Toy Safety Culture in the production process;
  - b. The manufacturer shall put in place all the necessary aspects of toy safety, including training throughout all phases of its production process. The manufacturer should verify that its supply chain providers of raw materials, components, chemical contents and subassemblies have incorporated all the necessary aspects of product safety into their individual production practices;
  - c. The manufacturer should also follow industry's GMP during the production of toy.
2. Conformity of toys: Warning, labelling, marking (International Accepted Standards)
  - a. Manufacturers shall ensure that toy they produce has adequate warning and marking on the label, packaging and instruction for use;
  - b. The manufacturer shall mark the warnings in a clearly visible, easily legible and understandable and accurate manner on the toy, on an affixed label or on the packaging and, if appropriate, on the instruction for use which accompany the toy. Small toy which are sold without packaging shall have appropriate warnings affixed to them. The warning shall be preceded by the words 'Warning' or 'Warnings', as the case may be;
  - c. Labels should be in English and local language easily understood by consumers as determined by the member states concern.
3. Conformity assessment: Testing, labelling and risk management
  - a. Manufacturer shall, before placing a toy on the market, carry out an analysis of the chemical, physical, mechanical, electrical, flammability, hygiene and radioactivity hazards that the toy may present, as well as an assessment of the potential exposure to such hazards;
  - b. Manufacturer shall establish Conformity Assessment Procedures to ensure that there is a consistency in pre-marketing product analysis.

## Post-production

The basic principle of toy safety does not stop once products are marketed. The roles and responsibilities of toy manufacturers continue although the products been marketed. The followings are roles and responsibilities of the manufacturers at post-production stage:

- a. The manufacturers have to establish Post-monitoring System;
- b. The manufacturers have to establish Continual Improvement System in order to improvise the products;
- c. The manufacturers have to establish Reliable Traceability System in order to trace unsafe toys.

## **Principle 4: Responsibility of AMS**

In order to give effect to the Policy, the heads of AMS shall take the following measures:

- a. Enacting laws – laws need to be enacted to give legal effect to the Policy. If the Policy is not incorporated in the laws, the Policy will remain as a soft law which does not have legal effect.
- b. Strengthening and harmonization of national and regional toy safety system.
- c. Consistency with ASEAN Trade in Goods Agreement (ATIGA) – ATIGA requires AMS to harmonise their national standard with international standards as a means of removing unnecessary trade barriers.

## CONCLUSION

The Children's Toy Safety Policy is very important to protect children from unsafe toys. The technology advancement has created various toys for children. Although this is a good development whereby children have many choices, it must also be noted that some of the toys are dangerous to children. The fact that some of AMS do not have toy safety legislations to protect children from unsafe toys, there is a crucial need to have Children's Toy Safety Policy in ASEAN. The components proposed in the Children's Toy Safety Policy will help to ensure the toys marketed in ASEAN are safe.

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# THE FACTORS THAT CAUSED OF ASEAN SECURITY REGIME FAIL TO DEAL WITH THE TRANSNATIONAL CRIME OF NARCOTICS SMUGGLING IN SOUTHEAST ASIA

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## Abstract

The present research describes problematics of ASEAN in handling transnational crime about narcotics smuggling in Southeast Asia. Southeast Asia is a region in the world spreading an area of 4.4 million square kilometers. Based on population data by the United Nations Department of Economic and Social Affairs, the population of ASEAN has increased from 563.7 million in 2006 to 631.8 million in 2015 at a rate of 1.14% per annum. With the big potency countries in Southeast Asia region faces narcotics as one of the most dangerous threats for human security that has increasing trends and pattern and provides depraved effect for human security in Southeast Asia. This article used constructivism approach and human security, transnational crimes, international regimes, a model of negotiations in International Regimes and narcotics as theoretical concepts. The result shows that some factors caused the failure of international security regimes of ASEAN toward handled of Transnational Crime about Narcotics Smuggling in Southeast Asia Region that is negotiating factors in international scopes namely different perception about narcotics threat between ASEAN members, different priority interest of ASEAN leader members, weakness in values and principles of ASEAN and there is no a guiding state to control ASEAN consensus also no sense of belonging of ASEAN society toward ASEAN. Besides that, the negotiation process at member states level starting from ratification until law enforcement, acceleration method of narcotics smuggling by transnational crime actors, new types of narcotics and geographical territories of ASEAN are factors affecting ASEAN in handling transnational crime in form of narcotics smuggling in Southeast Asia.

**Keywords:** Negotiations, ASEAN, Narcotics, Smuggling, Region.

## INTRODUCTION

This article describes the problem faced by ASEAN toward narcotic smuggling in Southeast Asia Region. Southeast Asia is one of the three producing areas for the manufacture of narcotic extraction. In particular, countries in Southeast Asia are known as the Golden Triangle, which is an area of opium and heroin production located on the border between three countries: Thailand, Myanmar, and Laos which produce 60% of opium production and heroin in the world. Drug production in the region belongs to the category of narcotics and potential addictive made from the types of opium poppy and papaver somniferum that produce heroin [1]. The Golden Triangle region of Southeast Asia contributes to the heroin industry worth US \$ 160 Billions per year. In the aftermath of the Cold War, in 1990 the Southeast Asian region, especially Thailand, was the main route of opium trade from Myanmar and heroin that also entered Thailand through the Laos border.

According to Cipto [2], the existence of opium trade in Southeast Asia originated from the Golden Triangle region. The area of the golden triangle is a region located in Southeast Asia consisting of northern Thailand, the western part of Laos, and eastern Myanmar. It is in this area that narcotics, heroin, and amphetamine are produced and distributed all over the world. The construction of ASEAN member countries' values and norms is built within the framework of a centralized, independent and neutral model. The notion of centralization in relations between states in international organizations is concrete and equal collective activity in the structure and administration of international organizations.

While independent means the ability of the state to act the approval of the authority of other members of the organization. In this case the independence of ASEAN international organizations is by the impartiality of ASEAN in resolving conflicts among member states. This inter-centralized and independent relationship is the main function of ASEAN organizations in facilitating the negotiation and implementation of agreements, conflict resolution, and anticipation of confrontation among countries in Southeast Asia.

Narcotics smuggling are one of threat for national security state in Southeast Asia Region. This problem cannot handle just by one state. It's needed the cooperation and coordination between states in ASEAN to handle the movement of transnational organized crime groups. In order that ASEAN governance has discussed non-traditional security issues especially on transnational crime issues, ASEAN is still based on the basic principle of ASEAN that is non-intervention and respect the sovereignty of ASEAN countries. So ASEAN continues to work with member countries in the field of legal politics and security and always carries out the coordination of each country both at the head of state, the Minister and Ambassador of each ASEAN country. Coordination mechanisms undertaken by ASEAN sectoral bodies dealing with the ASEAN Political-Security Community are conducted through diplomatic negotiation mechanisms by establishing the ASEAN Security Community Coordinating Conference (ASCCO).

The main task of ASCCO is to coordinate a common step towards achieving the ASEAN Security - Policy Community 2015. ASCCO also conducts a biennial review of the implementation of the Blueprint of the ASEAN Political and security community, through the Biennial Review undertaken by the ASEAN Secretariat. Sectoral bodies within the ASEAN Security Policy Pillars continue to work in the fields of political, legal and security cooperation, as follows:

1. ASEAN Foreign Ministers Meeting / AMM
2. Southeast Asia Nuclear Weapon Free Zone Commission
3. ASEAN Defense Ministers Meeting (ADMM)
4. ASEAN Law Minister Meeting (ALAWMM)
5. ASEAN Ministerial Meeting on Transnational Crime / AMMTC
6. ASEAN Senior Officials on Drug Matters (ASOD)
7. ASEAN Regional Forum

The establishment of the ASEAN community is supported by the 2017 ASEAN Drug-Free declaration which is basically supported by many parties, especially by member countries. In multilateral organizations such as UN organizations that agree on a forum of anti-narcotics cooperation such as UNODC and countries outside Southeast Asia, it can be said that the commitment contained in this declaration is in line with the intention of the international community [3]. Based on the premise, the 2017 ASEAN Drug-Free Declaration can be considered a norm manifestation in Southeast Asia. The birth of this declaration is due in part to the common perception of all ASEAN members in interpreting the drug situation in Southeast Asia. This is because the very fast narcotics smuggling in Southeast Asia is, of course, a big threat for people in Southeast Asia. So when this declaration was held, the ASEAN leaders stated that:

We, the Participating States in the International Congress "In Pursuit of a Drug Free ASEAN 2015: Sharing the Vision, Leading the Change" held in Bangkok on 11 – 13 October 2000, deeply concerned about the growing threat of the drug problem and its related menace, hereby declare our continued political will and commitment in the full realization of Drug-Free ASEAN 2015 by stressing the prime responsibility of concerned countries to employ all possible means to overcome drug problems by intensifying measures to reduce both the illicit supply of and demand for drugs, including raising public awareness of drug problems [4].

The presence of Drug-Free ASEAN can be a guideline as well as encourage member countries to take appropriate action related to the handling of drugs at the national or regional level. As a forum for regional cooperation, ASEAN plays a big role in overcoming the phenomenon of the increasingly widespread drug trafficking in South East Asia. Responding to the phenomenon of narcotics smuggling

in Southeast Asia, then since the 1970s ASEAN countries began to hold several important diplomatic meetings to anticipate it. Based on the problem, it illustrates that factors influencing the failure of the ASEAN security regime to deal with the transnational crime of smuggling of narcotics in Southeast Asia. Writing Organization; Introduction describes the problems facing ASEAN's security in dealing with the transnational crime of smuggling of narcotics in Southeast Asia. The Literature Review illustrates the development of studies on transnational security, methodology conveying the process and approach of research, results, and discussion describing factors affecting modern transnational security.

## **LITERATURE REVIEW**

In ASEAN governance of non-traditional security issues especially on transnational crime issues in accordance with what found Arifo [5] that the growing non-traditional security issues affecting relations between nation-states. This is in line with what Chan [6] discloses that Asian multilateralism affects China's economic sectors especially investment and trade, social evolution, and state and non-state actors and linkages among ASEAN countries. In particular, countries in Southeast Asia are known as the Golden Triangle, which is an area of opium and heroin production located on the border between three countries, Thailand, Myanmar and Laos which produce 60% of opium production and heroin in the world. Drug production in the region is included in the category of narcotics and potential addictive made from the types of opium poppy and papaver somniferum that produce heroin.

This is related to the development of implications for the strategy of intelligence and the use of strategy in context (TOC) and identifying central issues to fight against TOC in the context of political, professional and academic agendas. The result of this research is strategic intelligence in law enforcement involving a number of policy actors Coyne and Peter Bell [7]. In Globalization of Gun Culture Transnational and Masculinity, Flows And Resistance Cukier, and James [8] transnational crimes are also influenced by economic, illegal drug industry relations, and the media. As well as the values of social practices and government agencies as well as the country's policy as well as cultural education. the model of an international criminal regime in which the regime changed the behavior of the state even though it lacked enforcement mechanisms and the International Criminal Court (ICC) which could cause terrible leaders to retain power for longer.

This research concept consists of regime enforcement mechanisms, government leaders and regime models. The focus of this research is on the model of international regimes that affect various aspects. His research entitled: Is Enforcement Necessary for Effectiveness? A Model of the International Criminal Regime, Gilligan [9] resulting from regimes, high probabilities, institutions, ICC and foreign countries The views of crime in the ASEAN region are experiencing significant developments in both international trade, international tourism, and international student exchange. In three cooperative relations between ASEAN countries, Indonesia with Thailand, and Malaysia and other countries are affected by the needs of countries, influenced by language, literature, and education factors in non-ASEAN [10]. Factor The regime also greatly influences the ASEAN region as it is also influenced by the structure of policymakers, the distribution of political ability with the social, the internalization of the public values, the decision pyramid, the location of decision-making actors and supranational integration [11].

According to Jo and Beth [12] that affect is the fault of discipline, rule of law, political type, killing government, and ICC involvement. This is an interconnected history of ASEAN's interaction that ASEAN is not a security community, but if ASEAN's policymakers and their strengthening security community continue to reject realism, they will set aside the most powerful tool for analyzing and managing China's rise, so ASEAN needs to create security communities [13]. This is in accordance with Kim's finding [14] that the development of law enforcement is uneven in international legal judicialization, the International Criminal Court (ICC). Myanmar and heroin which also entered Thailand through the Laos border. The skyrocketing production of illegal methamphetamine Myanmar in 1990, followed by the increasingly swift flow of illegal narcotics in the Thai region originating from Myanmar.

Until now, Thailand is a country in Southeast Asia region with the highest circulation of narcotics in Southeast Asia. Almost all narcotics are sold and traded in Thailand illegally. Linkages with the ASEAN Region are seen from the advantages and disadvantages as well as other factors on international transactions and regional integration according to Puchala [15] that affect the running of regional integration such as economic, social and political processes. In international relations transactions are contacts and agreements between the government and non-government between countries using absolute authority and the international community. The presence of opium trade in Southeast Asia originated from the Golden Triangle region. The area of the golden triangle is a region located in Southeast Asia consisting of northern Thailand, western part of Laos, and eastern Myanmar. In this area narcotics, heroin, and amphetamine are produced and distributed all over the world [2]. The development of narcotics business that has multiplied profits indirectly affects the main actors, especially in the Myanmar region is very difficult to conquer. Military rulers in Myanmar even tend to legalize in quotes to narcotics manufacturers in Myanmar, especially the Wa ethnic group, known as the main producer of amphetamine. From this golden triangle area illegal drugs are then channeled to Thailand. The other route is through Yunan, Guang Dong, Hongkong and Macao in China. While in other narcotic transit routes in Southeast Asia are Vietnam, Cambodia, and the Philippines. Further from this region illegal drugs are distributed illegally in Asia including Southeast Asia.

So transnational crime is growing by Srikanth [16] transnational crime in this era of globalization lies in economic, technological and political and is used for terrorist forces and transnational crime networks, a strategy to overcome this by establishing security agencies in India and ASEAN that involve the military, intelligentsia, and policymakers. The authors therefore illustrate that the factors affecting the failure of the ASEAN security regime in dealing with transnational crime of smuggling of narcotics in Southeast Asia can be analyzed from the two models outlined above ie the negotiation of international or regional regimes and negotiations at the national level in terms of ratification process international ASEAN related narcotics smuggling as a transnational engagement that threatens human security.

## **RESEARCH METHOD**

The research approach used in this research is a qualitative approach. However, this study also uses some quantitative data such as statistical data tables, graphs and quantitative diagrams on the development of the scale of the numbers of an empirical phenomenon. This study is a case study using a qualitative approach that attempts to elaborate the problems faced by ASEAN in dealing with transnational crime of smuggling cases in Southeast Asia. The study object in this study is the ASEAN problematic in addressing the transnational crime of narcotics smuggling in Southeast Asia with a focus on problematic analysis faced by ASEAN in dealing with smuggling narcotics in Southeast Asia. Thus, this study attempts to illustrate the factors that caused the ASEAN security regime to fail in addressing transnational narcotics smuggling in Southeast Asia. Based on the sources, the research data can be grouped into two types of data: primary and secondary data. Primary data is data obtained or collected by researchers directly in the implementation of research conducted by observation, direct interviews to research informants such as ASEAN Secretariat in Jakarta, ASEAN- NARCO National Narcotics Agency Directorate of Drugs and Drugs. Secondary data is data obtained or collected by researchers from various sources that have been obtained from the Annual Report of the Directorate of Drugs Affairs related to handling cases of narcotics circulation, ASEAN SetNas Report, ASEAN Report NARCO as well as books and journals related transnational criminal activity and other sources that support this research.

This research is field research (field research) and library research (library research). The timeline of research on ASEAN Problematic in addressing transnational narcotics smuggling in Southeast Asia is 2014-2016. The time span of this study was selected in connection with the increasing number of smuggling and drug trafficking in the Southeast Asian region and in accordance with the agreement of ASEAN countries to realize the ASEAN drug-free mission in 2015



## RESULT AND DISCUSSION

The problem of ASEAN Security Regime in Handling Transnational Crime of Narcotics Smuggling in Southeast Asia Region has made efforts both preventive, preemptive until repressive step to narcotics circulation in Southeast Asia region, but until now member countries in ASEAN forum still has not been able to anticipate the problem. If analyzed using the concept of the negotiation process in the international regime proposed by Bertram I. Spencer and I William Zartman, then in the process of building the negotiating regime can be seen from two aspects, namely the process of negotiation at the international level and the negotiation process at the national level. Negotiations at the international level mostly refer to ASEAN negotiating regime activities that emphasize the interests of ASEAN member countries in the drafting of an ASEAN Agreement on the handling of transnational narcotics of narcotics smuggling.

While in the process of negotiation at the national level refers more to the ratification activities of international legal products by ASEAN countries in following the result of international law product agreement in handling the transnational crime of smuggling of narcotics which serve as framework of law enforcement in ASEAN countries. The authors therefore illustrate that the factors affecting the failure of the ASEAN security regime in dealing with transnational crime of smuggling of narcotics in Southeast Asia can be analyzed from the two models outlined above ie the negotiation of international or regional regimes and negotiations at the national level in terms of ratification process international ASEAN related narcotics smuggling as a transnational engagement that threatens human security, as follows:

1. The factor of Negotiation Process at ASEAN Security Regime Level
  - a. The process of negotiation at the level of the ASEAN security regime will be effective if in the process of conflict resolution or security issues at the ASEAN level provides a broad space for the negotiating actors to explore comprehensive solutions to problem-solving in the process of establishing a negotiating regime. In the case of the implementation of negotiations related to the handling of a transnational crime of smuggling of narcotics in Southeast Asia, the ASEAN security regime has organized various methods of mutual agreement and joint declaration against ASEAN Drug-Free. However, in the process of negotiation at the international level, the implementation is still experiencing various obstacles, especially in the process of bargaining and the existence of ASEAN security regime itself in solving the common security problem, especially the problem of smuggling narcotics. Some of the inhibiting factors in the effectiveness of the ASEAN regional negotiation process are as follows:
  - b. Differences in ASEAN Countries' Perceptions of Threats of Narcotics Smuggling in Southeast Asia;
  - c. Narcotics smuggling activities in Southeast Asia currently pose a serious threat to the security of the region or region of Southeast Asia. One of the factors that led to the increasing transnational criminal activity in Southeast Asia is that the current influence of globalization has further undermined the norms of community life in southeast Asia Friedman [17]. The development of transnational crime of drug smuggling currently taking place in Southeast Asia has resulted in ASEAN member countries being unable to optimally fulfill individual security, economic growth, social protection, and even individual rights. This means that the human security of a society is also threatened, which is caused by the inadequacy of the protection measures afforded by the state. Therefore, creating the security of ASEAN people facing smuggling of narcotics in Southeast Asia region is required coordination and good cooperation from member countries on this issue. However, in its implementation in Southeast Asia region through ASEAN cooperation forum there is still difference of perception for each ASEAN member country against the danger of narcotics itself. Based on the category of narcotics smuggling in Southeast Asia, the Southeast Asian region has a narcotics business chain from production, distribution, and consumption. Until now Southeast Asia is still known as a narcotics producing country for the Asian region.

## 2. Differentiation of Priorities of Interest and Agenda of ASEAN Country Leaders

Since the establishment of ASEAN in 1968 until now, ASEAN member countries have always adhered to the values and principles of ASEAN membership. On the one hand, this is, of course, good and become one of the factors that result in ASEAN organization able to exist until now. However, an understanding of the value of shared values, such as respect for national sovereignty, non-intervention and peaceful resolution of the conflict, these values can not in itself build communities with a distinctive character compared to other communities or regional institutions. Cooperation of ASEAN member countries up to now is still in the role of socializing member countries with international norms in the field of security such as on the prevention and resolution of conflicts and non-proliferation of weapons of mass destruction, fostering cooperation between law enforcement member countries and links communications for the large, extra-regional countries whose interests are intersect in Southeast Asia. In general, it can be said that the great extra-regional countries play a role in shaping the understanding of ASEAN member countries.

Differentiation of the priorities of the leaders of the ASEAN countries in this case is that since ASEAN stands up to the agreement of ASEAN community that moves in three areas ranging from economy, social culture to ASEAN political and security community can be said that the agreement has been agreed but in the implementation is still not optimally implemented, especially related to ASEAN political and security community. The ASEAN political and security community has not been properly institutionalized, it can be described that in various problem resolution in ASEAN especially related to transnational crime phenomenon in South East Asia, the political leaders of ASEAN countries still focus their attention on various challenges in their respective domestic problems member countries and does not address regional issue issues. If it is reviewed again, in the historical past it can be said that one of the reasons why ASEAN experienced the golden era in the era of 1980 until the 1990s is because ASEAN has strong political leaders who hold firm control such as Lee Kuan Yew, Mahathir Muhammad, and Soeharto. Because these leaders are politically electability has been strong in domestic or domestic politics hence have the time and political resources to discuss regional cooperation as quoted by Henri Kissinger's expression that foreign policy will start if domestic politics have been finished. But in the current era ASEAN leaders are still busy with their respective domestic issues such as President Jokowi, Prime Minister Najib and President Rodrigo Duterte so they do not have the focus to discuss regional issues including the ASEAN people's security issue is no longer a security issue for member countries internally. According to Prime Minister Lee Hsien Long that:

Domestic agendas should be dealt with, but if they become time-consuming and you do not have time to organize ASEAN co-operation or you can not make ASEAN cooperation as important, for example in terms of investment, trade, economic or problem solvency human resources and human security then we will have a container but not full fill its substance. Kishore and Jeffery [18].

## 3. Value and Basic Principles of ASEAN Non-Binding Organization

In practice, the most important principle of ASEAN is to respect the sovereignty of each member country and to resolve all conflicts peacefully. However, the implementation of ASEAN principles principles on the one hand also affects the existence of ASEAN in solving conflicts between member countries, especially related to issues of political and security issues that both ASEAN Does not Have a Natural Bodyguard for the Implementation of Decision The rapid development of transnational crime and the crisis and decline of the central country's electability within the ASEAN organization have resulted to the present time ASEAN lost such a glorious era in the 1980s with the central political figures of ASEAN countries. Therefore, in the face of transnational narcotics crime in the region of Southeast Asia until now ASEAN does

not have a natural guardian like other regional organizations. the third Sense of Common Southeast Asian Community Ownership of ASEAN Organizations Another problematic faced by ASEAN in dealing with these narcotics crimes is that the ownership of ASEAN organizations to date has not been sufficiently representative of the overall stakeholders present in ASEAN. This means that the implementation of ASEAN ownership of the organization is still perceived primarily by the state government in that area alone. While its citizens do not yet have a deep sense of ownership over the ASEAN Foundation survey on ASEAN awareness in the younger generation. Whereas, against 2,170 students in ten ASEAN countries, 39% of respondents answered that they knew little or nothing about ASEAN. And the average respondent only managed to mention nine between former member states and only pointed correctly seven countries on the map. A total of 26% failed to show the true ASEAN flag and when the ASEAN date was established.

The Four Factors of Ratification and Law Enforcement Process in each ASEAN Member Country In addition to the process of negotiation process at international or regional level, the role of negotiation process at domestic or national level of each country also becomes very important. This is because the real component of negotiation at local level is a very crucial negotiation space. Negotiations that only focus on the establishment of international negotiating regimes and without regard to the political, social and economic situation have the opportunity to conclude agreed agreements at the ASEAN regional level will face obstacles, especially in the implementation of regulations and law enforcement in each ASEAN member countries. Therefore, in this context, ASEAN as an international organization that accommodates the six Acceleration Motives Transnational Crime Actors Smuggling Narcotics in Southeast Asia The dynamics of the development of transnational crime in the region of Southeast Asia is currently no longer carried out by the internal state of the region alone but has started to enter the extra-regional. Most of the countries involved are a group of third world countries (developing countries), ranging from some countries of South Asia and Central Africa region, and countries in South Asia, including India, Pakistan, Afghanistan, and Bangladesh, European countries.

Transnational networks of the world's narcotics, before reaching the ASEAN countries come from China (PRC), Hongkong and Laos. These countries also play a role in supplying narcotics in some countries in the Middle East region, while the narcotic products come from many parts of Soviet and Asian countries. Thus it can be known about the development of world transnational narcotics, reach to Southeast Asia implemented with a fast and neat path. Then in the case of narcotics delivery done by courier service, smuggling narcotics in ASEAN countries is done with network and recruitment process very tidy, so this problem is relatively difficult to be revealed compared with other forms of crime with job recruitment mode.

In the period 2008-2014, there was a trend of narcotics packaging in several narcotics types. For narcotics of Cannabis the goods will be packaged in envelopes, cardboard, burlap bags, cement bag paper, drinking water bottles, cans, truck tires, computer CPUs, oil drums, tanks trucks as happened in some cases of disclosure in Indonesia and Malaysia. As for the Heroin (Putaw) type is packed and hidden in greeting cards, bath soap wrap, milk powder box, garbage can, the back of the refrigerator as happened in some disclosure cases in Indonesia, Thailand, Vietnam, and Malaysia. While the type of ecstasy pills are hidden in candy wrappers, beverage wrappers, bread cans, matches, helmets as happened in some cases of disclosure in Indonesia, Philippines, Thailand, Laos, Philippines, and Malaysia. And one of the most common types of narcotics in the region of Southeast Asia are shabu-shabu and sabers deposited in cardboard containing piles of foreign fish to avoid detection of sniffer dogs and stored in clothing, either in-week or modified sandals / shoes to avoid detection of detection devices at pioneer-class airports such as those occurring in some disclosure cases in Indonesia, the Philippines, Thailand, Laos, the Philippines and Malaysia.

Differences in the Consumption of Narcotics in Each ASEAN Member Country The circulation of narcotics in Southeast Asia is now undergoing a change in the type of narcotics trends consumed by people in the Southeast Asian region. The development and growth of this type of narcotics in Southeast Asia are conducted by the perpetrators of transnational narcotics crime to

deceive officers of countries in Southeast Asia. For narcotics the type of marijuana is a type of narcotics produced in Indonesia. Data from the National Narcotics Agency of Indonesia, marijuana in Aceh Province serve as a medicine for pain and flavor of cooking. While the type of heroin and shabu-shabu is a type of narcotics made from opium plant material that is commonly found in the Southeast Asian region, especially in the golden triangle region that is bordered by three countries Myanmar, Laos, and Thailand.

#### 4. Geographical Condition of Southeast Asia Region

Southeast Asia region is geographically divided into two subregions namely Mainland Southeast Asia (Indochina) and Southeast Asia Maritime is a shaped archipelago. If you look at the geography of Southeast Asia, the countries in the mainland are Myanmar, Cambodia, Laos, Thailand, and Vietnam. While the countries in the archipelago are Brunei, Philippines, Indonesia, Malaysia, and Singapore. While the geographical location itself is the location that is based on the position of an area against other areas, is also the location of an area when viewed on the surface of the earth or in fact viewed from the surrounding area. In addition, climatologically, the Southeast Asian region is traversed by the equator. Therefore basically, the geographical location of the Southeast Asia region is strategic and easy to reach other areas through sea routes such as Middle East, Japan, and Australia. This geographical condition causes the Southeast Asian region to become a strategic transit area related to illegal narcotics circulation.

Not only that, the existence of a sub-regional region, as well as the Greater Mekong Sub-region, has become a pathway as well as the purpose of trafficking of illegal drugs itself and this path provides a way for to market it to the international market. Therefore, the eradication of narcotics circulation was also faced with the geographical factor of ASEAN which has a large area along with landscapes consisting of waters, forests, steep mountains and others that cause difficulty of supervision. The area of Southeast Asia and its territorial waters is +/- 4. 511,167 km<sup>2</sup>. In the regional dimension, the weakness of border management in Southeast Asian countries is also used by people to smuggle and distribute it. As we know, border conflict is a hallmark of Southeast Asian security dynamics. This condition will certainly support the activities due to conflict situations that tend to be maximized by transnational criminals. Other problems also arise because most Southeast Asian countries adopt traditional security concepts to solve problems such as eradicating the source of production and circulation to cross the limits of a country's sovereignty or cross the border between countries. This condition causes a new problem to arise because the territorial state is disturbed will tend to respond to those who interfere with their territorial border sovereignty. Because the issue of illicit drug trafficking as part of transnational crime is seen as a security issue.

## CONCLUSION

This study concludes with some conclusions in accordance with the objectives of this study that ASEAN organizational governance in dealing with transnational crime related to narcotics smuggling is done by agreeing on various cooperation forums in ASEAN starting from the level of decision-makers ie High Level Conference of ASEAN Country Head, regular meeting of ASEAN Minister and to the cooperation of the police in ASEAN in combating the transnational crime of smuggling narcotics in Southeast Asia. Influenced by several factors causing the failure of the ASEAN security regime to deal with transnational crime of smuggling of narcotics in Southeast Asia are as follows:

1. Negotiation Process Factors at Southeast Asia Regional Level;
  - a. Different perceptions of ASEAN countries' threats to the dangers of narcotics;
  - b. Differentiation Priorities of interest and agenda of ASEAN Country Leaders;
  - c. ASEAN is caught up in the values and basic principles of the organization
  - d. ASEAN does not have a natural bodyguard against the implementation of organizational decisions;
  - e. Sense of Common Southeast Asian Community Ownership of ASEAN Organizations.
2. Negotiation Process Factors at the National Level Through the Ratification of ASEAN Regional Law Products in each ASEAN member country;

3. Acceleration of transnational drug crime perpetrators in Southeast Asia;
4. Dynamics of narcotics spread throughout Southeast Asia;
5. Obstacles of Geographical Area of ASEAN Countries.

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# DEVELOPMENT OF LAW ON ACCESS AND BENEFIT SHARING FROM UTILIZATION OF GENETIC RESOURCES OF INDIGENOUS PEOPLE

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## Abstract

This research of Development of Law on Access and Benefit Sharing from Utilization Genetic Resources of Indigenous People focuses on analysing legal concept to implement the Convention on Biological Diversity (CBD) and Nagoya's Protocol. In Indonesia, there is no legal framework yet in recognizing the status of Indigenous People as provider of genetic resources. On the other hand, CBD and Nagoya Protocol order state to take legislative measures and to ensure that the benefit is shared based on the right of Indigenous People. Through legal research, this study examines: the formulation that is needed to protect the genetic resources of Indigenous People; the way some Asean countries shaped their domestic frameworks and the positive outcomes that can be adopted for Indonesian context. The result shows that recognition of the right of Indigenous People is still in legal concept not as a positive law. While, Thailand has The Plant Varieties Protection Act 1999, The Protection and Promotion of Traditional Thai Medicinal Intelligence Act 1999 and Phillipine has Act 8317 known as the Indigenous Peoples' Rights Act of 1997. In the future, Indonesia need to develop of law by enacting the new right of the Indigenous People in their regulation. The increase status of Indigenous People to have right to get benefit from utilization genetic resources is the goal of fair justice for all. It is also hoped that this research can contribute to harmonizing such laws in Asean.

**Keywords:** Indigenous People, Access and Benefit Sharing, Genetic Resources.

## INTRODUCTION

Most of the biodiversity of genetic resources that are useful to sustain life are maintained and located within the territories of Indigenous Peoples [1]. The massive use of genetic resources for economic benefit by users have made resistance of them. On the other hand the *Convention on Biological Diversity (CBD)* and *2011 Nagoya's Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (Nagoya Protocol)* determine State regulate access and benefits sharing of genetic resources of indigenous peoples and they have right to get benefit from utilization of their genetic resources.

In past, the utilization of genetic resources of the Indigenous People is freely accessed, based on the world view that these were common heritage of mankind [2]. The food, cosmetic and drug industry products are made by using genetic resources maintained by the Indigenous People that have values and practices in maintaining and preserving [3].

It is estimated that between 25 000 and 75 000 plant species are used for traditional medicine. Only 1% is known by scientists and accepted for commercial purposes. Part of the modern pharmaceutical industry is developed on the basis of plants discovered and use by indigenous peoples and local communities, eventhough the economic benefits are not equitably shared [4].

There are an estimated of 370-500 million indigenous people in the world, spread across 90 countries. They live in all geographical regions and represent 5,000 different cultures [5]. Indonesia is one of the most culturally diverse and biodiversity countries in the world [6].

The transformation of inter-national treaty into national law is needed as the objectives frame work of international treaty that can be realized as part of the state's obligations post ratification. This transformation has also impact on harmonizing the state's law including in Asean countries. All Asean countries have ratified CBD and Nagoya Protocol. State negligence in transforming international treaty goals into national law will harm indigenous peoples.

Based on previous research by Efridani Lubis that the policy of regulating Indonesia's genetic resources is still sectoral and there are no comprehensive and sui generis regulations. In fact, Indonesia is required to accommodate the obligations stipulated by the CBD and the Nagoya Protocol, especially those that contain the Access and Benefit Sharing system in relation to the rights of indigenous and tribal peoples over the distribution of profits [7].

## RESEARCH METHOD

The approach in this study consists of a conceptual approach and a statute approach. Furthermore, through both approaches, the principal aim of this research is to find out legal frame work to protect Indigenous People as provider of genetic resources. Therefore, the dogmatic dimension of law is related to the regulation of the concept of Access and Benefit Sharing which refers to international law instruments CBD and Nagoya Protocol.

## RESULT AND DISCUSSION

Genetic resources include all species of plants, animals, micro-organisms and ecosystems of which they are a part. Conservation and sustainable use of genetic resources is a decisive interest for sustainable development and to fulfil the needs of food, health and other needs for the world's population that is always developing. Genetic resources provide the foundation of all food production and the key to feeding the prior numbers of people of times of climate and other environmental change [8].

Along with the increased utilization and great economic value, biopiracy often occurs when multinational companies utilize the genetic resources of indigenous without access agreement or benefit sharing. Some cases show that [9]: the case of registration of medicinal plants and spices native to Indonesia for cosmetic purposes submitted by the Shiseido cosmetics company in Japan. Although the last registration concerning *legion*, *kelabet*, *lempuyang*, *remujung* and *brotowali* wood plants was withdrawn by Shiseido, several other Indonesian medicinal plants have been registered in Japan with registration number JP 10316541 with the subject of *rapet* wood (*Palameria laevigata*), *kemukus* (*pipercubeca*), *tempuyung* (*sonchus arvensis*), *belantas* (*Pluchea indica* L), *mesoyi* (*Mossoia aromatica* Becc), *pules* (*Alstonia scholaris*), *pulowaris* (*Alycia reinrwartii* BI) and *Sintok* (*Cinnamomumsintoc* BI).

The chief prosecutor for the Brazilian State of Amazonas, who opened an inquiry into biopiracy in 1997, estimates that about 20,000 individual plant samples are illegally removed from the country every year. Scientific laboratories generally receive the samples and information from third parties who do not inform their origin. How is the information obtained? 'The scientists congregate in small frontier towns. Then they ask the Indians what they would do if they had a headache, muscle pains or a bad stomach. The local people then take them into the jungle and show them which plant they use to cure those symptoms. The scientists pay the Indians a little money, then take the plant back to their labs. There, they discover the principle by which the plant works and sell their preliminary research to the pharmaceutical companies for development [10].

Indonesia, as a *megadiversity* country has an interest in developing laws protecting genetic resources. Each region in Indonesia has several unique genetic resources, which are often different from those in other regions. According to Endang Sukara [11], from the results of secondary forest research in Jambi, in an area of 1 hectare alone, it was identified 300 species of plants with a diameter of more than 2 centimeters and mastery of genetic resource data is useful for achieving profit sharing from resource use the genetic power. The mechanism includes an access permit, a material transfer agreement, a commercial utilization permit, and a research and development cooperation agreement [11].



The World Trade Organization (WTO) is an international body that regulates trade issues between countries, in annexes related to genetic resources, namely Annex 1C, known as the Trade Related Aspect of Intellectual Property Rights (TRIPS Agreement) provisions of Article 27 paragraph (3) letter b determines that: —Members may also exclude from plants and animals other than micro organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective sui-generis system or by any combination thereof. The provisions of this subparagraph shall be reviewed four years after the date of entry into force of the WTO Agreement.

Based on the provisions of Article 27 paragraph (3) letter b, plant genetic resources cannot be protected through patents, therefore countries must form their own protection policies either through patents or the sui generis system or a combination of both.

Meanwhile, based on the United Nations Convention on Biological Diversity (CBD) ratified through Law Number 5 of 1994 concerning and Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits of Arising from Their Utilization to the Convention on Biological Diversity ratified with Law Number 11 Year 2013 state in Article 8 (j) that: "Subject to national legislation, respect, protect and retain the knowledge, innovations and practices of indigenous and local communities that reflect traditionally characterized lifestyles, in accordance with the conservation and sustainable use of biodiversity and advancing its application more broadly with the agreement and involvement of such knowledge owners, innovations and practices and encouraging equitable sharing of benefits resulting from the utilization of knowledge, innovations and practices of that kind".

The provisions of Article 15 of the CBD of Indonesia as a post ratification party determine that state are obliged to establish an access mechanism including the benefit sharing in terms of the utilization of Genetic Resources of indigenous peoples. The provisions says that "Each State Party shall prepare legislative, administrative or policy efforts with the aim of sharing the results of research and development as well as the profits resulting from the commercial use of other genetic resources equally with those who provide these resources. This share must be based on mutually agreed terms".

Furthermore, the provisions of Article 5 paragraph (1) of the Nagoya Protocol, states that the benefit resulting from the use of genetic resources and their applications and commercialization must be shared fairly and equally with the party providing the resources which is the country of origin of those resources or a party that has obtained genetic resources in accordance with the Convention on Biological Diversity.

Indonesia does not have provisions regarding the protection of the genetic resources of indigenous including the regulation regarding the distribution of benefits from their use. In order to respond to the provisions of Article 27 paragraph (3) b TRIPS, the provisions of the CBD and Nagoya Protocol, Indonesia needs to formulate various legislative, administrative and other policy measures for the protection of genetic resources. Therefore, it is important to study the development of law for the protection of the genetic resources of indigenous. Development of law is interpreted not only as the discovery and formation of law but also the harmonization of law.

International treaty are the main source of international law. An international treaty that has fulfilled the requirements for entry into force in accordance with the principle of *pacta sunt servanda* of countries that have ratified is obliged to implement the international treaty into its national law. One way to apply international law to countries is to transform international law into national law. This means that international law sourced from international treaties can be applied into national law if it has been transformed or embodied into national law in both its form and substance. The transformation of international law into national law has an important meaning to achieve the goals of international treaty that have been mutually agreed upon.

In connection with the aims of international treaty that have been made and ratified by countries, related to the rights of indigenous to (Access and Benefit Sharing, hereinafter abbreviated to ABS) for the utilization of genetic resources is the United Nation Convention on Biological Diversity 1992 (hereinafter abbreviated CBD), has three main objectives or three pillars, namely:

1. The conservation of biological diversity;
2. The sustainable use of its components); and
3. The fair and equitable sharing of the benefits arising of the utilization of genetic resource.

The third goal of the CBD is the fair and equitable sharing of benefits from the utilization of the genetic resources specifically followed up through the international treaty Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing Arising from Their Utilization of the Convention on Biological Diversity 2011 (hereinafter referred to as the Nagoya Protocol).

The birth of the CBD and the Nagoya Protocol is driven by the condition that genetic resources are under pressure and the world is losing plants, species and habitats at an increasing rate [12], which in turn will disrupt human life. Countries agree to conserve and regulate the distribution of benefits from the use of genetic resources for those who contribute to the preservation of biodiversity.

In most countries, indigenous are known to have local values and wisdom in protecting and conserving genetic resources. Traditional Indigenous Territories encompass up to 22 percent of the world's land surface and they coincide with areas that hold 80 percent of the planet's biodiversity. Also, the greatest diversity of indigenous groups coincides with the world's largest tropical forest wilderness areas in the Americas (including Amazon), Africa, and Asia [1].

The genetic resources of indigenous associated with traditional knowledge are developed into industrial products, cosmetics, food, medicines, and other needs. However, the economic benefits of utilization are not shared equitably. It is estimated that between 25,000 and 75,000 plant species are used for traditional medicine. Only 1% is known by scientists and accepted for commercial purposes. Part of the modern pharmaceutical industry is developed on the basis of plants discovered and used by indigenous peoples and local communities, even though the economic benefits are not equitably shared [4].

In an effort to accommodate and create a more balanced mechanism, the CBD recognizes the role of indigenous. The CBD consideration emphasized that [13]. Recognize the close dependence and traditional characteristics of indigenous people local communities as reflected in traditional lifestyles on genetic resources, and the desire to share the benefits resulting from the use of genetic resources, knowledge, innovations and traditional practices related to biodiversity conservation and sustainable use of its components fairly.

In the next section, the CBD hands the countries to regulate the policies of protecting the genetic resources of indigenous and tribal peoples and stipulates the sharing of benefits (Access and Benefit Sharing) as stipulated in Article 8 paragraph (1) letter J: "Depending on national legislation, respect, protect and maintain the knowledge, innovations and practices of indigenous and local communities that reflect traditionally characterized lifestyles, comply with the conservation and sustainable use of biodiversity and advance their wider application with agreement and involvement the owner of such knowledge of innovations and practices encourages the equitable sharing of benefits resulting from the utilization of such knowledge, innovations and practices."

These provisions are strengthened in Article 15 paragraph (7) of the CBD that: "Each party is required to prepare legislative, administrative or policy efforts, with the aim of sharing the results of research and development as well as the profits generated from the commercial utilization of other genetic resources equally with those who provide these resources. This distribution must be based on mutually agreed terms."

Meanwhile, the Nagoya Protocol established to realize the objectives or third pillar of the CBD reaffirms the profit sharing provisions in Article 5 paragraph (2): "Each Party shall take legislative, administrative or policy measures in accordance with the aim of ensuring that the benefits generated from the utilization of genetic resources owned by indigenous peoples and local communities are in accordance with domestic law regarding the established rights of the community. Customary law and local communities over genetic resources are shared fairly and equally with the community concerned based on mutual agreement."

Access and Benefit Sharing is an exchange between those who provide access to genetic resources and those who provide compensation or rewards for their use [14]. In considering of all rights to genetic resources, technology and with appropriate funding [15].

At the national level, in Indonesia, the constitutional basis for management of genetic resources is the provision of Article 33 paragraph (3) of the Constitution of the Republic of Indonesia that natural resources are controlled by the State and used as much as possible for the prosperity of the People. Related to the rights of indigenous peoples Article 18B paragraph (2) confirms that: "The State recognizes and respects the customary law community units along with their traditional rights as long as they are still alive and in accordance with the development of the community and the principles of the Unitary State of the Republic of Indonesia, which are regulated in the Act."

Several laws and regulations governing genetic resources related to the rights of indigenous and tribal peoples have been established which, in principle, govern the recognition of the rights of indigenous over natural resources. In another part, Law Number 13 Year 2016 regarding Patents, the provisions of Article 26 regulates genetic resources and profit sharing: (1) If the invention relates to and/or originates from genetic resources and/or traditional knowledge, it must be clearly and correctly stated the origin of such genetic resources and/or traditional knowledge in the description. (2) Information on genetic resources and /or traditional knowledge as referred to in paragraph (1) is determined by an official institution recognized by the government. (3) Distribution of results and/or access to the utilization of genetic resources and/or traditional knowledge as referred to in paragraph (1) shall be carried out in accordance with the laws and international agreements in the field of genetic resources and traditional knowledge.

In this law the role of indigenous is not regulated in relation to profit sharing but is implicitly limited to being recognized through the mention of the origin of genetic resources and traditional knowledge. In accordance with Article 26 paragraph (3) the distribution of the results of the utilization of genetic resources is carried out in accordance with laws and international treaties. However, profit sharing arrangements in accordance with laws and international treaties have not been followed up.

Indonesia has a wealth of abundant genetic resources which are mostly located in the territories of indigenous. Access and Benefit Sharing policy, after the Constitutional Court Decision No. 35 / PUU-X / 2012 on May 16, 2013 which stipulates that customary forests are not part of state forests. It is important because there is legal certainty regarding the status of customary community forest areas where genetic resources are located.

On The Asean Framework Agreement on Access to Biological and Genetic Resources state that The Member States shall recognize, respect, preserve and maintain the knowledge, innovations and practices of indigenous peoples and local communities embodying traditional lifestyles to their natural resources, including genetic resources. In the Article 11: "All resource providers, particularly indigenous peoples and local communities embodying traditional lifestyles, shall be actively included in the negotiation of benefits on the basis of a full disclosure of potential benefits and risks arising from the use of the resource. Any benefit sharing arrangements that may be entered into shall not negatively interfere with traditional knowledge systems and practices of indigenous peoples and local communities." The Member States shall ensure fair and equitable sharing of benefits arising from the utilization of biological and genetic resources at the community, national and regional levels.

After ratified CBD and adopt Nagoya Protocol Thailand has regulation to protect genetic resources' Indigenous People by The Plant Varieties Protection Act 1999 and The Protection and Promotion of Traditional Thai Medicinal Intelligence Act 1999. Republic of The Philippines Act 8317, known as the Indigenous Peoples' Rights Act of 1997 protect the rights of indigenous peoples over their traditional knowledge. If a country ratifies the Nagoya Protocol, it is absolutely obliged to implement it [16].

In Indonesian law, the position of Indigenous People as legal subjects having rights and obligations must be recognized and confirmed in a Regional Regulation. Several Regional Regulations have been formed to recognize the existence of Indigenous Peoples, namely:

1. Lebak Regency Regulation No. 32/2001 concerning Protection of the Indigenous Peoples' Rights of the Badui;
2. Malinau District Regulation Number 10 of 2012 concerning Recognition and Protection of the Rights of Indigenous Peoples in Malinau Regency;
3. Regional Regulation of Ciamis Regency Number 15 Year 2016 concerning Recognition and Protection of the Customary Law Community of Kuta Village;
4. Regional Regulation Number 8 of 2016 concerning Recognition and Protection of the Serampas Marga Customary Law Community;
5. A total of 538 indigenous and tribal peoples have been established through regional legal products following the issuance of Constitutional Court Decree Number 35 / PUU-X / 2012 on May 16, 2013 which stipulates that customary forests are not part of state forests. This stipulation was carried out through 7 Regent Decrees and 6 Regional Regulations at the district level; and
6. Regional Regulation of Lebak Regency Number 8 Year 2015, as many as 519 Kasepuhan consisting of core Kasepuhan, Kokolot overtime and gurumulan rendangan.

Indonesia has ratified the CBD through Law Number 5 of 1994 concerning Ratification of the Convention on Biological Diversity and established a policy of legislation related to genetic resources. International treaty to realize the third goal or pillar of the CBD and have also been ratified by Indonesia through Law Number 11 of 2013 concerning Ratification *Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from Their Utilization to the Convention on Biological Diversity*, so the mandate of the CBD and the Nagoya Protocol on ABS need a legal formation policy based on the claims of Indigenous Peoples who have interests to achieve the goal as owner of the genetic resources can be option in national regulation.

## CONCLUSION

The Goal of International Treaty *Convention on Biological Diversity* (CBD) and Nagoya Protocol: Access and Benefit Sharing (ABS) is to order states to regulate the rights of indigenous people on access and benefit sharing from utilization their genetic resource.

The development of law for the protection and recognition of the genetic resources of indigenous peoples needs to be done based on rights. Through the conception of genetic resources as a source of life and it will be related to the right to life. Access and benefit sharing arrangements for the utilization of genetic resources are constructed as the development of the right to life so that the basis are relevant.

Benefit sharing can based on proportional contribution of the parties. The general measure is to make sense in the context of the system. For Asean, it will make law harmonization in the region particularly to implement Asean Frame Work.

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# SECURITIZING THE ENVIRONMENT: A CASE OF MARINE DEBRIS IN INDONESIA

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## Abstract

Marine debris has become a major environmental problem at a global level in recent years. The world has taken actions to counter this issue through various methods such as campaigns, social movements and government policies. Indonesia is trying to reduce the negative impact of marine waste toward the environment. This paper aims to look at the securitization process of marine debris issue by the Indonesian government. It applies the securitization framework, a concept proposed by the Copenhagen School. The research is conducted with a qualitative research method. This paper consists of introduction, research method, discussion and analysis, and conclusion as well as recommendation. The result of the research indicates that the securitization process has started from Susilo Bambang Yudhoyono's era to Joko Widodo administration. However, a comprehensive parameter is needed to measure the impact of securitization on society as the relevant audience.

**Keywords:** Securitization, Marine Debris, Indonesia, Environment.

## INTRODUCTION

The threat of marine debris toward the environment has caught people attention from all across the world. Marine debris can be defined as “any persistent solid material that is manufactured or processed and directly or indirectly, intentionally or unintentionally, disposed of or abandoned into the marine environment...” [1]. As a matter of fact, around 80% of marine debris is plastic waste [2]. Videos and pictures of sea creatures dying because of plastic straws, plastic bags, and six-pack rings are viral on internet attracting global viewers. As a result, many governments have taken clear actions in order to counter this environmental problem.

In 2018, there are around 50 countries have attempted to minimize the impact of plastic waste in their region [3]. Indonesia is one of them as the government has a long term plan to deal with marine waste problem. Under Global Plastic Action Partnership (GPAP), Indonesia is working together with other governments, civil societies, and big companies to save the environment from plastic waste. This is proven through Indonesian government's commitment to reduce the amount of marine plastic waste by 70% in 2025 [4]. The plan indicates that the government has special concern on environment, especially on the sea.

At regional level, the members of ASEAN (Association of Southeast Asian Nations) agree that waste are the real threat for the environment. The 34th ASEAN Summit Meeting held this year has produced two documents related to countering marine debris. They are The Bangkok Declaration on Combating Marine Debris in the ASEAN Region and the ASEAN Framework of Action on Marine Debris (Framework of Action) [5]. These regional initiatives basically cover plans of collective action and strategies to reduce the impact of marine debris in Southeast Asia.

The paragraphs above have shown that the actions taken to save the sea from waste are occurring globally. Even the regional organization, such as ASEAN, has officially declared that the problem of marine debris is threatening the environment. For Indonesia, marine issues are very significant for the country. The geographical area of Indonesia consists 75% of sea with abundant natural resources [6]. Citizens depend on fishery industries as there are 12 million people work in this field [7]. Furthermore,

the maritime sector in the country plays an important role as it has become one pillar of Indonesia Economic Development [8]. Based on this fact, I conclude that maritime area could be considered as national interest of Indonesia.

Currently, this national interest is being threatened. Indonesia is struggling to deal with marine debris, especially plastic waste. Even Indonesia is placed as the second biggest contributor of plastic waste in the ocean globally. The country produces 480.000-1.290.000 ton of waste annually which ended in the sea [9]. This condition puts marine debris issue into security domain since it poses a threat to the environment, specifically maritime area, which belongs to the national interest of Indonesia. Therefore, this paper addresses actions by Indonesian government to —secure the sea from marine debris impact through the lens of securitization theoretical framework. It questions whether the act of securitizing the ocean from marine debris has been successful or not.

Many scholars have conducted research on environmental security using securitization concept popularized by the Copenhagen School. Scott [10] explicates the possibility of climate change securitization at the international level. She emphasizes the role of United Nations Security Council (UNSC) to securitize this environmental issue. Discussion also goes to current development of climate change position in global security domain where it is clear that some states perceive this threat differently. Scott then concludes that climate change is not merely about environmental issue but it involves many different aspects. Her article basically portrays the prediction of securitization move at global level which the UNSC plays a leading role. She provides a new perspective on how securitization of the environment works outside domestic area.

Issue of environment discussed from the perspective of securitization is also written by Piedade [11]. He brings the topic of securitization on the Gulf of Guinea (GoG) as maritime area. The analysis explains the process of securitization which focuses on the aspect of maritime security. One of his points is also related to idea proposed by Scott [10] about the role of UNSC in managing global security issues. Piedade makes conclusion that the securitization process on GoG is still ongoing. His writing produces two major points, they are the discussion on maritime security concept and securitization process of the environment.

Garcia and Breslin [12] write in their article about the conflict in the South China Sea (SCS) using the combination of securitization and capacity building concept. They focus on the specific issue regarding the East Asian Supercomplex (EAS) where the transition from a bipolar to multipolar happens. Process of securitization and desecuritization in the SCS dispute gives new views on how countries in the region make decision for their foreign policy. Garcia and Breslin's explanation help the readers to understand situation in the SCS through the lens of securitization. They successfully capture the securitization process occurs in a maritime disputed region that is the SCS.

The three articles above emphasize the concept of securitization on several different cases. They successfully portray the implementation of securitization theoretical framework to reveal issue behind climate change, sea resources, and conflict in maritime area. These studies could be starting point to explore more about securitization aspect from cases related to the environment. This is essentially needed as many environmental problem occur globally nowadays.

In general, this paper has several purposes. First, it aims to understand how environmental issue is being securitized based on the concept of securitization. Discussion on environment becomes global phenomenon, thus, I believe that it is very important to do research concerning environment from security studies point of view. Second, Indonesia is currently facing many problems pertaining to the environment, such as haze, plastic waste, over exploitation of natural resources and many other issues. Therefore, understanding how securitization works in particular issue is very important for policy makers and general public.

I expect this paper will contribute to the development of security studies field, especially regarding securitization concept. The article provides an empirical research about securitization on environmental aspect, specifically plastic waste problem. This is an interesting issue as the world is getting aware of

threat created by plastic waste and many scholars are still trying to figure out solutions for this problem. Hopefully, the paper will be able to provide new insights to deal with this global threat.

The paper is structured as follows. First, I start with the introduction explaining marine debris phenomenon, research focus, previous studies as well as purposes of the paper. Second, it continues with the research method section. This part explains the approach used for this paper and brief explanation regarding the theoretical framework, that is securitization. Third, the discussion and analysis section which covers explanation on the securitization stage and effectiveness of the securitization act. Lastly, this paper ends with a conclusion.

## **RESEARCH METHOD**

I completed this paper using the qualitative research method, which is defined by Bryman, Teevan, and Bell [13] as research that is “concerned primarily with words and images rather than numbers.” To support my analysis, I gathered the data, such as journal article, research paper, news, and statistics, mostly from online resources. With the theoretical framework, I interpreted and analyzed the data and references that I have collected to answer the research question. The approach used for this paper was securitization concept proposed by scholars of the Copenhagen School. I applied securitization framework on marine debris case in Indonesia since I addressed question how marine debris problem becomes urgent that it requires quick and proper actions from the state. I believe that this approach is able to reveal the development of marine debris issue in public sphere and policy makers domain.

The emergence of securitization as a tool of analysis has expanded people understanding regarding security [14]. It does not merely deal with classic security topics such as state and military, but it develops to other fields, for example, security in the environment, economics, and politics. Securitization can be defined as an act of moving a particular issue into a higher level which is more than just ordinary politics [15]. In regards to securitization process, Buzan et al. [15] emphasize on the important roles of securitizing actors and referent objects. They define securitizing actors as ‘actors who securitize issues by declaring something, a referent object, existentially threatened’. While referent objects refer to ‘things that are seen to be existentially threatened and that have legitimate claim to survival.’

As explained by Buzan et al. [15], the model of securitization can be divided into three levels. First, non-politicized condition, where the issue is not discussed and not considered significant by public and government. Second, the issue reaches politicized level where it belongs to ‘standard political system’ and is ‘part of public policy’. Third is securitized stage in which ‘a securitizing actor (for example, government, political elite, military, civil society) articulates an already politicized issue as an existential threat to a referent object (for example, state, groups, national sovereignty, ideology, economy)’ [14].

Buzan et al. [15] continue the explanation regarding securitization process as they point out the important transition of an issue from being politicized to securitized. They argue that this transition is called a securitization act. In regards to this process, ‘speech act’ plays a significant role since the theorists believe that the speech act is the first step of securitization process. Emmers [14] defines speech act as ‘the discursive representation of certain issue as an existential threat to security’.

Securitization can be considered successful when the referent objects are convinced that particular issue is regarded as a threat. Speech act takes an important position here as it is being used as a tool to make referent objects agree and understand that a threat does exist. Furthermore, securitization does not always come with extraordinary measures to counter a threat. A normal political act is enough to address certain issue and put it in securitization level.

## **RESULT AND DISCUSSION**

### **Non-politicized and Politicized Stage**

Issue of marine debris does not get much attention in the past, whether at national or international level. In the last couple of years, the world start to focus on this environmental problem considering that the threat becomes real. Looking back at the previous government of Indonesia, Susilo Bambang Yudhoyono’s (SBY) administration, managing waste problem is part of his policies but it does not



specifically address marine litter. Government Regulation No.81/2012 on Managing Household Waste and Others Waste and Law No.18/2008 on Waste Management are regulations made under SBY's leadership which deal with waste material [16].

Despite lack of attention regarding marine debris, in 2013 the government has already made a grand plan to find solutions for plastic waste in the ocean. This program was managed under Ministry of Maritime Affairs and Fisheries and Ministry of Environment and Forestry. Unfortunately, development of this plan was stagnant and it had never been executed under SBY's administration. In 2018, Coordinating Ministry for Maritime Affairs in President Joko Widodo (Jokowi) era carried out this plan of action. They have been working to achieve targets in the grand strategy of countering marine debris to this day [17].

In securitization framework, marine debris issue in SBY administration period belongs to the transition from non-politicized stage to politicized one. Prior to creation of the grand plan on combating plastic debris, the issue was not in governments concerns which indicates that it was being non-politicized. When SBY and his ministries addressed marine debris in their plan of action, then it became politicized. However, the threat of marine waste was not articulated clearly since there was no regulations came into force to 'secure' the ocean from the threat. Thus, the SBY's grand plan cannot be considered as a securitization move.

### **Securitization Stage**

I believe that international community also plays a role to drive governments to secure certain issues. In 2012, the United Nations Environment Assembly (UNEA) was established. This act shows that finally the world agrees that the environment should be priority of global citizens and the UNEA aims to bring environmental issues into the spotlight [18]. In 2013, during the first UNEA, this institution produced a resolution on marine debris which was also followed by the new resolution at the second UNEA in 2014. Both of these resolutions call for action from the states and other body of organizations to stand against marine waste. They emphasize on the role of international actors, either state or non-state, to actively involve in various attempts to solve this environmental issue. In the third UNEA conducted in 2015, Indonesia together with Norway made a contribution through a resolution regarding anticipated outcome to reduce marine waste [19].

Indonesia seems to consider the role at international level as an important one. It is not only at the UNEA, but Indonesia also maintains cooperation with several states to solve marine debris problem. The country expands its international network through various frameworks, such as Problue Fund, Marine Debris and Ocean Resources Multi-Donor Trust Fund, Ocean Global Leadership Forum (OGLF), and Our Ocean Conference [17]. These mechanism help Indonesia building stronger power to deal with marine waste.

2017 was a historical year for Indonesia as the government officially declared National Plan of Action on Marine Plastic Debris. This grand plan was announced in many different international conferences and meetings by government officials. It was firstly expressed by Arif Havas Oegroseno, Deputy Coordinating Minister for Maritime Affairs, at Our Ocean Conference in Malta in 2017. He accentuated the ambitious target that Indonesia intends to achieve in regards to reducing marine waste as he stated "We have put in place a robust National Plan of Action on Marine Plastic Debris as the road map to reduce marine plastic litter by 70% in 2025... The National Plan of Action also supports initiatives on river and beach clean up ,development of bio-plastic, tax for single-use plastic bag, developing tests for plastic-tar road, waste to energy, strengthening waste banks initiatives, and grass roots, and youth movement" [20].

President Jokowi also took the lead and articulated the significance of National Plan of Action on Marine Plastic Debris. As he said in a speech at G20 Summit in 2017 that "we are working to reduce our waste by 30 percent in 2025 through the reduce, reuse and recycle concept, and we have set a target to reduce marine plastic waste by 70 percent in the same year" [21]. To achieve the goal of National Plan of Action on Marine Plastic Debris, the government translated this document into several regulations, they are Government Regulation 97/2017 and Presidential Decree 83/2018 [22].

Furthermore, the national plan also get strong support from domestic level. Several regional administrations, such as in Bogor, Banjarmasin, and Balikpapan, have made regulations to ban plastic waste at retail market and issued public notices as efforts in reducing plastic waste [17]. On 16 July 2019, President Jokowi invited local government leaders to discuss waste-to-energy power plants. In the meeting, Jokowi also addressed the issue of marine debris as he stated “We have to solve the marine debris problem. This is a global problem not just Indonesia. We are in the second position (countries polluting the ocean)” [23].

I argue that during Jokowi’s administration, marine debris issue has transferred into securitization domain. It can be seen from declaration of National Plan of Action on Marine Plastic Debris in many occasions, regulations and public notices made based on this government plan, and coordination with international actors to find the solution of marine waste. The government under President Jokowi treats marine debris as national security problem as well as a global threat. They took firm and concrete actions to deal with matter. The government even set a clear target that they want to achieve. This act of securitization was initiated through ‘speech acts’ delivered by the President himself and also Arif Havas Oegroseno, Deputy Coordinating Minister for Maritime Affairs in international and national forums. Their statements are used to convince the audience that marine debris is jeopardizing Indonesia’s environment. The environment acts as the referent object. In this case, the relevant audience are Indonesian citizens because it is stated in the first strategy of National Plan of Action on Marine Plastic Debris that the programs under this strategy aim to increase public awareness through socialization and education regarding the negative impact of marine waste.

### **Is the Securitization Act Successful?**

To answer this question, one needs to look up explanation offered by Emmers [14]. He states “the act of securitization is successful only once the relevant audience has been convinced of the existential threat to the referent object.” I have explained in the previous section that the relevant audience in Indonesian marine debris case is its citizens. Thus, the securitization can be considered successful if the citizens are convinced that marine waste is a threat to the environment.

Unfortunately, based on the Central Statistic Agency (BPS) index of Environment Indifferent Behaviour in 2018, 72% Indonesian citizens do not care about waste, especially plastic waste [24]. Even though this report does not address marine debris specifically, it shows that more than half of Indonesia population lack of understanding on how to manage the waste properly.

Nevertheless, Indonesia has seen many social movements that fight plastic waste. They emerge as a response from society towards this environmental problem. These grassroots movements are trying to attract people to pay more attention on the environmental issue. In Indonesia, there are many different groups who stand against plastic waste. Some of them are Bye Bye Plastic Bags, Gerakan Indonesia Diet Kantong Plastik, Zero Waste Nusantara, Sustanation, and Get Plastic [25]. Moreover, this environmental movement becomes part of the trend in society. For example, anti-plastic straw campaign which has gone viral on social media. Even a major company, such as McDonald’s Indonesia, also lead this change on online platform through #StartWithoutStraw initiative and reduce the use of plastic straw in its restaurant chains.

There has been mixed response from society towards the securitization act on environmental issue, specifically, marine debris. Based on the report from BPS, it shows that the securitization is unsuccessful since citizens are not convinced that they are under the threat of waste. On the other hand, some groups in society start to care more for the environment. They appear through various social movement, such as anti-plastic waste and plastic straw campaign. These two different perspectives indicate that it is difficult to justify whether the securitization is successful or not since there is no clear parameter on that issue. More specific studies and data are required to look at the society’s response to marine debris problem in Indonesia.

## CONCLUSION

The paper has shown the securitization process of marine debris issue in Indonesia. The transition of government from SBY to Jokowi's administration plays an important role regarding development of the securitization act. For the last seven years, marine waste problem has undergone three steps of securitization, from non-politicized to securitized stage. Based on the result of the research, this securitization act has not provided clear outcome since there is no strong parameter to measure the effectiveness of securitizing the environment from marine debris impact. Furthermore, I would like to recommend researchers focusing on securitization and marine debris issue in Indonesia to develop more comprehensive parameter to be a standard of measurement for the impact of securitization on society's response. Detailed statistics or survey would be helpful to provide deeper understanding in this issue.

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# INDONESIA MARITIME CONNECTIVITY, DEVELOPMENT EQUALITY AND ASEAN CONNECTIVITY

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## Abstract

The awareness to develop Indonesia as maritime state has started since the government of President Joko Widodo in 2015. It was started by government vision —Road to Change for Sovereign, Independent Indonesia which then converted into the Middle and Long Term National Development Planning 2015-2019. In his first term, Jokowi was able to conduct —fundamental economic transformation, in which consumption-based political budget has been shifted into production-based, infrastructure development, and Indonesia-centric development perspective to push more equal development. One of its aspect is vision of sea as unity factor for Indonesia; Indonesia acting as maritime state where ocean, sea, strait and bay are the future of Indonesia. One of main argument in the development of Indonesia maritime connectivity is that the existence of connectivity will overcome unequal development between Western Region and Eastern Region – something which is very important in the formation of strong maritime state. How far the vision of connectivity of Indonesia maritime is realized? What is the impact of physical connectivity especially maritime connectivity in the form of Sea Toll for the people's welfare in Eastern Region of Indonesia? This paper will analyze the small part of this 'big question' by reviewing the progress of Sea Toll development, constraints and challenges which are found as well as implication for the development of ASEAN Connectivity.

**Keywords:** Maritime State, Maritime Connectivity, Sea Toll, Unequal Development, ASEAN Connectivity.

## INTRODUCTION

Indonesia as a maritime country has been proclaimed explicitly since the government of President Joko Widodo in 2015 in the form of Global Maritime Fulcrum policy which has been written in two important documents about Indonesia Maritime Policy that are National Document on Indonesia Maritime Policy and Action plan of Indonesia Maritime Policy 2016-2019. Systematically the Development of Maritime Indonesia is divided into five clusters of priority programs, which are (i) Maritime Border of Sea Space, Maritime Diplomacy, (ii) Maritime Industry and Sea Connectivity, (iii) Natural Resources Industry and Maritime Service and management of Maritime Environment, (iv) Defence and Maritime Security and (v) Maritime Culture [1].

As part of the second priority Maritime Industry and Sea Connectivity, Indonesia maritime connectivity become an urgent priority as prerequisite for economic growth and balancing economic gap between Eastern and Western part of Indonesia. Maritime connectivity is realized through Sea Toll program, a new diction which need a new understanding method so that the short, medium and long term goals of Sea Toll program can be achieved. So far the development of Toll Road shows progress but obstacles and challenges are still great considering the broad area of Indonesia's sea and ASEAN connectivity master plan which continue to be developed. The continuity of Indonesia maritime development will impact not only to the sub-region economy of Indonesia but in the future it will contribute to the regional level of ASEAN connectivity.

## RESEARCH METHOD

The study is conducted by using qualitative method where the research subject is the government of Republic of Indonesia together with related agent and ministry like Ministry of Transportation, Ministry of Public Works and Housing, Ministry of Industry, Meteorological, Climatological and Geophysical Agency, National Border Management Agency, Coordinating Ministry for Economic Affairs and various

State Owned Enterprises. While research object is policy and strategy of maritime connectivity development including its challenges. The research is analytic since analyzing causal relation between connectivity problem faced by Indonesia and its policy and strategy of implementation. Descriptive analysis is used to describe maritime connectivity in the Indonesia shipping routes.

Data collection is conducted through various methods of literature study and interview. Literature data was used in the form of documents of constitution, regulation, policy, report, news, articles and research report. Interview has been conducted by doing discussion with resource person from Ministry of Transportation and state owned shipping enterprise and researchers. To clarify the phenomenon, researcher was also using concepts of other disciplines like Planology, Transportation, Economy, Law and Geopolitics where the whole understanding of connectivity phenomenon of Indonesia maritime was enriched with critical interpretation on qualitative and quantitative data and become synthesis based on the researcher's perspective.

## **RESULT AND DISCUSSION**

### **Concept of Connectivity**

The idea of connectivity has emerged and has risen since the development of modern economy. Connectivity becomes the important part of every plan of infrastructure development with more increasing trend. It was proved by the high demand of investment in linking community, economic resources even among countries. Asian Development Bank study has estimated that Asia Pacific region will need investment up to \$26 trillion by 2030 to fulfil its need of networks of transportation, energy and telecommunication as basic infrastructure for interaction of economy, politic and social [2].

Different agencies employ varying definitions of connectivity. Connectivity is characterized as networks and as a set of interconnected nodes, which can be a person, firm, city, countries or other spatial entity [2]. Connectivity sometimes is meant as multilayer concept consists of various networks in different scale from the local, regional and global. Connectivity is an attribute of a network and is a measure how well connected any one node to all other nodes in the network. The value of connectivity is in the role expected in the node, the cost to access the node and reliability to connect to the node. Connectivity has three important attributes: a physical domain, information and financial flows [2]. The large resources aimed at lowering costs, often with an emphasis on physical connectivity. Therefore in its maritime development connectivity, Indonesia firstly is thinking how one place (node, port) can be connected to other place (node, port) and through that node connectivity of hinterland can be developed. The main goal is to distribute the daily need of goods from the main node and flowing to the destination node and vice versa. Thus it can be achieved in increasing interaction, productivity, competition and market opportunity among ports in Western part and Eastern part of Indonesia.

### **Development Strategy of Indonesia Maritime Connectivity**

The development of maritime connectivity become main agenda of Indonesia by proclaiming Global Maritime Fulcrum where Indonesia is seen as sovereign, progress, independent and strong maritime state which able to provide positive contribution to the secure and peaceful region and world based on its national interest (Attachment I Regulation of President of Republic Indonesia No 16 Year 2017 about the Indonesia Sea Policy) and become part of great scheme of Indonesia maritime development (picture 1). The document stated that the development of Global Maritime Fulcrum basically consists of (1) Developing Indonesia maritime culture; (2) Guarding sea and its resources by focusing on developing sea food sovereignty through fishing industry by placing fishermen as the main pillar; (3) Giving priority to the infrastructure development and maritime connectivity, by building sea toll, deep seaport, logistics and shipping industry and maritime tourism; (4) Strengthening maritime diplomacy, cooperation in the maritime field, eliminating conflict sources in the sea like illegal fishing, sovereign violation, regional conflict, piracy and sea pollution; and (5) Building maritime defence power to maintain sovereignty and maritime resources and as a form of responsibility in keeping shipping safety and maritime security [1].

**Picture 1. Schematic Program of Maritime Development and 5 Clusters of Priority Program**



Source: Picture from [3]

The reason behind the program is clear that although the capital owned by Indonesia is big in form of sovereign area and sovereign rights as the largest archipelagic state in the world which its implication that international community has to sail through this sovereign area for variety of reasons – like navigation, communication, optic cable installation, gas pipe and goods and services trade; its strategic geographic aspect – its intersecting position between continent and sea; having position between middle and global powers; beside aspect of natural resources and sea resources; but without connectivity all potencies will not create welfare for the whole nation.

**Map 1. Indonesia as the Biggest Archipelagic State and its Archipelagic Provinces**



Source: Picture from [4]

Specifically, the progress of maritime connectivity always related to expectation to lowering the gap between Western and Eastern part of Indonesia. The inequality of GDP contribution shows the difference of economic prosperity of both areas. The map below shows that contribution of GDP of Sumatera is 23.8%, Java is 58.0% (Western Part), Bali-Nusa Tenggara is 2.5%, Kalimantan is 8.7%, Sulawesi is 4.8% and Papua is 2.2% (Eastern part) [5].

**Map 2. Contribution of GDP (Gross Domestic Product) among Western and Eastern Region of Indonesia**



Source: Picture from [6]

The left behind area in Indonesia is shown by red and yellow colour in the map below. Red colour shows regions which economically is still minus.

**Picture 3. Map of location of the Left behind Region in Indonesia**



Source: Picture from [7]

According to priority of B program of Maritime Industry and Sea Connectivity, therefore the government of Indonesia determined five main activities of (i) shipping, (ii) Sea Port, (iii) Shipping Industry, (iv) Shipping Safety and (v) Business Incentive and Investment Climate including ministries and authority which responsible to develop including Ministry of Transportation, Ministry of Public Works and Housing, Ministry of Industry, Search and Rescue National Agency, Meteorological, Climatological and Geophysical Agency, Coordinating Ministry for Economic Affairs. Schematically. Those five priority activities can be describe as below:



**Picture 2. Schematic Program of Maritime Industry and Sea Connectivity**



Source: Picture from [3]

It has been realized that reliable sea connectivity (Sea Toll) is a need of Indonesia as vast archipelagic state so that sea connectivity must able to connect the important points from Sabang until Merauke. The expectation to Sea Toll mainly is to reduce regional disparity among Western and Eastern region of Indonesia, solution for smooth commodity exchange, increasing people mobility and economic development equality. The implementation of Sea Toll also to increase sea toll performance through improvement of domestic and international shipping and increasing the role Indonesia's sea transportation [1]. In the short term Sea Toll aims to connect isolated region to be more open, able to distribute basic need of the people regularly which is the main task of government. With the availability of regular transportation the impact is more on the availability of goods, stability and lowering the price of basic goods like rice, sugar, oil, egg of people in the remote and isolated areas. And the most important thing is to develop the potency of local people. Nationally, sea toll will lowering national logistic cost, increasing competitiveness of national product, balancing amount of transportation/cargo among regions and encourage new central economy [8]

### **The Progress of Sea Toll Program**

The initial ide of Sea Toll was conveyed by Joko Widodo together with Jusuf Kalla during the presidential election campaign on 2014 and starting with basic idea how to find solution toward the low supply of basic goods that implicate in emerging of price disparity in the remote and isolated and border areas. Sea Toll is defined as direct, regular and scheduled sailing either having or not having container to be transported. Sea Toll will sail based on schedule determined by government. Sea Toll will start from producer region to the consumer in the remote and neglected and border areas. The remote and left behind area is prioritized because of its limited condition which is difficult to be connect, having limited road infrastructure and small population. These conditions are creating assumption that those areas are not potential and not interest to be developed. From the commercial aspect, the sailing to remote areas is not profitable so that government's role is needed.

Base on Presidential Decree Number 106 Year 2015 about Public Service for Goods Shipping the assignment for operating Sea Toll was given to PT PELNI and two years later also distribute to PT ASDP Indonesia Ferry and other company which join under the Indonesian National Shipowners Association (INSA). Two new routes were decided that were T3 Tanjung Perak-Larantuka-Lewoleba-Rote-Sabu-Waingapu (2076 miles), T4 Tanjung Priok- Manokwari – Wasior – Biak (4644 miles) in 2015, and in 2016 there were 6 routes and in 2017 become 13 routes and finally in 2018 totally there were 15 routes.

The existing Sea Toll routes is as followed based on The Decision of Directorate General of Sea Transportation Number AL. 108/5/17/DJPL-17 dated December 20 2017 about Routes Networks of Goods Transportation in the Sea:

1. Route T1: Teluk Bayur – Pulau Nias (Gunung Sitoli) – Mentawai – Pulau Enggano – Bengkulu (Main Ship)

2. Route T2: Tanjung Priok – Tanjung Batu – Blihyu – Tarempa – Natuna (Selat Lampa) – Midai – Serasan – Tanjung Priok (Main Ship)
3. Route T3: Tanjung Priok – Belang-Belang – Sangatta – Nunukan – Pulau Sebatik (Pulau Nyamuk) – Tanjung Perak (Main Ship)
4. Route T4: Tanjung Perak – Makassar – Tahuna – Tanjung Perak (Kapal Utama) Tahuna – Kahakitang – Buhias – Tagulandang – Biaro – Lirung – Melangoane – Kakorotan – Miangas – Marore – Tahuna (Feeder)
5. Route T5: Tanjung Perak – Makassar – Tobelo – Tanjung Perak (Kapal Utama) Tobelo – Maba – Pulau Gebe – Obi – Sanana – Tobelo (Feeder)
6. Route T6: Tanjung Perak – Tidore – Morotai – Tanjung Perak (Main Ship)
7. Route T7: Tanjung Perak – Wanci – Namlea – Tanjung Perak (Main Ship)
8. Route T8: Tanjung Perak – Biak – Tanjung Perak (Kapal Utama) Biak – Oransbari – Waren – Teba – Sarmi – Biak (Feeder)
9. Route T9: Tanjung Perak – Nabire – Serui – Wasior – Tanjung Perak (Main Ship)
10. Route T10: Tanjung Perak – Fak-fak – Kaimana – Tanjung Perak (Main Ship)
11. Route T 11: Tanjung Perak – Timika – Agats – Merauke – Tanjung Perak (Main Ship Crossing)
12. Route T 12: Tanjung Perak – Saumlaki – Dobo – Tanjung Perak (Main Ship)
13. Route T13: Tanjung Perak – Kalabahi – Moa – Rote (Ba'a) – Sabu (Biu) – Tanjung Perak (Main Ship)
14. Route T14: Tanjung Perak – Larantuka – Adonara (Terong) – Lewoleba – Tanjung Perak (Main Ship)
15. Route T15: Tanjung Perak – Kisar (Wonreli) – Namrole – Tanjung Perak (Main Ship). (Public Relations Directorate General of Sea Transportation).

The map of operation route of goods transportation in the sea is as follow:

#### Map 4. Operation Route of Goods Transportation in the Sea



Source: Picture from [6]

The new routes are expected able to change the economic map of Indonesia in the future, especially to push the local economy activity facilitate transportation and marketing to the western part of Indonesia. Besides opening various new routes, the government also planning to procure shipping fleet with high safety standard of pioneer ships, livestock ships, container ships to distribute goods to various remote islands. The new ship is using domestic dockyard in Palembang, Batam and Madura and it is ensure that in 2018 it has already available 100 ships of toll road all over Indonesia where all of it are pioneer ship. Sea toll scheme will also be implemented through various alternative cooperation with private company. Ministry of Transportation through Directorate General of Sea Transportation and dockyard of PT Adiluhung SI and PT Bahtera Bahari Shipyard also making 5 unit of livestock ships during budget year 2015-2017 to support distribution of cow/buffalo to achieve self-supporting meat all at once implementing principle of animal welfare [10].

Another aspect related to sea toll program is the availability of port infrastructure. Connectivity will be built if port as a place for ship to dock and load of goods and people fulfil the international standard and

requirement. Therefore infrastructure of port as part of new route also be developed, among other (i) Wanci Port, Wakatobi Southeast Sulawesi, (ii) Namlea Port Buru, Maluku, (iii) Saumlaki Port, Southeast Maluku (iv) Calabai Port, Dompu, NTB, (v) Larantuka Port, Flores NTT, (vi) Lewoleba Port, Lembata, NTT, (vii) Baa Port, Rote Nado, NTT, (viii) Tahuna Port, Sangihe Island, North Sulawesi, (ix) Daruba Port, Morotai, North Maluku, (x) Selat Lampa Port, Natuna, Kepulauan Riau, (xi) Malakoni Port, Enggano, Bengkulu, (xii) Sikakap Port, Mentawai, West Sumatera, (xiii) Belang-Belang Port, Mamuju, West Sulawesi, (xiv) Sangatta Port, East Kutai, East Kalimantan, (xv) Sungai Nyamuk Port, Nunukan, North Kalimantan, (xvi) Namrole Port, South Buru, Maluku, (xvii) Soasio Port, Tidore Islands, North Maluku, (xviii) Tobelo Port, North Halmahera, North Maluku (xix) Manitingting Port, East Halmahera, North Maluku, (xx) Dobo Port, Aru Islands, Maluku, (xxi) Wasior Port, Teluk Wondama, West Papua, Nabire Port, Papua, (xxiii) Serui Port, Yapen Islands, Papua, (xxiv) Kaimana Port, Papua, (xxv) Pomako Port, Mimika West Papua [10].

Sea Toll program cannot be implemented without cooperation of various parties. The coordination of Sea Toll is under Coordinating Ministry of Maritime Affairs. Technically it will be conducted by Ministry of Transportation, Ministry of Trade and some State Owned Enterprise. PT PELNI is acting as fleet liner operator or as operator of goods transportation by scheduled ship. Those operation is in accordance with the role of PELNI as one of government instrument with mission of people welfare especially pioneering and other intervention in the field of sailing. So far Indonesia still has many remote and isolated islands which has no service from shipping company therefore equal prosperity has not achieved yet. Government responds by providing pioneer shipping as the main instrument. The specific task of PT PELNI is as operator with main responsibility of shipping from container yard (CY) to CY of departing port to destination port; issue formal letter for load as operator and provide transportation for left behind and isolated islands according to ship availability and sail worthiness that operated based on assigned route and conducting sailing as scheduled. While the task of Ministry of Transportation whose giving task according to Presidential Regulation 106/2015 through regulation of Ministry of Transportation PM 4 Year 2016 and PM 161 Year 2016; provide facility and loading tools and determine routes of goods shipping. Ministry of Trade will focus on implementation of marketing of goods and provide goods which is supported by Local Government and PT PELNI; control good price in the destination together with local government and receiving recommendation from local government about good which is needed and business actors in each destination route.

Route availability, transportation facility (ship fleet) and port infrastructure in implementing connectivity is not enough yet. To activate local economy it has to be supported by having supply and buying of local production. Ministry of Transportation and Ministry of State Owned Enterprise therefore synergies several enterprises like PT PELNI, PT Semen Indonesia (Persero) Tbk, PT Perusahaan Perdagangan Indonesia, PT Perinus, PR RNI dan Perum BULOG to form center of logistics for good distribution called as —Rumah Kital, based on Letter of Ministry of Transportation Number. AL, 005/4/17 Phb-2017 to support sea toll as consolidation media to prepare distribution flow from mainstream to downstream [10]. “Rumah Kita” therefore is established in several regions like Manokwari-Papua, Serui-Papua, Timika- West Papua, Morotai- North Maluku, Tarempa–Riau Islands, Merauke-Papua, Tidore- North Maluku and Samlaki-Southeast Maluku (<https://www.infokbn.com/pemerintah-siapkan-13-titik-gudang-logistik-rumah-kita>). The purpose of —Rumah Kital are (i) lowering logistic cost of distribution flow, (ii) reduce disparity of main goods price, (iii) stable price since inflation is monitored, (iv) develop new economic centre, (v) increase connectivity of commodity among islands and (vi) as storehouse for reserve of main goods.

### **Benefits of Sea Toll for People of Eastern Part Indonesia**

Theoretically three main attribute of Sea Toll program of physical domain, communication and finance flow can be described as concrete benefit for Indonesia. Sea Toll clearly connect islands previously isolated. Sea toll also creates new networks and connect nodes previously not formed yet and not connected yet. The opening of new routes, preparedness of new pioneer ships fleet, development of new port and opening of connectivity among islands through centre of logistics from outside and inside islands in the form of “Rumah Kita” program are part of physical connectivity of Sea Toll. While information and finance flow become part of aspects that will follow physical aspect which has been realized.

One of the main focus of Sea Toll is whether there is lowering of sea transportation cost of goods, whether there is increasing of load factor and whether sea toll able to lowering basic needs of good price for people in Eastern part of Indonesia? Actually it has been reported that transportation cost by using commercial ship and sea toll ship is decreasing into 50% [11]. If before route of Surabaya-Merak costs Rp10-11 million (private ship) by using sea toll the price is only Rp6 million. Similar to route of Surabaya-Fakfak by using private ship costs Rp10-11 million, but it only Rp4.9 million by using sea toll ship. The occupancy rate of PELNI ship is reported increase average become 80%, with details as follows:

**Table 1. Performance of Goods Transportation Implementation 2017**

Code of Route Operation	Ship Name	Load Capacity (Full) Teus	Load Capacity (Full) Ton	Average of Load Realization (Tonnes)	Load Factor (%)	Length of Sailing (hari/vo y)	Voyage Done (call)	Cat: Vol determined
T-13	KM Freedom	192	3840	98	85%	26	3	115
T-11	KM Mentari Perdana	199	3980	120	104 %	27	2	115
T-3	KM Caraka Jaya Niaga III-22	115	2300	86,5	75%	25	2	115
T-12	KM Meratus Ultima	247	4940	63	55%	27	3	115
T-5	KM Caraka Jaya Niaga III-32	115	2300	64	56%	25	3	115
Total/Average		868	17360	432	75%			575
T-6	KM Caraka Jaya Niaga III-4	-	2400	300	13%	9	6	-

Source: [10]

Sea toll impact toward lowering of goods price can be found on route Tanjung Perak-Biak [3] where the price of flour before Rp 10.000/kg become Rp 7.600/kg (minus 32%). Rojo Lele rice per zak from Rp269.000 become Rp238.000 (minus 13%), oil from Rp15.000 become Rp13.000 per liter (minus 15%). On route operation of Makassar-Manokwari the decrease of small chili is 75% from Rp75.000 to Rp40.000, egg is 20% from Rp60.000 become Rp50.000

The challenge of sea toll is still great, considering that geographical range of Indonesia is very fast. The need of ship for logistics and people transportation for various activity among islands certainly will increase and to fulfil ship fleet in various size will need large amount of fund. Intraregional connectivity in Indonesia is expected to be grow continuously starting by initiative and commitment of government Indonesia and only by developing connectivity consistently, Indonesia can contribute to the development of ASEAN connectivity.

## CONCLUSION

It is the responsibility of government of Indonesia to open connectivity among Western and Eastern part of Indonesia so that development gap in terms of social and economic development can be resolved. The government has implemented Sea Toll program as media to open greater connectivity by providing subsidy, pioneer ship for goods, ship for livestock, developing additional port including specific facilities like crane, rifer container for fresh meat, providing central logistic, urging synergy with private sector and continue evaluate and monitor price of basic needs. Government recognizes that the program far from

ideal but with the starting of program the weaknesses can be found and resolved. Some challenge has to be met among other things are the need of ship from the hub to the destination port that has to be followed by development networks of mode of transportation to the hinterland either by river, land or air transportation; developing synergy with various stakeholders mainly private and local government to distribute more massive goods and development of local products to fill return route; providing suitable facility of loading and unloading to develop hinterland around destination port and reduce and monitoring price disparity.

At the end initiative of sea toll program as part of greater maritime policy development will be part of Indonesian contribution in the ASEAN connectivity program since without connectivity in the local level/national there will not connectivity in the regional level which is bring benefit to the people of Indonesia.

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# THE POTENTIAL SOURCE OF CONFLICT IN ASEAN SEAWATER

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## Abstract

ASEAN Community 2015 was formed with spirit to strengthen cooperation among ASEAN member countries in three main pillars; which one of them is ASEAN Political—Security Community (APSC). In ASEAN 2025 blue print, it is stated that this pillar aims to create ASEAN as stable and peaceful region. This paper addresses the potential source of conflict in regard to maritime security in ASEAN sea water which will cost a threat to pillar two ASEAN community. To achieve it aims, this paper observes bilateral dispute between ASEAN member countries related to IUU Fishing and the South China Sea (SCS) dispute considering this dispute involves 6 ASEAN members. The SCS has long been arena of dispute among some states which resulted into the strengthening of military capacity of those countries. This phenomenon will then a source of problem for ASEAN goal in the future especially those related to pillar two. Apart from that, IUU Fishing is also a trending topic in ASEAN region. This paper employs Bueger and Edmund maritime security concept in order to identify maritime security threat in above indicated sea. This paper found that some serious maritime challenges exist in ASEAN seawater which will threaten the ASEAN community goal.

**Keywords:** Maritime Security, the SCS Dispute, ASEAN community, IUU Fishing

## INTRODUCTION

The idea of the ASEAN Community (AC) emerged at the ASEAN Summit in Kuala Lumpur in 1997, which planned the beginning of AC in 2020. Rapid change in economic, security and society then led acceleration of the origin targeted schedule, namely in 2015. ASEAN Community has three main pillars; the ASEAN Security Community, the ASEAN Economic Security, and the ASEAN Socio-Cultural Community. The ASEAN community will bring its 10 member countries closer, bound by a shared vision to create a region that is peaceful, stable and prosperous in a sustainable manner. The formation of the ASEAN Community is an important milestone in the evolution of ASEAN as an organization with the same regional identity, home to 620 million people, and aspirations towards One Vision, One Identity, One Community.

Furthermore, at the 27th ASEAN Summit in Kuala Lumpur on 18-22 November 2015, the "Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together" was officially launched, which officially established the ASEAN community. "ASEAN 2025: Moving Forward Together" is a replacement document for the Road Map of the ASEAN Community (2009-2015) which ended on 31 December 2015. This document reflects the strategic steps for implementing the ASEAN Community in the next ten years. A number of new elements were added to ensure ASEAN 2025 remains relevant with the current challenges.

The Vision of the ASEAN Community 2025 aims to further strengthen the ongoing regional integration with strong aspirations to form an ASEAN society that is based on regulation, people-oriented and people-centered. The desire of ASEAN countries to increase their level of integration aims to create a peaceful and prosperous region. These ideals then face various challenges through the problems that still occur among the member countries of this regional grouping. On land, border disputes are still an issue between several countries, as well as at sea.

One issue that remains problematic for ASEAN countries is the dispute involving four of ten ASEAN member countries, namely the problems related to the South China Sea. This sea area has long been source of conflict among China, Taiwan, Vietnam, the Philippines, Brunei Darussalam and Malaysia. In

addition to the six countries mentioned above, there are also big countries such as the United States that argue that the China's fully claim of the South China Sea will threaten freedom of navigation in these territorial waters. There are also Indonesia that feel disturbed because the nine dashes line issued by China in 1990 has disrupted Indonesia's sovereignty in a rich of gas region, Natuna Island. In addition, IUU fishing between some ASEAN countries also pretense a threat to ASEAN unity. These problems pose a threat to ASEAN that is currently working to improve its integration. This paper tries to analyze the potential threats in ASEAN sea water by employed maritime security concept by Bueger and Edmund. This paper is expected to be an input for ASEAN related to maritime policy.

## **RESEARCH METHOD**

This paper uses a qualitative research method that combines literature study and interview. Literature studies conducted on articles related to maritime security such as *Beyond Seablindness: "A New Agenda for Maritime Security Studies"* written by Edmund and Bueger [1], and *"What is maritime security"* written by Bueger [2]. Edmund and Bueger's argument regarding maritime activities is a framework used to analyze potential threats in the Southeast Asia sea area. Furthermore, to highlight maritime security that occur in ASEAN sea area, authors retrieved news from the BBC, the Department of Foreign Affairs of the Philippines, the Indonesian Ministry of Maritime Affairs and Fisheries and several articles written by scientists in this study. In addition, authors also conducted interviews with the staff of the Ministry of Maritime Affairs and Fisheries of West Sumatera to find out the maritime security problems that he commonly found when carrying out his tasks.

## **RESULT AND DISCUSSION**

This discussion and analysis section is divided into several sections; a brief description of maritime security concept, maritime security issues in the ASEAN region, maritime security activities that ASEAN has / are currently undertaking and an analysis section.

### **a. Maritime Security Concept**

This paper employs maritime security concept by Bueger and Edmunds [1] to describe the potential threats in the Southeast Asia sea region. Maritime security is a concept that is said to be the last buzzword in security studies. The definition of maritime security varies from one state to another due to the diversity of maritime security problems and challenges in every region [1], [2], [3]. Furthermore, Bueger (2015) argues that so-called maritime security threats are usually related to threats that occur in maritime areas such as inter-state conflicts, maritime terrorism, piracy, drug trafficking, people and illicit goods, the spread of weapons, illegal fishing, environmental crime or maritime accidents and maritime disasters.

Besides Bueger, there are also maritime territorial threats described by the United Nations in *Oceans and Law of the Sea 2008* [4];

1. Piracy and armed robbery;
2. Terrorism;
3. Trading weapons and weapons of mass destruction;
4. Illegal drug trafficking;
5. Smuggling and human trafficking by sea;
6. Illegal fishing, which is not reported and off regulation; and
7. Acts that intentionally damage and disobey legal regulations for marine life.

It can be seen that the maritime threat explained by Bueger and the UN covers a complex and broad area, ranging from issues related to traditional security such as conflict and terrorism, to non-traditional security issues that are more human centrist such as disasters, human trafficking environmental pollution or the distribution of goods that can threaten human safety. As for the definition of maritime security, Bueger [2] adds that what is called maritime security is a condition where threats that might occur in maritime areas can be prevented or in other words conditions where the above threats do not occur.

There are several maritime security activities that can be carried out by actors. The activities according to Bueger [2] are as follows:

1. Activities that have been included in the Maritime Domain Awareness. Examples of this activity are monitoring via radar, satellite or data tracking, sharing data by entering it into a data base and having an information system;
2. Activities carried out at sea such as patrol, prohibition, search and inspection as well as training;
3. Law enforcement activities such as arrest, transfer of suspects, prosecution, trial and detention;
4. Coordination activities at different levels. Examples of this activities; coordination activities in the form of meetings, conferences and activities aimed at creating a harmonization of legal standards, procedures, mandates or activities to develop a strategic plan and implementation;
5. Activities related to naval diplomacy, capacity building, naval warfare.

**Table 1. Maritime Security Activities**

No.	Activities	Level	Explanation
1.	Organizing maritime security and managing its complexity.	1. Maritime Domain Awareness (MDA) and new epistemic infrastructure.	-Increase seafarers' awareness by providing information and knowledge in countering the threat in maritime domain.
			-Examples of activities classified in this section are tracking vessel movements, naval surveillance, air surveillance and, data analysis collection.
		2. Coordination and maritime security governance.	-Manage maritime areas by collaborating with other actors involved in this issue.
			3. Operational Coordination.
		-Carry out military operations.	
2.	Capacity building and security sector reform		- Efforts to share knowledge and skills related to maritime management.

Source: [1]

Maritime security concept describes activities undertaken to prevent maritime threats and this efforts are cross-border activities, which require coordination between the actors involved. These activities will be highlighted to show maritime security carried out by ASEAN. This paper will not go deep into the evaluation of these activities, but will only explain what activities have been carried out by ASEAN.

#### **b. Maritime Security threat in ASEAN**

This section explains various maritime problems that occur in ASEAN both bilateral and multilateral such as the IUU Fishing problem and overlapping claims in the South China Sea (SCS) that have become multilateral conflicts. Although some of the cases described below occur bilaterally, but if collected together, there are many cases that pose a threat to the relations of ASEAN countries. Here's the explanation.



## **IUU Fishing problem among Indonesia, Vietnam, Malaysia and other ASEAN member.**

One of the activities classified as maritime security threat is illegal fishing or formally referred to as IUU Fishing (Illegal, Unreported and Unregulated). This activity is classified as a maritime security threat due to several impacts caused by it such as: threatening the welfare of legal fishing, endangering food and economic security, assisting in transnational crime, distorting the market, contributing to human trafficking and threatening fisheries policy [5]. It can be seen that there are three activities included in this IUU fishing, namely illegal, unreported and unregulated fishing. FAO [6] defines unreported as actions that are not reported, or actions that are not reported correctly so that it is against national laws and regulations. In addition, unregulated activities also relate to violations related to not reporting or misreporting in the area of Regional Fisheries Management Organizations (RFMOs) [6]. Furthermore, what is meant by unregulated fishing refers to fishing activity that is not in accordance with applicable regulations. Fishing activities like this usually cause damage to resources because it is not unsuitable with the rules.

Indonesia with its vast sea area which surrounds the Indonesian islands, is a vulnerable area to maritime security threats. Indonesia's marine territories make up 2/3 of Indonesia's sovereign territory. Not only extensive, the Indonesian sea is also rich in various fisheries resources, it is said that the potential of fish resources owned by Indonesia reaches 9.9 million tons [7]. Indonesia's vast territorial waters are a particular difficulty for Indonesia, various limitations in terms of fleet and finance are existing [8].

The vast sea area coupled with the great natural resources possessed by the Indonesian seas, as well as Indonesia's adjacent position to other territorial waters, places Indonesia as a vulnerable country to experience fisheries violations. It has been noted that foreign vessels conducting IUU Fishing in Indonesian territory so far are ships originating from Vietnam, Malaysia, Thailand and China [9]. Based on water surveillance 2018 through a 17-day operation carried out by the Directorate of Maritime and Fisheries Resources Supervision [7], it found out that around 118 Vietnamese-flagged vessels and 9 Malaysian-flagged vessels carrying out operations in Indonesia.

These violations have caused Indonesia to tighten and increase supervision in its maritime territory. It is these actions taken by Indonesia that then potential to be misinterpreted so that it can pose threats to perpetuity of neighbors. When viewed from statistical data, the number of arrests made by the Indonesian government from 2014-2018 was 3598 arrests, with the highest number of arrests towards Vietnamese fishermen totaling 1768, meanwhile the lowest number of arrests was Malaysian fishing boats totaling 29 times arrest [7].

Not only arresting, Indonesia also applying sinking ships policy toward indicated violator of IUU fishing in Indonesia's waters. This policy has been implemented by Indonesia over the past few years and it is noted that the number of ships sinking tends to increase from year to year. In 2018 alone, Indonesia sank 22 ships from Malaysia, 15 ships with Philippine flags, 83 vessels from Vietnam and 1 ship from Thailand [10]. There are also other ships that commit violations in Indonesian sea areas other than those mentioned above, such as China, Papua New Guinea and several African countries.

From the description above it can be seen that Indonesia has maritime security issues with several neighboring countries. The sinking ship policy contained in Law No.45 / 2009 on Fisheries [11] does not always generate a positive response from neighboring countries. For example, Malaysia believes that Indonesia should open a dialogue forum to resolve this problem peacefully [12]. This sinking is interpreted as a crackdown against fellow ASEAN countries, while ASEAN member countries have committed to resolve all problems in the region in a peaceful manner. Treaty of Amity and Cooperation

in Southeast Asia in 1976 in article two stated that settlement of any conflicts that occur between ASEAN countries will be resolved in a peaceful manner [13]. The issue of maritime security like this can be a problem for ASEAN in the future because it can cause mutual distrust among fellow ASEAN countries. Yet at the same time, this regional grouping are trying to form a more integrated and solid regional group so that the vision to produce a more solid region is threatened.

## **Overlapping claim in the South China Sea**

In addition to the problems related to IUU fishing that have plagued ASEAN countries, there is also another problem related to sea area that occur in the South China Sea. The South China Sea is a clear example of overlapping claims among several countries. The South China Sea is home to 30,000 small islands and reefs spread over three islands [14]. Among the islands are inhabited Spratly and Paracel which conceived natural resources with an estimated of around 11.2 barrels of oil and 190 Tcf of gas [14]. In addition to its natural wealth, this sea area is also a strategic trade transportation line.

Because of its strategic position, it is reasonable that the SCS become a battleground for several countries. Call it the Paracel Islands that claimed by China, Taiwan and Vietnam; then the Spratly Islands were claimed by China, Taiwan, Malaysia, the Philippines, Vietnam and Brunei Darussalam. Meanwhile Scarborough Shoal, located in the western part of the Philippines, is claimed by the Philippines, China and Taiwan; the debates over Tonkin Bay between China and Vietnam [15]. In more detail, overlapping claims that occur in the SCS region can be described as follows; First, China is a country that claims the entire SCS region for historical reasons. China's facts and historical documents told that the SCS region was its sovereign territory [16]. This Chinese claim is known as the nine dashed line, which shows a dotted line on a U-shaped map.

Furthermore, Vietnam claims 2 large islands, namely the Spratly Islands and the Paracel Islands with a total of 21 small islands [17]. The Philippines claimed Scarborough Shoal in 2013 under UNCLOS which stated the islands belonged to the Philippines [18], the Spratly Islands (such as Mischief Reef), and 8 islands in the SCS [17]. Furthermore, Malaysia is the fourth country to be involved in a dispute by claiming a portion of the Spratly archipelago consisting of 11 islands and rocks [19]. The next claiming country is Brunei Darussalam, which claims Louisa Reef and Riflement [20]. Finally, there is Taiwan that claims the whole area in SCS. From this description it can be seen that ASEAN countries are the majority countries involved. There are areas claimed by several ASEAN countries by involving other countries such as China and Taiwan, meanwhile, there are also areas that become bilateral conflicts that also involve one ASEAN country.

Overlapping of claims provides room for various conflicts between claimant countries. Examples of conflicts in the SCS include when China built an oil drilling base in the western Paracel Islands, which was strengthened by 80 ships. As a result, there were clashes with Vietnamese ships who believed that the area was their sovereignty [15]. Next example is in May 2014, the Maritime Safety Authority (MSA) from China announced that oil drilling would be carried out by the China National Offshore Oil Corporation at a distance of 120nm off the coast of Vietnam, which is the ZEE region of Vietnam [21]. This phenomenon could trigger tension because China is increasing its fleet of ships.

Another case noted from overlapping claims is the confrontation between the Philippines and China. Some tensions are indicated by the efforts of the Philippines to protect Mischief Reef when China occupied the region. The Chinese action was then responded by the Philippines by building a wall as high as 27.33 meters, as a signal that the area was the territory of its country [22]. Subsequently, the Philippines changed the name of the sea around the Spratly Islands from the South China Sea to the West Philippine Sea in 2011, which again is an attempt to emphasize that the region is its territory. Another tension was noted when the Chinese military intercepted the Philippine military who wanted to arrest eight Chinese-flagged fishing vessels carrying out fishing activities in the Scarborough Reef [23].

Tensions between the Philippines and China do not end with the description above. Concrete efforts to defend this territory were also carried out by the Philippines, such as bringing the case to the International Arbitration Court on January 22, 2013. The lawsuit filed by the Philippines is that the Spratly Islands and Scarborough Reefs are their administrative territories, because their location is only 400 miles from EEZ

Philippines, which is a shorter distance compared to the distance from China to that location which is around 1652 nautical miles [24]. In addition to the lawsuit, the Philippines also requested that the International tribunal to investigate the activities carried out by China in the disputed territory, because the Philippines felt disturbed by Chinese interference and intervention in the region.

Although later the decision issued by the Arbitration Court sided with the Philippines, but what happened next was not a satisfactory result, so this dispute has still not been completed to this day. In 2016, the International Arbitration Court issued a ruling that the territories around the Spratly Islands and Scarborough Shoal were the sovereign territory of the Philippines, so China was asked to immediately withdraw from the region and stop all forms of activities that threatened resources and were prohibited from continuing disputes with the Philippines [25]. This decision was not followed by China, because China believed that the International Arbitration Court did not have the authority to resolve the issue [26].

The various excerpts of the conflict above are only a handful of the many cases that occurred in the South China Sea. These events imply that there are serious maritime problems in the ASEAN sea area, which in this paper are specific to the SCS region. IUU Fishing experienced by Indonesia is certainly not the only case of IUU Fishing that occurred. Likewise with the territorial ownership dispute in SCS highlighted above, it is not the whole picture of the problem that occurred. There are still many incidents carried out by the parties in dispute which increase the alert and threat to each party. So if these conditions continue it will become a threat to ASEAN countries and also ASEAN's biggest trading partner countries, namely China.

### **c. Maritime Security Cooperation Activities that have been carried out by ASEAN**

The agenda of maritime cooperation has long been a discussion in ASEAN forums. It was noted that the initiation of maritime cooperation has been initiated since the inception of ASEAN in 1967 with the establishment of the Southeast Asia Fisheries Development Center (SEAFDEC) [27]. Furthermore, discussion on maritime issues was also a concern by including it in the Declaration on ASEAN Concord (Bali Concord) in 2003, ASEAN Political Security Community Blueprint (2009-2015) and ASEAN 2025 Forging Ahead Together; which emphasizes that maritime issues are cross-border issues, so hopefully ASEAN countries can increase mutual understanding and promote cooperation through ASEAN forums [27]. Furthermore, in 2010, the ASEAN Maritime Forum was formed which aims to support the vision of the APSC and 3 years later the Expanded ASEAN Maritime Forum (EAMF) was formed as a forum that was initiated to enhance dialogue related to maritime issues by involving countries that are members of the East Asia Summit [28]. Currently there are 10 maritime issues discussed by 12 ASEAN sector bodies namely: maritime security issues, maritime safety, transnational crime, humanitarian assistance and disaster relief, search and rescue, marine environment, conservation, marine resources, maritime connectivity and others. [27]. AMF results are not something that has legal ties, but AMF can issue recommendations regarding maritime issues that are developing [26]. Meanwhile EAMF is a dialogue forum with expanded membership that covers the United States, Australia, China, India, Japan, South Korea, Russia and New Zealand. In this forum it is possible to discuss matters relating to the South China Sea dispute.

However, the implementation of these two forums is not without gaps. Muhibat [28] noted that the EAMF which was originally planned as one of the agenda of the East ASEAN Summit in 2016 in Brunei Darussalam was not held without any reasons. Furthermore Muhibat [28] assumes that phenomenon like in Brunei could occur because member countries feel that these activities are of no use.

From the above explanation it can be concluded that ASEAN as a regional organization has actually been thinking about various issues that will disrupt regional security, including maritime issues by the establishment of various dialogue forums to increase mutual trust between ASEAN countries and other countries that are related to the region ASEAN sea. However, there are crucial issues regarding the usefulness of the forum. Perhaps because of the nature of this forum which only produces recommendations without being able to bind, this forum was deemed unsatisfactory, so that its implementation did not receive the most attention from the countries involved. This means that ASEAN needs to think of a mechanism that is felt to be more binding so that the activities carried out are not considered as activities that waste time and energy.

The above explanation has identified maritime problems that exist in the Southeast Asian region. By referring to the framework provided by Bueger and Edmund in relation to the definition of maritime security, it can be seen several problems arise in this region, such as issues related to IUU Fishing and

territorial disputes. The article is limited at the two points above not because of other maritime security issues mentioned by Bueger and Edmund are not exist in this area, but to focus more on these two issues. ASEAN has a vision to create a peaceful region, so that the integration that has been carried out can run smoothly. To support the dream of creating peaceful region, ASEAN has also initiated various tools to ensure that the vision can be realized. The tool intended here is the formation of various forums, such as the most recent forum, AMF and EAMF. Unfortunately the forum which was formed with very good intentions has not been able to become a dreamed forum; it is not legal binding, making this forum just a discussion forum that is not taken seriously.

If we look at the conflict described above, IUU Fishing that occurs between several countries can be dangerous if not resolved immediately. It can be seen that the efforts made by Indonesia to eradicate fish theft from its territory have received different reactions from neighboring countries. For example, Malaysia gave a negative response to Indonesia's actions. It will be very difficult to get a united ASEAN if each member country has a dissatisfaction with the other countries. In addition, the issue of the South China Sea also gives a sense of tension to ASEAN countries. This long-running conflict has shown that the mechanism adopted by ASEAN has so far not been successful in finding solutions to resolve differences of opinion regarding borders in this sea area.

This article suggests that ASEAN formulates a legal binding procedure, so that decisions made through various dialogue forums can be legal binding. By increasing the status of the decisions taken, member countries will be more serious in participating in each forum and also seriously in applying the decisions that have been taken. In addition, it is necessary to have a strong initiation from one ASEAN member to encourage the creation of a more binding procedure to create shared awareness that ASEAN indeed needs serious and binding discussions regarding threats in this maritime region. Activities suggested by Bueger and Edmund such as coordination and meetings between actors, conducting maritime cooperation such as joint military operations and transfer of knowledge are examples of activities that have been carried out but still require increased intensity.

## CONCLUSION

This article has explained two threats in maritime security that occurred in the Southeast Asia region, namely issues related to IUU Fishing and problems related to overlapping claims in the South China Sea region. By only highlighting two issues, we can see that maritime security threats are real in the South China Sea. This maritime security threat occurs in a variety of patterns, both bilateral and multilateral dispute. This indication gives a signal that there is a time bomb in relations between these countries, which requires more intense handling of ASEAN, to realize the vision of ASEAN 2025. This article believes that the establishment of a more legal binding forum related to the two issues above is urgently needed so that member countries can be more serious in following every dialogue initiative carried out. In addition, it still needs one or a group of countries that are willing to voluntarily become the motor of initiative every dialogue to reach an agreement regarding the establishment of the forum above.

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# IMPLEMENT THE SAVE MANINJAU POLICY ON LAKE MANINJAU

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## Abstract

This research is motivated by the implementation of the religion regulation number 5 of 2014 concerning the management of the sustainability of the Lake Maninjau area. In recent years Lake Maninjau has experienced conditions where it has been polluted due to the high mortality factor from floating net cage fish (Keramba Jaring Apung or KJA), which the surrounding communities call tubo and KJA that have exceeded the capacity for Lake Maninjau. The second factor is caused by poor community behavior where there are still many people who throw garbage into the lake. Though Lake Maninjau is one of the famous tourist destinations in Indonesia and in the ASEAN region. We get a condition where we are in the lake and then get a pile of garbage on the edge of the lake. In fact, adequate temporary landfills have been provided. And there are also officers who are ready to pick up the trash. However, from most of the people in Kenagarian Maninjau still reluctant to throw garbage there. The purpose of this study is to see the implementation of the save review policy. This research method is a qualitative method by collecting data through direct observation, interviews, and documentation. The informants were the bearers of the save review policy, including the Deputy Regent of Agam (Wakil Bupati), Sat Pol PP, Environmental Services (Dinas Lingkungan Hidup), Tanjung Raya sub-district heads ( Camat ) and Wali Nagari Maninjau. The results of this study are that the implementation of this policy is not going well, the main factor is the community (cage farmers) who are still reluctant to change their livelihoods. Bad behavior from people who still throw the trash into the lake. There has been no form of cooperation with ASEAN in handling pollution in Lake Maninjau.

**Keywords:** Lake Maninjau, Keramba Jaring Apung (KJA), Behavior, Polluted, Garbage.

## INTRODUCTION

At the Lake I National Conference held in Bali in 2009, an agreement of 9 Ministers was reached to save at least 15 national priority lakes in 2015-2019. One of the national priority lakes is Lake Maninjau in West Sumatra [1]. Maninjau Lake, located in Tanjung Raya Subdistrict, Agam Regency, West Sumatra has an important role for life. This lake has three kinds of functions, namely ecological, social, and economic. The ecological function of Lake Maninjau is a habitat for organisms, controlling the balance of groundwater, and controlling the microclimate. Social functions include community places for bathing, washing, toilet (MCK), and providing beautiful scenery. The economic function as a source of water for irrigation, fisheries, fish farming with floating cages or by catching in lake waters, local tourism and international tourism, and the largest economic function is as a power plant that generates annual average energy of 205MW. Seeing these functions, Lake Maninjau needs to be preserved [2].

Currently, pollution in Lake Maninjau has been very severe and has been a cause for concern, this has been going on for a long time. This incident first occurred in 1995 and 50 tons of cage fish died, by the community around the lake called the incident with Tubo Belerrang. One of the main contributors to pollution in Lake Maninjau is the existence of uncontrolled floating net cage (Keramba Jaring Apung Atau KJA). At present, the number of active KJA in Lake Maninjau reaches 18,000 plots, which is more than three times the lake carrying capacity of only 6,000 plots according to LIPI Limnology in 2014 [1]. The complexity of pollution in Lake Maninjau becomes increasing. One of the factors is the behavior of the people around the lake who do not care about their environment such as disposing of garbage in the lake.

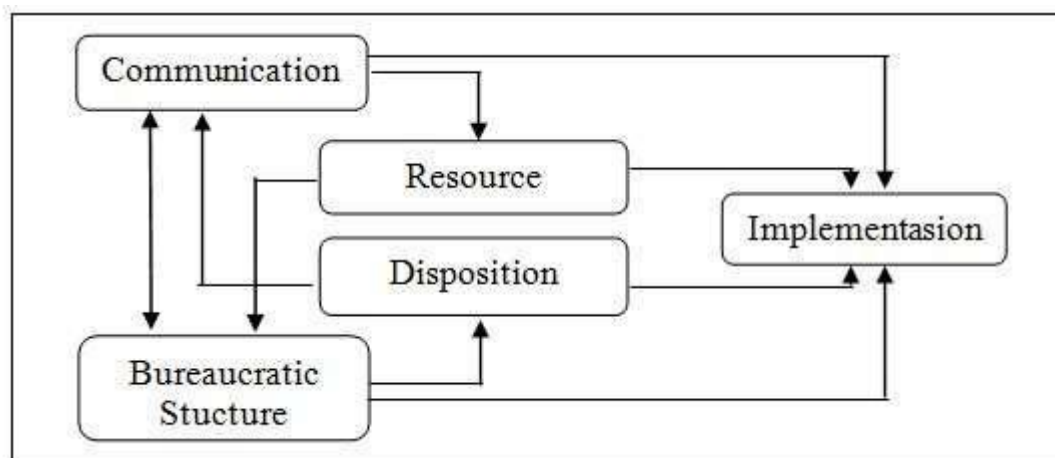
This pollution has received severe attention from the Government of Kab. Agam through the issuance of Regulation (*Peraturan Daerah*) No. 5 of 2014 concerning the management of Lake Maninjau's sustainability. In its journey, a program of implementing this perda was born, the Save Maninjau Program. The implementation of the regulation (*Peraturan Daerah*) No. 5 of 2014 also did not show significant results in overcoming this pollution, but instead, the growth of cages increased. Vice versa, this program also does not run well, there are many problems faced by the implementer while in the field. These problems that will be answered in this study are how to implement the save review program?

## RESEARCH METHOD

This research is a descriptive study using qualitative methods to describe how the implementation of the saves review program. According to [3] the qualitative approach seems more aligned with an idiographic explanation. Data collection through observation and in-depth interviews. Observation is knowing something that is happening or that is being done feel the need to see for yourself, listen for yourself or feel for yourself. In-depth interview is an interview without a choice of answers and conducted to explore information from an informant [4].

## RESULT AND DISCUSSION

According to Udoji [5] writes that the execution of policies is as important, if not more important than policy-making. Policies will remain dreams or blueprint file jackets uses there are implemented [6]. And a policy can be measured the level of success through the process and achievement of the desired goal. George Edward III [7] asserted that the main problem of public administration is the lack of attention to implementation. He said, that without effective implementation the decision of policymaking will not be carried out successfully. Edward suggested paying attention to four main issues so that policy implementation would be effective, namely communication, resources, disposition or attitudes and bureaucratic structure [8].



The floating net cage (KJA) business was introduced to Lake Maninjau waters in 1992, the floating net cage business was carried out by the community in 8 villages, namely Koto Malintang, Koto Gadang VI Koto, Koto Kaciak, Duo Koto, Bayua, Maninjau, Batang River and Tanjung Sani. In the beginning, there were 12 units of floating net cages which each KJA unit consisted of 4 plots. Four years later (1996) there was an increase in the number of cages up to 157 times or as many as 1,886 units. In 1997 there were mass fish deaths due to a decrease in water quality, so the number of KJA has decreased [9]. In 2007 until 2016 the number of KJA has increased every year.

According to the Lake Maninjau Sustainability Management Agency (Badan Pengelola Kelestarian Danau Maninjau atau BPKDM) the decrease in the number of floating net cages was caused by massive fish deaths which reached 13,413 tons. In mid-February 2016, about 30 tons of floating net cages in Lake Maninjau also died due to reduced oxygen levels from the bottom of the lake, so that in 2015 the number of KJA of 18,964 plots decreased to 2016 with 17,226 plot cages [11].



**Table 1. Growth of Floating Net Cgaes in Lake Maninjau**

No	Tahun	Keramba Jaring Apung (KJA)	Pertumbuhan (%)
1	2007	8.955	-
2	2008	16.425	83,41
3	2009	8.930	-45,63
4	2010	10.415	16,62
5	2011	12.686	21,80
6	2012	14.341	13,04
7	2013	14.653	2,17
8	2014	16.431	12,13
9	2015	18.964	15,41
10	2016	17.226	-9,16

Source: [10]

In 2014 a regional regulation was issued. Agam, namely Perda No 5 of 2014 concerning the management of Lake Maninjau conservation (Pengelolaan Kelestarian Danau Maninjau), but in the course of its implementation is still far from what is the purpose of these regulations. Various problems occur in its implementation in the field. In 2018 the district government. Agam created a program to save Lake Maninjau, the Save Maninjau program. Where the driving force was Agam Deputy Regent (Wakil Bupati). Based on the results of interview researchers with the Chief of the Civil Service Police Unit (Sat. Pol PP) Kab. Agam said "the main obstacles in the implementation of this program are 1. Zoning (area) that does not yet exist, 2. The ownership of cages that are not clear means the original owner of the cages is not in place, which is in the place of the workers, 3. The reluctance of cage farmers who pulling up unused cages, 4. Regarding licensing from the floating net cages (KJA), 5. There is still a lack of personnel in conducting supervision both the local regulations and the save review program. This indicates that the communication between the implementer and the KJA farmers did not go well, whereas according to Edward III [7] communication was a very decisive factor in achieving the objectives of policy implementation. We can see here how the transmission (distribution) of the save program review information did not arrive. The theory also mentions that resources are also important, but here also does not succeed due to inadequate and inadequate physical facilities and staff.

In line with him, one of the staff from the Environmental Agency of the Regency (Dinas Lingkungan Hidup). Agam said that the pollution problem was reviewed not only by the cages but also by the community's garbage, which also polluted it, the people who still threw away their garbage. He further said that when the mass death of the KJA farmers did not immediately lift the fish that died in the cage, even the dead fish were thrown away into the lake. This indicates that public awareness of environmental stewardship is still poor.

Wali Nagari Kenagarian Maninjau also added that the poor behavior of the people living around the lake, by still throwing garbage into the lake. This is also added by inadequate temporary landfills (TPS), for 1 kenagarian (5 villages) there is only 1 TPS, which is unfortunate that garbage is taken once a week. Not to mention the people who are also reluctant to pay garbage fees for once a month. He added that there was already a program of assistance provided by the government in the form of agricultural equipment,

which meant that the community became land farmers again. Dredging sediment had not been carried out since the mass death first occurred.

Further Tanjung Raya Sub-District Government (Kasi Pemerintahan Camat Tanjung Raya) revealed their success in pulling up cages that were no longer active, some even voluntarily raised their KJA. He also said that the work transition program from cage farmers to farmers in paddy fields was once again encouraged, various kinds of assistance had been given. Tanjung Raya sub-district was assigned as a facilitator between the government of the regency of Agam and the people of Lake Maninjau. He also said that there was a Maninjau Task Force that contained 10 people in charge of picking up trash on the surface of the lake, they were assigned every day to collect rubbish. He added that the program was structurally good and clear in the division of each division. In Edward III's theory also highlights the attitude and structure of the bureaucracy, in the save program the review of these two things is achieved. Where the attitude of the implementer is very appropriate because it has been divided into each appropriate division.

## CONCLUSION

Based on the above analysis conclusions can be drawn:

1. Communication that occurs between the implementer (Agam District Government) with cage farmers is not well established, this is influenced by the existence of the original owner of the cage not in place. Many floating net cages (KJA) are the fruit of investment from people who are not around the lake.
2. The implementers are still lacking in overseeing the existing rules. And many supporting facilities are also lacking.
3. The attitude of the policy implementers is good enough and increase coordination when in the field.
4. The bureaucratic structure is clear, the tasks and authority among the structures are good.

The recommendation for this research is to establish good communication to all levels of society, especially the approach to traditional elders Datuk or Kerapatan Adat Nagari (KAN). Add supervision personnel in the field and add facilities in enforcing the rules. Continue to appoint cages that are no longer active. Continue to coordinate with the police in monitoring cages so that new cages are not growing again by doing KJA licensing. Add more garbage container containers so that people no longer throw household waste into the lake again, at least for 1 kenagarian there are 2 trash container containers (temporary landfills or TPS).

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# IMPLEMENTATION OF THE POLICY FOR THE ESTABLISHMENT OF VILLAGE-OWNED ENTERPRISES IN THE ERA OF THE ASEAN ECONOMIC COMMUNITY IN SOUTH SOLOK REGENCY

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## Abstract

The commencement of the ASEAN economic community since 2015 provides opportunities as well as challenges to the development of the rural economy in Indonesia. One of the government's policies as the implementation of the Village Law is establishing a Village-Owned Enterprise (BUMDes) which is expected to grow and develop as one of the economic actors in managing the potential of the village in improve the economy of rural communities. However, the BUMDes formation policy has not been implemented as expected. This research aims to illustrate the implementation of the BUMDes formation policy using Van Meter and Van de Horn theory. This type of research is qualitative and descriptive analysis with the Nagari Government analysis unit in South Solok Regency. Data sources are primary data from interviews and secondary data from documentation relevant to the focus of the research. The results of the study show that: not all implementers understand the policies regarding the formation and management of BUMDes, 2) the existence of limited human resources, 3) the formation of BUMDes is more dominant as a target program from the top level through OPD and Village Facilitators rather than accommodating the needs of rural communities, 4) the diversity of social, economic and political environments contributes to policy implementation. Based on the results of the study, it is suggested the need to strengthen the understanding and capacity of the implementers in the formation and management of BUMDes and conduct a comprehensive evaluation to develop business management strategies (business) in the ASEAN free market era.

**Keywords:** Policy Implementation, Village-Owned Enterprises, Rural Community Economy.

## INTRODUCTION

The commencement of the ASEAN Free Trade Area in 2015 AECns that each ASEAN member country will enter a new phase, namely the ASEAN Economic Community (ASEAN Economic Community (AEC) including Indonesia. AEC era provides opportunities as well as socio-economic challenges including each country must open themselves to the free flow of goods, services, investment and labor.

For some people in Indonesia, including in rural areas, the AEC era, on the one hand, provides new hope, especially with regard to opening up employment opportunities, expanding access to marketing products in the village and opening up opportunities for villages in developing natural resource potential. But from the other side, the presence of AEC can also be a curse for villagers who cannot take the opportunity, as Marwan Jafar's statement Tuesday, January 27 2015 was quoted from Antara [1] *"The village must be competitive to face the free market of the ASEAN Economic Community (AEC) we are not we want villages to only be consumers, we want products made by village entrepreneurs and village-based industries to be able to compete in domestic and regional and even global markets."*

In line with the enactment of the AEC, changes in regulations on villages also occurred in Indonesia with the birth of Law No. 6 of 2014 concerning Villages. One important mandate of this law is the mandate of the Government of the Village to establish a Village Owned Enterprise (BUMDes) as a legal economic institution and has an important role in increasing the economic efforts of the village community and is expected to produce the necessary services in order to realize the maximum possible prosperity of the village community, and a source of Village Original Income (PADes), so that APBDes do not only

depend on transfer income such as Village Funds, Village Fund Allocation, Tax Revenue Sharing and Financial Assistance from Provincial and Regency / City Governments.

Source of Village Original Income (PADes), so that APBDes do not only depend on transfer income such as Village Funds, Village Fund Allocation, Tax Revenue Sharing and Financial Assistance from Provincial and Regency / City Governments. Studies on the development of village financial resources before and after the Village Law show an increase in the number of financial sources increased by 100% in 2015 and 2016 as an increase in the implementation of Law No. 6 of 2014 on Villages, but the financial independence of the village is very low, very small origin of the village [2].

According to Eko Putro Sandjojo, Minister of Disadvantaged Regions and Transmigration (Mendes PDTT) Village, currently the number of BUMDes that have been formed has reached 39,000 from the previous one in May 2018, which was around 30,000 and there hasn't been an increase in 9,000 this year, claiming to have exceeded 9,000. A target of 5,000 BUMDes for five years as stipulated in the 2015-2019 National Nawa Cita or RPJM. In line with the mandate of the Village Law, in West Sumatra Province until 2018, around 70% of the villages or Nagari had formed BUMDes or also called Nagari-Owned Enterprises (BUMNag), with details of each Regency / City as shown in Table 1.

Numb.	Regency / City	Number of villages /	BUMNag formed		Active BUMNag	
			amount	%	amount	%
1	2	3	4	5	6	7
1	Pesisir Selatan	182	173	95	75	43
2	Solok	74	38	51	8	21
3	Sijunjung	61	40	66	21	53
4	Tanah Datar	75	50	67	12	24
5	Padang Pariaman	60	28	47	22	79
6	Agam	82	42	51	16	38
7	50 Kota	79	44	56	31	70
8	Pasaman	37	37	100	19	51
9	Kepulauan Mentawai	43	29	67	10	34
10	Solok Selatan	39	33	49	3	16
11	Dharmasraya	52	52	100	12	23
12	Pasaman Barat	19	19	100	9	47
13	Sawahlunto	27	21	78	12	57
14	Pariaman	55	27	49	8	30
<b>West Sumatera Province</b>		<b>885</b>	<b>619</b>	<b>70</b>	<b>249</b>	<b>42</b>

Source: [3]

Table 1 illustrates that the establishment of BUMNag is almost evenly distributed in all regencies / cities in West Sumatra Province and in 2018 it reached 70%. Of the 885 BUMNag that have been formed, only 42% have been declared active, or 28.1% of the total Nagari / Desa. The most active BUMNag is in Lima Puluh Kota District and the smallest is in South Solok Regency. The data gives an indication that the implementation of the BUMDes establishment policy based on Law Number 6 of 2014 and the Regulation of the Minister of Villages, PDT and Transmigration Number 4 of 2015 have not been properly implemented and the policy performance achievements have not been achieved as expected.

Until 2018, the smallest number of active BUMDes are in the Regency of Solok Selatan, which is 16 BUMDes. Studies on the formation of BUMDes have been carried out by several previous researchers, including Research Budiono [4] found that in the BUMDes policy implementation process, many factors

influence, such as the interests of policy implementing actors that influence the outcome of the policy, both individual and group interests. Then the characteristics of village government institutions affect the results of implementation, closed institutions inhibit implementation and institutions that are open tend to encourage policy implementation. Perdani [5] found that the implementation of the BUMDes formation policy in Berjo Village, Ngargoyoso Subdistrict, Karang Anyar Regency was not yet effective even though the formation process met the specified requirements. Then also found several inhibiting factors in its implementation, namely juridical factors, bureaucracy, resources, legality procedures, technology, facilities and infrastructure, season or weather, public service delivery and the existence of bad credit. This research looks not only at the formation process but also on how BUMDes conducts its business. To realize the independence of the village, BUMDes is one of the important actors involved in collaborating in the administration of village governance in West Sumatra [6].

This study would like to further examine the process of establishing BUMDes from the perspective of policy implementation in South Solok Regency. The implementation of policies is crucial in the study of public policy. According to Edward III, the policy implementation is: "is the stage of policymaking between the establishment of a policy". Policy implementation is the activities carried out to implement a policy effectively. This implementation is the implementation of various programs intended in a policy. Policy implementation is said to be an extremely difficult aspect of the policy process in determining the results of certain policies.

AECnwhile, Daniel Mazmanian and Paul A. Sabatier [7] stated that implementation implements basic policy decisions, usually incorporated in the articles of association but can also take the form of executive orders or important court decisions. Ideally, the decision identifies the problem to be faced, sets goals to be pursued and in various ways, "structures" the implementation process. Brian W. Hogwood and Lewis A. Gunn [8] note that successful policy implementation requires at least ten preconditions:

1. There is a guarantee that the conditions of external implementation will not have an impact on the agency;
2. There are enough resources for implementation;
3. Integrated resources really do exist;
4. Concerning the question of whether the policies implemented are based on strong causality grounds, such as if "X" is implemented, then "Y" will be the result;
5. How many reasons for causality;
6. How weak are the relationships between variables;
7. About the depth of understanding of policy objectives;
8. Questioning whether the work has been detailed and placed in the correct order;
9. Perfect communication and coordination is needed;
10. The implementing agency can request total compliance.

Donald Van Meter and Carl Van Horn [9] developed a classic model of policy implementation. This model assumes that policy implementation works in line with the policy process. Some critical variables of policy implementation are resources and standard objectives, which encourage communication between organizations and enforcement of activities, characteristics of implementing agencies that are influenced by economic, social, and political conditions which in turn give rise to the nature of implementers in order to achieve policy performance.

In the study of policy implementation, Van Meter and Van Horn in Nugroho [10] suggest that policy implementation is seen as a process in which the process is influenced by six variables: first, the size and objectives of the policy. The size and objectives of the policy must be seen specifically so that at the end of the program the success or failure of the policy or program being carried out is known. Second, resources, refers to how much financial and human resources support to carry out programs or policies to produce policies that perform well and can explain value efficiently. Third, communication between implementing organizations, i.e. this communication must be determined as a reference for the organization in carrying out the program. From various programs, the implementer of a program requires coordination and communication with other institutions, so cooperation and coordination between existing institutions are needed to achieve the success of a program.

Fourth, the characteristics of implementing agencies namely how much the carrying capacity of the organization includes bureaucratic structures, norms and patterns of relationships that occur in the bureaucracy that all of which will affect the implementation of the program. Fifth, social, economic and political environment. This variable includes environmental economic resources that can support successful policy implementation, AECning that the extent of the policy environment influences the implementation of the policy itself. Sixth, the attitude of the implementers of the policy, which includes three important things, namely the implementer's response to the policy, which will affect his willingness to implement the policy, cognition that is understanding the policy, the intensity of the implementer's disposition, namely the value preferences owned by the implementer.

Analysis to answer the purpose of this research uses the theory of policy implementation according to Van Meter Van de Horn with the consideration that this theory focuses more on the role of the implementer and how much the performance of a policy can be achieved.

## **RESEARCH METHOD**

This research is a qualitative research with descriptive analysis. Data sources are primary data from in-depth interviews with the actors involved in the establishment and management of BUMNag and secondary data from relevant documentation from the focus of the study, the research was carried out in South Solok Regency in Nagari who had established BUMNag.

## **RESULT AND DISCUSSION**

In accordance with the objectives of the study which is describing how the implementation of the BUMDes formation policy in South Solok Regency uses the theory of policy implementation according to Van Meter and Van de Horn with a qualitative approach, the results of the study show that the variables are related to the performance of BUMDes formation and management policy implementation in the Regency South Solok as follows:

### 1) Policy Standards and Objectives.

Standards and Objectives Policies must be seen specifically, have clear goals and are easy to AECsure. This can be seen from the ability of policies that can provide the same intention and understanding to the implementer about the achievements as desired through the policy. Based on interviews with several informants as the implementer it was found that not yet fully understanding the objectives and standards of policy implementation, this can be seen from the formation of BUMDes not going well, the formation process was carried out in a hurry because of the pressure in the legislation regarding BUMDes through implemetoor such as the Dinas Village Community Empowerment in stages up to the central level, in this case the Ministry of Villages, PDT and Transmigration. Establishment of BUMDes seems to be more due to the village budget that must be included in the BUMDes, so that the BUMDes form seems to be forced without any deliberations from all elements of the village community. In the drafting of AD / ART the Establishment of BUMDes which will then be stipulated by a Village Regulation does not constitute an internalization process that results in stakeholder agreements in the formation of BUMDes. This internalization becomes important, because BUMDes is a combination of economic institutions and social institutions.

### 2) Policy Resources

Resources are an important factor influencing policy implementation, the resources referred to are human resources, budgets and facilities in the formation of BUMDes. Human Resources covers the suitability of employee qualifications with the needs of the agency. Conformity of personnel position with background and work experience. Personnel understand the duties and responsibilities of their field positions. The Village Community Empowerment Agency has limited human resources in terms of both quantity and quality. The role of HR is also partly replaced by the role of village assistants from the District, District and Village levels. The number of village facilitators is not evenly distributed throughout the village, and has different scientific qualifications.

Financial resources, namely the suitability of the budget sufficiency needed with those provided in achieving policy objectives. Budget support in the implementation of the BUMDes establishment policy is quite sufficient both budgeted in the APBN, APBD and Desa APB. The availability of the budget is used for capacity building activities, meetings in the process of establishing BUMDes.

Facilities and Infrastructure the availability of facilities and infrastructure needed by the Implementer is attached to the facilities owned by the Village Community Empowerment Office, the District Office and the Village Head Office (Wali Nagari). In general, the availability of facilities and infrastructure is quite adequate, in line with the increasingly complete village facilities and infrastructure built through village funds and village fund allocations.

### 3) Interorganizational Communication and Enforcement Activities

Communication between implementing organizations, namely organizational internal communication and external communication. Communication is one important element in influencing implementation, policies can be implemented or succeeded if information can be conveyed properly in formal media such as meetings, correspondence, also assisted by the presence of social media such as WhatsApp, Facebook, and others to spread the contents of the policy [11], [12] policy target groups know and understand what they are going to do.

### 4) The Characteristics of the Implementing Agencies.

The Village Community Empowerment Office as the implementing agent still prioritizes formal organizations and pays little attention to the role of non-formal organizations so that the formation of BUMDes is more felt as a task of government compared to community needs

### 5) The Dispositions Of Implementers

In implementing a policy, commitment or willingness to be a factor that cannot be ignored, the success of a program is highly dependent on the strong commitment of all stakeholders to implement the phenomena that occur. In several villages, various forms of unpreparedness occurred in the formation of BUMDes, even if they were formed it was only a formality. A study conducted by Hanida et al [13] found that collaboration of stakeholder actors in the process of establishing BUMDes is very much needed, because each stakeholder actor has a different role and will make a positive contribution to institutionalization of BUMDes as a village economic institution.

### 6) Social, Economic, and Political Conditions

Diversity between one village and another in one district, and the influence of the social, economic and political environment greatly impacts the implementation of policies. There are several villages that have succeeded in establishing BUMDes according to the time target and already have business activities according to village potential and there are still many villages that only form BUMDes and business activities are not running as they should. Based on the results of the study, it is suggested the need to strengthen the understanding and capacity of the implementers in the formation of BUMDes by involving institutional external stakeholders such as universities and community social institutions that have experience in village community empowerment activities.

On the other hand, the form of supervision from the regional government is very small, seeing that the position of the regional government is only limited in terms of fostering and evaluating, whereas the supervisory element is carried out by the BUMDes organ itself as regulated in article 19 Paragraph 1 of the Minister of Village Regulation No. 4/2015 which states that the BUMDes management organization consisting of advisors, operational implementers, and supervisors, plus the position of BUMdes as social and commercial institutions. In its practice, Bumdes has only focused on business needs that generate profits, which should also be functioned as social institutions that can contribute to the overall welfare of society.



## 7) The Attitudes of Policy Implementers

The implementer's response to the BUMDes establishment policy in South Solok Regency was quite diverse, because the implementer involved actors starting from the central, provincial, district, sub-district and village levels. The implementers came from bureaucrats and village facilitators. Then the understanding of the formation policy is also quite diverse because the process of dissemination of rules is rather late because it is awaiting the readiness of various implementing regulations from the local level. Some implementers interpret the implementation as having to wait for regulations at the district level and some implementers think that they do not need regulations at the local level, PDT and Transmigration Ministerial Regulation No. 4 of 2015 has arranged in detail the BUMDes formation process.

The value preferences held by the implementer are also quite diverse. Some implementers still consider BUMDes to be part of the structural village government with values such as the administration of village governance. This was found in a number of villages in which the formation process was more concerned with the existence of a decree compared to the process of internalizing values and stakeholder agreements in the formation of BUMDes. A small number considers that the process of establishing BUMDes is dominated by business values. That is, the formation and selection of the type of business must pay attention to business feasibility, so that the BUMDes can develop into a profit-oriented business entity as well as service and empowerment to the community. Diverse responses and preferences of the implementer's values and attitudes of different policy implementers.

## CONCLUSION

Based on the analysis, it can be concluded that in general, the implementation of the BUMDes establishment policy in South Solok Regency has not proceeded as expected. The expectation of BUMDes as one of the economic actors for the village community in facing AEC is far from expectations. Some constraints in implementing the policy are that the implementer has not fully had the same understanding of the policy, there are limitations on the implementer's human resources, the varying socio-economic and political conditions between villages and the diversity of responses and preferences of the policy implementers. Suggestions or recommendations from the research are the need for a comprehensive evaluation of the performance of the establishment of BUMDes policies after being implemented for four years (2015-2019) starting from the village, sub-district and district levels.

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# **TRANSFORMATION FROM STATE-CENTERED TO PEOPLE-CENTERED SECURITY IN ASEAN COMMUNITY: MILESTONE OF THE ASEAN APPROACH TO HUMAN SECURITY**

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## **Abstract**

The Association of Southeast Asian Nations (ASEAN) through the establishment of the ASEAN Community in 2015 has formally entered a new milestone in its security perspectives, from solely focus on state-centered to people-centered security. Previously, the United Nations Development Programme (UNDP) in 1994 introduced the people-centered approach to security, namely human security. The United Nations (UN) has emphasised that the human security framework facilitates member states to handle widespread and cross-cutting challenges to the survival, livelihood, and dignity of their people. Nevertheless, while ASEAN community concerns on people-centered security, it has not made any reference to the term human security in its formal documents. The purpose of this paper is to examine the ASEAN version of people-centered security, whether substantially following the UN's human security or creating a new different version. This study applies process tracing analysis and found that ASEAN develops its own version of people-centered security embraced by ASEAN Way as the governing value in ASEAN. The study brings a new contribution to human security studies by proposing ASEAN version of human security in addition to the UN, Japanese, Canadian, and the Europe Union approach to human security.

**Keywords:** ASEAN, Human Security, ASEAN Way, Structure and Agency

## **INTRODUCTION**

Human security is a people-centered approach to security which was first used by the United Nations Development Program (UNDP) in its annual Human Development Report (HDR) of 1994. The essence of UN's human security is the protection and preservation of fundamental human freedoms, including freedom from want, fear, and to live in dignity. As the security of the individual, human security concerns on a broad range of security including economic, food, health, environment, political, personal, and community security. More specifically, it focuses on the threats to survival, livelihood, and dignity which causes vulnerability of individual such as genocide, slavery, natural disaster, endemic diseases, food insecurity, direct violence, and other daily threats [1]. The importance of the human security framework is emphasized by the United Nations (UN). Accordingly, the human security approach is useful for assisting member states in identifying and addressing widespread and cross-cutting challenges to the survival, livelihood, and dignity of their people [2].

ASEAN has formally undertaken a new milestone in its security perspectives. The establishment of the ASEAN Community in 2015 shows a transformation from the state-centered to people-centered security. The notion of people-centered security is reflected in the three pillars of ASEAN Community consisting of ASEAN Political-Security Community (APSC), ASEAN Economic Community (AEC), and ASEAN Socio-Cultural Community (ASCP) [3]. Nevertheless, ASEAN has not made any reference to the term 'human security' in its formal documents. In such circumstances, it is legitimate to investigate whether ASEAN has virtually adopted the UN's human security or created its own version of people-centered security.

Scholars have concerned about the security issues in ASEAN. Acharya [4] emphasizes that Asia Pacific countries through the idea of comprehensive and cooperative security have developed the notion of human security before the promulgation of the human security framework by the UNDP. Indeed, Trihartono [5] reveals that APSC is useful for addressing human insecurity in Rohingya crisis. On the

other hand, Von Feigenblatt [6] identifies different focus between the human security framework and ASEAN Way. While human security focuses on the security of individual with global agents as the enforcer, the ASEAN Way focuses on the security of nation-state with the sovereign state as the enforcer. In line with Von Feigenblatt [6], Nishikawa [7] argues that the ASEAN way contrasts markedly with the notion of human security since it places states as the center of security in ASEAN.

Howe and Park [8] stress that the ASEAN Way can be reconciled with the notion of human security. However, their argument is not followed by the explanation of how the ASEAN Way could embrace the notion of human security. From the existing scholarly investigations, it is abundantly clear that this research is not the first, and will not be the last, to investigate the security issues in ASEAN. The present research departs markedly from others in terms of its content, focus, and methods. This study aims to identify the ASEAN approach to human security using process tracing methods based on the analysis of structure and agency. Therefore, this paper is intended to provide a new contribution to ASEAN studies by proposing the ASEAN version of human security. The central argument in this paper is that ASEAN develops its own version of people-centered security, which focuses on freedom from want and indignity, governed by the state. The ASEAN Way, as the governing value in ASEAN, embraces the ASEAN approach to human security.

The paper is organized into five sections. This introductory section provides general explanations about the research problem, previous works, and the contribution of this study. The second section explains a qualitative process tracing research approach as the appropriate research methods for addressing the research problem. It is followed by presenting the result of the research and also discussion in section three. The last section provides the conclusion that ASEAN seeks to establish its own version of the people-centered approach to security facilitated by ASEAN Way. Dictating by global and regional structure, ASEAN Community more focuses on freedom from want and indignity than freedom from fear.

## **RESEARCH METHOD**

This study is qualitative research that applies process tracing as the analysis methods. Qualitative research is selected due to its ability to accommodate a complex set of causal relations of human experiences and behaviors [9]. This study uses primary and secondary data derived from document survey methods. The primary data from literary sources include official acts issued by the UN, ASEAN, or other institutions. Meanwhile, secondary data are gathered from publication in mass media, journal articles, or papers. In terms of data analysis, this study applies process tracing methods for analyzing the institutional change in ASEAN from state-centered to people-centered security.

Process tracing is selected since it is one of the qualitative analysis methods which concerns the causal mechanism or causal relationship. It describes and evaluates causal claims concerning social and political phenomena [10], [11], [12], [13]. Indeed, it is suitable to investigate the causal mechanism in the institutional change in ASEAN's security perspective from state-centered to people-centered security. The application of process tracing analysis methods requires a historical analysis to provide a detailed data on spiral actions and reactions within which a causal factor leads to a particular outcome [10], [13]. It presents 'a time series or a chronological order of the sequence of events' which is started by deciding a good snapshot or starting point as well as making a list of the sequence of events [11]. In order for examining the causal mechanism, this study elaborates process tracing analysis with several themes, namely structure, agency, and institutional change. While the debate of structure and agency is still in going [14], this study argues that structure and agency play critical roles in the dynamic of institutional change [15]. Agency means the capacity of an actor to take action within a particular situation. It is the property of actors such as individual, community, state, or organization, to play their roles especially in making and implementing decisions. From the agency point of view, institutional change may happen due to harmonization of interest among the members; in contrast, the institutions may also change because of conflict of interest among the actors [16]. On the other hand, structure refers to situation, condition, or environment within which actors act their roles. It might support or inhibit the role of actors [17], [18].

In this context, this paper defines agency as the property of ASEAN, whereas structure is global and regional structure. The role of structure and agency is like a spiral within which structure influences the

agency and vice versa. Nevertheless, this paper more focuses on the structure as opposed to the agency of ASEAN. The capacity of ASEAN in acting is determined by norms and rules derived from the agreement of its member states. On the other hand, the member states act and respond upon conditions which occurred both domestically and globally. This paper defines structure as social, functional and political structure which can be identified as the driving factors of institutional change in ASEAN [19], [20].

## RESULT AND DISCUSSION

The UNDP's human security can be acknowledged as a zero point of the evolving human security idea or people-centered approach to security. It is the primary 'key step' [21], or 'pioneering concept' [22] of the people-centered security. The notion of security has been defined narrowly for so long solely as protection of territory, national interest, and national identity. Therefore, in the 21st century, it is necessary 'to revolutionise society' based on the human security framework [23]. The essence of human security is protection and empowerment due to which people can take care of themselves especially promoting their freedom from want, fear, and living in dignity [23], [24]. It concerns on a wide range of potential daily threats which might come from several dimensions: economic, food, health, environmental, personal, community, and political problems [1].

The current development, nevertheless, shows that the notion of human security has been defined differently by institutions according to their own objectives, cultures, or interests [21]. The differences can be seen in the approaches to human security proposed by Japan, Canada, and the Europe Union (EU). The Japanese approach to human security is in-line with the UNDP perspective. It emphasises that humans should be vouchsafed freedom from want, freedom from fear and freedom to live in dignity and also protected from all kinds of violence [25], [26], [27]. It can be considered as a broad approach to human security which covers all potential threats to the security of the individual in their daily life.

Canada has criticised the human security approach proposed by the UN/UNDP and Japan as too broad and vague. Hence, Canada proposes a narrow approach to human security within which human security is defined in a narrow scope of freedom from fear. It advocates that human security must solely focus on protecting people from direct threats or physical violence in the conflict arena through humanitarian intervention [28], [29], [30]. In line with the Canadian approach, the EU approach to human security focuses on crisis management especially in terms of crisis prevention, crisis mitigation, as well as post-crisis recovery and reconstruction [31]. The EU proposes the establishment of legitimate political authority including civil-military relations for achieving stabilisation and peace which working under multilateralism. The EU commits to work with international institutions under international procedures such as the UN framework. It focuses on bottom-up approach within which the EU has coordination with state and local communities [32].

This paper argues that ASEAN also develops its own version of human security which distinct from the approach proposed by the previous proponents of human security. The differences, at least, fall into several categories as follows: the scope of people-centered security, the governance to save people, whether through intervention or non-intervention and also the actors. ASEAN approach to human security focuses on freedom from want and indignity. It places states as the main actors and follows the principle of non-intervention in protecting and empowering people; therefore, it can be addressed as state-led human security. The ASEAN's conception of human security is shaped by the agency of ASEAN as well as a global and regional structure, including the principles of ASEAN Way.

*First*, in terms of the scope of people-centered security, it can be argued that ASEAN's people-centered security concerns on freedom from want and freedom to live in dignity with less focus on freedom from fear. This fact can be seen in the three pillars of the ASEAN Community: APSC, AEC, and ASCC [3]. APSC aims to strengthen political and security aspects such as enhancing democracy, good governance, and the rule of law, as well as promoting and protecting human rights and fundamental freedoms based on shared value and norms. Moreover, AEC seeks to encourage economic integration to increase economic productivity and sustained high economic growth. In terms of ASCC, it aims to enhance a committed, participative, and socially responsible community and also an inclusive community that promotes a high quality of life. Furthermore, ASCC seeks to enhance a sustainable community that supports social development and environmental protection. It also aims to realise a resilient, dynamic, and harmonious community that is aware and proud of its identity, culture, and heritage [3].

The pillars of the ASEAN community, moreover, reflect macro development goals as opposed to micro aspects of security in the daily life of the individual. It is in line with the practice in ASEAN such as in the ASEAN comprehensive security which has close meaning with human security [33]. However, under state governance, ASEAN comprehensive security focuses on economic and political problems at the macro or aggregate level of population. It is in contrast to the UN's human security which concerns on a micro aspect of the security of the individual, including vulnerable people in the context of their daily life [34]. As stated by the UNDP that human security is about 'safety from such chronic threats as hunger, disease, and repression' as well as 'protection from sudden and hurtful disruptions in the patterns of daily life-whether in homes, in jobs or in communities' [23].

*Second*, ASEAN and Western institutions have a different perspective in terms of the governance of people-centered security, whether implementing intervention or non-intervention principle. The ASEAN approach proposes non-intervention and pacific ways to solve humanitarian issues. ASEAN Way guides ASEAN approach to human security based on which ASEAN enhance consensus or informal mechanism to resolve humanitarian crisis. As opposed to use force in the humanitarian intervention, ASEAN prefers to establish dialogue among its member [35]. In contrast, Western institutions allow intervention in domestic affairs if it is necessary; as stated by Kofi Anan, the Secretary-General of the UN (1997-2006), that —in the face of massive and ongoing abuses, the Council should consider: ... the limited and proportionate use of force, with attention to repercussions on civilian populations and the environment' [36]. Kofi Anan's statement reflects that the principle of non-intervention, which is one of governing value in ASEAN, is not suitable in the situation of human right crisis [1].

*Third*, in terms of the actors, ASEAN places member states as the main actor in protecting the security of people. The heads of state/ government of ASEAN have mandated the ASEAN Community Councils which consists of representatives of the official government of the member states to realise the objectives of ASEAN Community. As stated in the document of ASEAN Community vision 2025:

We, therefore, task the ASEAN Community Councils to fully and effectively implement the commitment contained in the ASEAN 2025: Forging Ahead Together and to submit their reports to the ASEAN Summit, in accordance with the established procedure [37].

ASEAN Community Councils consist of three bodies, i.e. ASEAN Political-Security Community Council, ASEAN Economic Security Council, ASEAN Socio-Cultural Community Council. The composition of the three bodies comprise representatives of the official government of member states such as minister of foreign affairs; ministers related to trade, commerce, and economics; minister related to youth, education and culture. Hence, it is evident that the state is the driving actor in ASEAN Community [37].

In contrast, while the role of the state is significant, the UN's human security emphasises the importance of collaborations between international organisations, non-government organisations (NGOs) and also local authority [38], [39], [6]. According to the Human Security Unit (HSU) of the UN, 'human security requires the development of an interconnected network of diverse stakeholders, drawing from the expertise and resources of a wide range of actors from across the UN as well as the private and public sectors at the local, national, regional and international levels' [40].

The ASEAN approach to human security that is focusing on freedom from want, placing state as the main actors based on the principles of non-interference and pacific dispute settlement can be investigated by tracing the influence of structure and agency in the institutional change in ASEAN. The time frame of the investigation is from the establishment of ASEAN in 1997 to the establishment of the ASEAN Community in 2015. The establishment of ASEAN in 1967 is the momentum in which the member states define the security as state-centered security [41]. Global and regional structure dictate ASEAN and its member state in defining its state-centered security perspectives. In regard to global structure, ASEAN was established due to the need for survival and bargaining position as new nation-states in the post-colonial era, especially in the Cold War era. At the regional level, ASEAN encounters several interstate conflicts, for instance, the Sabah conflict between Malaysia and the Philippine, and also a confrontation between Indonesia and Malaysia. In this respect, the association aims to enhance a security community

within which member states shares interests and identity for avoiding war and the use of force, increase regional peace and stability as well as providing pacific settlement of conflict [4], [33], [35].

In order to maintain peace and stability in the region, in 1976, ASEAN issued two essential documents, namely the ASEAN Concord and the Treaty of Amity and Cooperation in Southeast Asia (TAC). While there is no agreement on when ASEAN Way was launched, the documents can be considered as the foundation of the rise of the ASEAN Way. The ASEAN Way, thus, can be considered as the governing values in ASEAN based on which ASEAN manages both its internal and external affairs. It consists of several principles such as non-interference in the internal affairs; territorial integrity; non-use of force or peaceful settlement conflict; consensus, consultative, and informality in the decision making [35], [42], [43]. This paper argues that ASEAN Way is useful for guiding the member states to establish consensus and consultative to handle threats to human security, including internal conflicts of the member state. Moreover, informality principle allows a member state to apply lobbying using personal influence and approach.

Despite scholar's skepticism [44], [45], this paper considers that the ASEAN way has been successful in maintaining peace and stability in the region in the context of state-centered security [42]. Nevertheless, the transformation and development of global and regional structure challenge the agency of ASEAN. At the global level, international political security moves from bipolar to multipolar security. It has a parallel with the extension of security challenges which occurred at global, regional, and national level such as globalisation, drug, and human trafficking, transnational haze, terrorism, endemic diseases [46]. Traditional security perspective oriented on state and military security is unable to address these new challenges. The extension from traditional to non-traditional security, therefore, requires a new approach, namely people-centered security.

In addition, the 1997 economic crisis hit ASEAN member states brings severe impacts on ASEAN member states which 'there seems to be no relief'[47]. It causes unemployment, poverty, and political-economic instability as figured out by the ASEAN Secretariat in its publication entitled 'Celebrating ASEAN: 50 Years of Evolution and Progress'. Accordingly, there is an increasing trend in the total unemployment rate in ASEAN from 5% in 1997/1998 to 6.9 % in 2005. More specifically, the youth unemployment rate sharply increased from 15% in 1997/1998 to 21.4% in 2005 [3].

Building on the fact, ASEAN needs to find a new strategy to handle the impacts of the crisis and also for enhancing economic development in the region. For this purpose, ASEAN began to consider the basic idea of people-centered security which formally promulgated in the Declaration of ASEAN Concord II in 2003. Finally, the notion of people-centered security finds its momentum in the promulgation of ASEAN Community based on Kuala Lumpur Declaration in 2015. This event can be acknowledged as a formal launching of the people-centered security in ASEAN. In this respect, ASEAN Way dictates the agency of the member states in achieving ASEAN's people-oriented security. Yet, it leads the uniqueness of ASEAN people-oriented security compared to the UN's human security which 'distinguish it from other multilateral settings', especially Western [4]. Hence, this paper argues that ASEAN approach to human security is a people-oriented security focuses on political economic development for achieving security and fulfilling the basic needs of the people governed by the state.

## CONCLUSION

This paper has investigated the notion of people-centered security in ASEAN Community. More specifically, it examines whether ASEAN adopts the term human security proposed by the UN or establishing its own version of the human security approach. This study also analyses the underlying factors that shape the idea of people-centered security in ASEAN Community. The investigation is necessary because of the following reasons. The UN has developed the notion of human security; nevertheless, ASEAN whose member states are also member of the UN has not used the term human security in its formal documents. ASEAN prefers to use the term people-centered security as opposed to human security. To address the research problem, this study utilizes process tracing methods that is elaborated with themes of structure, agency, and institutional change. Building on the methods, this study traces the development of security perspectives in ASEAN from state-centered to people-centered security. More specifically, it examines the causal mechanism that occurred within the relations between structure and agency.

This study found that ASEAN has developed its own version of human security. Embraced by the notion of the ASEAN way, ASEAN has developed 'state-led human security' as the ASEAN version of human security. Several differences between the ASEAN approach to human security and the human security proposed by the UN have been identified as follows. *First*, while the UN focuses on a broad range of security of individual consists of freedom from want, fear, and freedom to live in dignity, ASEAN specifically focuses on freedom from want and indignity. *Second*, ASEAN Community places state as the main actor in realizing the people-centered security. On the other hand, the UN emphasizes the vital role of collaborative governance between various actors such as international institutions, states, non-governmental organization, local government, and also local communities. *Third*, ASEAN Community follows the principle of non-interference of internal affairs of the member states as a mechanism to pursue human security. In contrast, Western institutions and developed states such as the UN, EU, Japan, and Canada applies humanitarian intervention which is in contrast to the principle of ASEAN's non-interference.

The findings of this study bring contributions to the field of human security studies. This study identifies the ASEAN approach to human security in addition to the UN, EU, Japanese, and Canadian approach to human security. Thus, it represents the human security framework in the context of Asian developing countries. Nevertheless, the author admits that this study needs further investigation. Therefore, the author suggests some recommendations for future research. The future research could investigate human security in ASEAN based on two-level analysis, i.e. member state level and ASEAN level. For instance, the extent to which the ASEAN member states adopt the UN's human security, and how it influences the discourse of people-centered security in ASEAN level.

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# LOCAL POLITICAL CONTESTATION WITH NATIONAL ON THE IMPLEMENTATION OF DEMOCRACY AND GOOD GOVERNANCE IN ASEAN COUNTRIES

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## Abstract

Although there are similarities in the form of democratic institution found in Southeast Asia countries, but the application the form of democracy are different according to different environmental factors, such as social, economic and cultural factors. Some of the influence of these environmental factors differ between the notion of democracy as the universal idea found in daily practices with the theory of democracy as a result of long history from the ancient Greek to the modern democratic principle. Therefore, there is a missing link between democratic theory contained in state constitution with the the democratic practises in local community, The form of representative democracy contained in the Constitution of the State as a form of theory differs from the practice of deliberative democracy on the form of choosing leaders and the decision making process used in local communities. The following article explains the the concept of power in Southeast Asia society that have concrete characteristics, originating from one sources, limited in number, and do not question the aspect of morality of power as a distinct feature from the concept of modern power that is abstract, originating from many sources, unlimited in number, and dispute in morality of the power. Through the use of the qualitative methods and phenomenological approach, it was found the missing link between the theory of democracy practiced with the universal ideas of democracy practises in Southeast Asian countries stemmed from differences in the concept of power that differ from traditional concept of power with the modern understanding concept of power

**Keywords:** Political Power, Political Democracy, Public Sphere, Southeast Asia.

## INTRODUCTION

Ancient, the nation state was instrumental in defining the social movement and public space within the country frame, the role in the form of identification of the country about the idea of society that is closely related to the idea of national unity territories, populations living in the region, and their unique identity and cultural expressions [1]. Politics is not only the question of spatial mastery, but it is also a competition for what is personal and what is public. Politics can be interpreted as an interpretive struggle, about how the space is realized as a cultural and identity container? What are the limits? How are political ideas and practices being evaluated? Some of these questions put politics not only as a matter of spatial control, but also the question of how the space is defined with the merger of social and geographic spaces, the nation's country and community are conceptualized.

There are three great views on politics in political economy studies, including: (1) politics as government; (2) Politics as a public life; (3) The political allocation of value by the authorities [2]. The political approach to the government ignores the wider state structure in the government there is a personal purpose and which is personal, personal in terms of region and institutional means used. The activities put away the public interest and public means recognized as public sector. The political approach to the government ignores political inputs, in addition to ignoring the combination of the private sector with governments outside the government itself. The political approach to the government ignores the wider state structure.

Political approaches as governments make political definitions as organizations, rules and agencies. "Organization" is a more concrete structure, such as a judicial institution. "Rule" (rule) is the right to the obligation and the procedure of strategy on which is used in the political process. The basic rules of government are defined in the constitution, both written and oral. The country is a broader phenomenon of coverage from the government, in a country with a legal phenomenon, the authority of the institutionalized, the dominance patterns that use violence and incentives. Politics as government is the formal political mechanism of a country as a whole that contains institutions, laws, public policy, and major actors in the Government [3].

There is an equal view of politics with the government if it is interpreted as political activities and governmental structures, although social phenomena can cause political and non-political impacts. The government consisting of several organizations and a number of rules were state actors, but did not cover the entire country. Within the state there are broader rules and laws of the Government, such as the rules of Adat, ideas and institutions of the-public called "Network Policy" [4]. There is a change in the meaning of government and the law of State domination being plural, as well as involving various other actors outside the country. There are constellations of various actors and interests in explaining the understanding of the law, including from actors outside the country.

Public space is a form of constellation arena among the various laws in the country, both the official rules of Government and the unofficial unofficially of customary law and the law of religion in society [2]. There is a political contestation between countries with civil society movements in conducting spatial interpretation, in the form of political contestation of space interpretation between social and cultural movements at the local level faced with the role of the state at the which generates a relationship between social and cultural movements at the local level through the NGO role [5]. There is a change in the role of the country into the role of social and cultural movements in the concepts of mapping the political space, if the concept of the country is based on local cultural contexts while the context of social and cultural movements is based validate universal values [6].

The identity of politics that occurs in Southeast Asian countries has a more orthodox sense of democracy than the identity of politics found in other countries, such as Eastern Europe, political contestations that occur between the Communities with countries in public spaces to find identities of each ethnic group involve social and cultural identity and long lasting. Political contestations of the political identity in Southeast Asian and East Asia countries involve the use of violent elements in comparison to the political contestation of identity politics occurring in the countries of East Asia [7]. Southeast Asian countries have a political culture of subjects rather than the political culture of participants. Society has a fairly high knowledge of government policy, but they do not have a high political belief to change government policy through democratic means and to believe that the government knows what to do [8].

The issue of identity is a psychological problem related to the history of the past, the efforts of the governments of Southeast Asian countries to overcome this identity crisis is the use of myths in society to explore past history [9], such as Singapore [10]. Political democracy in ASEAN countries cannot guarantee the implementation of social and economic democracy, as explained from some weaknesses of the democratic system, among others. (1) The inability to manifest the equation concerns some questions in the scope of social and economic life; (2) limitations in convincing in humans that their political participation is effective; (3) The inability to convince that the government is doing what the people are expecting and not doing what the people are not expecting; (4) Inability to realize the movement between order and the attitude of the intervention

The sense of good governance is the "voice of public sector management", forming a strong legal framework for development, and a mechanism for transparency and accountability. Democratic relations with good governance are as limited as the understanding of democracy as the form of electoral democracy, but not the notion of participatory democracy. This explanation narrows the understanding of

democracy, as well as linking it to social and political issues that are the background of participation, accountability and transparency as a key element of good governance. The term democracy came into English in the 16<sup>th</sup> century from the French word "*democratie*" and the original word came from the

Greek, “*demos*” (people) and “*Kratos*” (rules). The concept of rule by the people in the sense of democracy contains confusing understanding, including the understanding of "rules", "rules by", and "people" some conceptual questions are raised from the sense of democracy, among which is who The people?, how are their participation channeled?, what conditions are best suited for the distribution of the people's participation? [11].

The development of democracy is determined by economic and technological developments, political change is determined by the social and economic development of society through the use of technology. Technology can change the culture of society. Cultural factors have no important role, only as a means of supporting or inhibiting, the differences in developed countries with a tractate in the development of technology. The institution factors are more important than cultural factors in supporting the implementation of democracy, the institution consists of parts that have interdependence and are tied by a broader power relation than the form of personal feelings that owned by democracy. Democracy requires the process of institutionalism, the institutionalization of democracy implementation distinguishes the form of institution power with personal power.

Modernization gives rise to differences in the speed of change between political institutions and social and economic change, the rise of public political demands on governments that are not accompanied by the strengthening of political institutions is a form of gaps between political institutions with social and social economic changes. The goal of political development is to strengthen the government's capacity to achieve the objectives of the empowerment through the strengthening of political institutions from the impacts of social and economic change, which is the impact of emerging political participation [12]. From the political mobilization process conducted by the political party to the social fractracy arising from the gap between the opportunity of economic mobilization with social mobility and economization mobility. It takes efforts to strengthen political institutions with the opportunity of community participation, so that political institutions have no decay by the impact of this social and economic modernization.

The approach of political culture is more relevant to use in explaining the form of democracy in a less stable state of the economy compared to a structural approach that associates democracy with economic growth, as Lipset. says values, beliefs, knowledge and attitudes that are influenced by a variety of environmental factors, such as family, organization, mass media are not a single form of democratic notion of democracy [13]. The idea of modern democracy is not formed by the value of democracy prevailing in a society but the results of the history of the idea [14].

## **RESEARCH METHOD**

This study uses a qualitative approach with grounded theory techniques. The use of this approach and technique is very reasonable because researchers want to explain how the states contested in political arena with the other social and cultural institution in Southeast Asian countries To obtain the primary data, it used in-depth interview techniques, observations and documentation studies. Qualitative research was chosen because the study had a more diverse approach than quantitative research [15]. In addition, qualitative research aims to understand the dynamics of social comprehensively through the observation of attitudes, actions and objectives with a more natural method. Therefore, this research will observe a problem related to the role or actions of certain institution and individuals.

## **LITERATURE REVIEW**

There are many understandings of politics, including the opinions of Lasswell (1936) "Who gets what, how, and when", "the fight to gain power" [16], "Patterns of power, rule and authority" [17]. The sense of power here consists of a framework of social institutions related to authority as a form of domination of one group with other groups. In organizational ties there is a difference between "universal" community power and "private" community power. Private community power is a special bond that has a bond of solidarity according to the interests of activities, such as the trade union and other interest groups. While the power of universal society has a certain general category, and has a deeper and wider solidarity than private communities that contain technical essence. "authority relations" is a form of dominant or equal relationship [18]. The power of universal is found in every society that is kind in both universal and private communities, small or large. In this case, the "institutional" power relationship is a broader power

relationship than the "personal" power relationship, because within the institution there is an authority in the use of power.

These institutional-capital models are closely related to the understanding of structures in modern sociology but difference both become lost in practice. The use of power is felt from two aspects; (1) The physical aspect of its use; (2) The psychological aspects of their use. Both aspects pertain to physical domination, as well as psychological relationships. There are two forms of the difference between a broad power relationship (institution) with a narrow (personal), including; (1) is physical; (2) is collective and convictions. Power is a narrow (physical) power relationship that is not based on previous models, lasting spontaneous, non-permanent and unstable. While institutions are concrete relationships, stable, durable and cohesive. The meaning of institutions equals the structure of authenticity can be explained from structural models, such as Parliament, ministers. The sense of power according to Duverger is that of the entire network of institutions (institutions) which have relation to authority in the form of domination of some people or some others [18]. Power is the entire network of relationships that already have a model or pattern (structure) that has contained authority, while the institution is a variety of relationship models that become the concrete patterns and relationships that occur daily.

The level of centralization of state power is determined by the extent of the authority owned by the country devolved, among them in the form of revitalizing political institutions based on the neo-traditional authority of religion and ethnic Political structures can be distinguished, including (1) physical structures, such as geography and demographic aspects; (2) Social structures, such as technology, institutions and cultures. Both forms of structure were influenced by power. Duverger explained the social and political structure is the result of human engineering as a form of material discovery (technology), marital relations system (collective) as well as doctrines and inventions culture. The material revolution (technology) generates economic revolutions, and influences culture. The relationship of politics in the form of small community to the country gives two forms of influence, including (1) as a battle arena and contains conflicts; (2) A means of integration if politics is interpreted as a suggestion to maintain order and fairness. Two influences of this power are two antagonistic forms of political understanding [18].

The States according to Benjamin and Duvall were "governance structures and enduring rules in society" [19]. Network policy is a combination of public power and personal power formed by parts of certain sections in bureaucracy and private association. There is an idea of Gramsci hegemony about the rules that are widely circulated (ruling ideas) and social factors and coupled with the government in a narrow sense. The role of the country is changing in this contestation the country is instrumental in maintaining the constellation of rules (laws) in an unofficial society as well as the official rules of the government [20]. The term rule in democracy contains several explanations, including the extent to which the rules can be interpreted, if the rules are interpreted in a political sense whether the rules are related to order and legal issues, the relationship between economic issues, or other domestic communities personal regional arrangements. Political democracy serves to maintain the value of equality, freedom and self-government as fundamental human rights, but the system is unable to guarantee the incompleteness of some of these rights..

There are now different depictions of public space, public spaces are the most negotiations among diverse local, trans-local and global organizations and institutions [21]. There are two approaches to understanding the public as an interaction; (1) from a view that bases the public sense as a personal interest. The public is a region of people who have the same interests (common interest), the public is a response given to the impact of the effort to fulfill individual needs for the welfare of others; (2) the public is existence, its meaning and purpose cannot be reduced to personal interest and personal needs arrangement.

The first public concept reveals the individual and his desire is a major social reality. While the second concept sees social reality has its own reality as well as formed not to satisfy individual needs, although social institutions consist of private actors who express their social interconnectedness with personal Others in their existence as personal The political notion of allocation of value by the authorities has the same understanding as the economy, both of which function in allocating scarce resources. The difference in economic allocation is voluntary, while politics do so through the use of authority in the

form of decisions. The difference in this allocation method can be distinguished according to the goods (good) that are distributed, such as goods that are not dissimilar versus the un-exclusivity.

The first concept of the public to explain the relationship of personal interest to another person in the form of mutual interest or interests of one detrimental to other interests, while the second concept of seeing a personal relationship with the public as that give direction and meaning to personal interest or as a matter of personal interest can be exercised [2]. The first public sense in the views of John Dewey's opinion includes the sick, poor and insane into the public on the grounds that their condition is caused by unbalanced transactions as well as the country's dependents [22]. This opinion is similar to the neoclassical public which uses the concept of externalities and public goods (something that is considered valuable), losses or profits from transactions that are not made through payment or billing-are dependents Country. The public as a social reality can be explained from the depiction of Hannah Arendt as a human inter-subjective relationship, the reality we feel is determined by the public [23]. This reality, according to a neoclassical economic perspective, does not have to be associated with the greater Unity (society), the outside world is a set of opportunities and has an instrumental relationship with the options defined.

## **RESULT AND DISCUSSION**

Countries in Southeast Asia are as a form of development of family communities, people and smaller tribes to the development of the wider community, this evolutionary state development form is called the deterministic and evolutionary theories [24]. The criteria of the leader are chosen from the constraints owned, in order to carry out the protection function to the community members. There is a pattern of political relations built on the basis of the power of capital is referred to by James Scott as the pattern of patron-client model of associations in Southeast Asia politics.

Therefore, there is a strong personal relationships between a leader and their followers in Southeast Asia politics, a basic pattern is an informal cluster consisting a power figure who is to give a security. And, his figure followers who, in return give for such benefits, contribute a loyalty and personal assistance to the patron's designs [25]. This patron-client model of associations is a characteristic of political relationship in Southeast Asia countries.

Andersons identifies there are several difference between the concept of modern power with traditional concept of power in Southeast Asia society, the traditional concept of power in Southeast Asia, among others: (1) the power was concrete; (2) the power was homogeneous; (3) The amount of power in the universe remains; (4) authority does not question the validity of power. Meanwhile, the concept of power in modern society among others; (1) the power is abstract; (2) Sources of power are heterogeneous; (3) The accumulation of power no boundaries are inherently; (4) In the moral sense the power is double [26].

Power contains a value system that regulates behaviour, including the smoothness that is interpreted as "plain", "not rude". Subtle nature is a sign of power, and can only be achieved through discipline and practice. Knowledge factors relate to power. In the structure there is a dimension of "introvert" which reduces the process of communication with the environment, this pattern puts the relationship among political institutions not woven by good communication process, but leads to competition towards the power center. The hierarchical structure in the sense of traditional power allows a hierarchical pyramid in both political and bureaucratic institutions to allow them to embed strong ideological values in society. The owner of power is the personification of the power itself which is born from the process of assimilation and power absorption in society, the relationship of power can be explained from the influence of traditional concept of power in Southeast Asia politic [27].

"Power" is in every place at the time of behavior directed at the purpose of collecting power, there is no standard of transcendental size to regulate the behavior of immanent (human), because the immanent and transcendental blend in the act of buildup the power The search for power is done through concentration, including collecting the various differences that exist, either in the form of ideology or other attributes. In traditional concepts, the power does not talk about its use, but is on its quest. The combined characteristics of the opposite of this power concentration are simultaneous and dynamic amalgamation in a compounding, not in the form of unity, such as in the form of a combination of modern and traditional cultures in politics.



There is a dichotomy between the inner (state) and the outer (foreign countries), and between the center of the state with the periphery. The explanation of the dichotomy of the relationship is through the theory of Mandala (circle), this theory of the neighboring country is a potential enemy and the neighbor's enemy is a potential friend. The end of this relationship is creating the ruler of the world, in the form of personification of the title of universe and the ability to avoid war is a country way not to create world governance [28].

Features of Southeast Asia political thinking, including; (1) There are moral elements, more pressed on what side to make (the normative aspect) and put aside how to solve the problem (practical aspects), (2) more to see the community as a unity is not a diversity of Interest, (3) colored by the attitude of optimism that neglected them to see the immediate problems that people feel, such as issues of increasing population, poverty, and social and economic gaps.

Southeast Asian communities have a belief in the ability of the Government in implementing its functions, but they do not have enough confidence to be able to influence the policy of the government. The gap between political democracy and the democracy of government can be explained by the community's awareness of politics efficacy with public approval of government policy (political deterrence).

Personal awareness of the higher political community in Thailand (62%), Indonesia (56%), Malaysia (52%) Higher compared to the Singaporean community (41%) and the Philippines (42%), the level of political care is related to the level of Community confidence in the Government's ability to conduct good governance. The variation among the various ASEAN countries on the ability of the Government in the implementation of Good Governance, including Thailand (57%), Indonesia (61%), the Philippines (65%) Who have a lower level of community confidence in the country of Singapore (72%) and Malaysia (74%) [8].

There is an orientation to the output of government policy, but do not have the knowledge, feelings and judgments are sufficient to be able to cultivate the political idea that has to change the government's political policy as a form of input of political system. These phenomena can be seen from the shifting power of the legislative institutions of the exclusivity, as well as the importance of a strong government. The failure of parliamentary democracy is not the failure of political parties to implement the political policy program, but caused by a democratic government structure that recognizes legislative, executive and judicial divisions as well as the division of between opposition to a political party that is regarded as weakening of power.

Therefore, countries in Southeast Asia have their own distinct characteristics from other regional countries in South and East Asia, the characteristics of countries in Southeast Asia are various ethnic, ethnic, racial and religious differences. Each tribe and ethnicity has a different history, this different historical background raises issues of identity and integration in the government's efforts to gain political legitimacy in their country. Myth is a part of the political history of Southeast Asian society, and places political power as a form of moral legitimacy of a leader. There is a presumption of sanctity in a leader, this assumption form a political legitimacy of the god-king theory and places the capital of a country having an important role in spreading power throughout the country through the role of the king and the capital as a form of sanctity of political power [27].

The implementation of political democracy is not in line with the implementation of democracy in the government, there are high political participation in the implementation of the leadership elections but less critical to government-generated policies. The relationship between good governance management and democracy is understood by the World Bank as an interested party to connect it with a sustainable and continuous development is in the context of electoral democracy [29].

There are two distinct views in the world Bank's Liberal group in the political restructuring process in Southeast Asian countries since the monetary crisis of 1998, among them; First, through a path of change in institutional and economic settings backed by supranational and regional institutions, as well as other technocratic and anti-political circles, the orientation of this view is control of power over institutions and community; Second, through the path of local political use conducted through a change of decentralized

institutional policy, local democracy and good governance. Discourse on the development of local participation and civil society, as well as local political mobilization of local, national, and global issues.

The interest of the World Bank in the contact of good governance with democracy is based on the understanding of development as a form of sustainability and sustainable development, the limitation of electoral democracy encourages the world Bank to understand it as a "participatory mechanism" beyond the boundaries of representation and electoral democracy [30]. This effort was carried out since the 1990s through the decentralization of central government policies to local governments (deconcentrations) as well as to non-State actors (privatization). Some of the idea was a form of change in the meaning of development of modernization theory to achieve the goals of economic welfare into social and political rights in democratic theory in the 1990s. Associating the issue of democracy with good governance is a way of economic approach with democracy, as well as the problem of transparency, accountability, rule of law, and the form of participation is regulated.

The World Bank has identified itself as a key element of population participation in good governance through NGOs (NGOs) and local association that will form civil society, as well as in the form of community explanations based on action popular as a form of "distinguishing social capital, informal roles, normal and long-term relationships that facilitate coordinated action Furthermore, the limitation of electoral democracy encourages the World Bank to understand it as a "participatory mechanism" beyond the boundaries of representation and electoral democracy [30]. The idea of democracy through Good Governance management reflected the form of representative democracy, as well as raising debate on the involvement of foreign aid institutions, such as the World Bank as a supporter of the idea of some democratic expansion policies in the local area, the relationship between "good governance" has a different understanding between the idea and the practice of democracy.

There is an attempt to break away from dependence on the government that puts the village as part of the lowest administrative unit conducted through identity politics. Political identity is attributing the global identity globally through a mix of participatory democracy to representative democracy through the development of equality, freedom and self-governance without linking to the form of democratism separation of local autonomy from globalization in the form of identity politics is a result of the notion of modernization in the 1990s that puts local politics as traditional elements that do not support modernization, as well as local politics placing is less concerned in development studies [31].

This identity political notion is supported by feminist movements and environmental movements that reject the centralistic modern nature of the state, and seeks to limit the power of representation through institutional control in their own way [32]. There is a notion that the institutional approach that connects good governance with democracy as the policy of government in improving the welfare of society through social and political rights of society made through the form of environmental social and cultural system environment.

Some of these ideas of political identity, including (1) direct participation in the decision-making process involving important issues in social, economic, political and institutional life; (2) Democratic arrangement of ownership of state-owned enterprises (SOES); (3) The Universal pluralism idea that decision-making power must be based on those affected by the decision [33]. The fiscal decentralization policy has changed the policy of handing over power from the central government to the regional government (deconcentration) and the government's authority to the private sector (privitization) into the surrender of power from the government to the community (devolution) [34].

Political contestation can occur due to the seizure of interest resulting from the devolution policy as the centralization of administrative administration of the central government to local governments. The devolution policy can generate local autonomy as the area of government administration, but also can produce local community resistance to the autonomous forms of the administration decentralized by the central government. The decentralization policy not only generates regional autonomy, but also the resistance of local communities to local governments that threaten the local identity of the community.

Democracy, efficiency and accountability is a form of normative political theory, this theory is derived from the thought of the democracy of the rational theory of Weberian and the capitalistic liberal as the

form of a practiced democracy in the country of Europe. The practice of democracy has been there is a decentralized authority from the central government to the local government in the affairs (deconcentration), but the relationship between the local government and the central government tied by the form of financial dependence on the central government and explained that the implementation of official rules in government institutions requires the economic assistance of the business providers [30].

However, this theory does not explain the evolutionary process of political and governmental history. Rationality as a basis of consideration of government policy retrieval not only ignore the social and economic reality of society, but also limit the participation space of public politics in the policy-making process. Political participation is influenced by the level of knowledge, as well as the political concerns that can be measured from the level of political efficacy and political deterrence that are commonly used in political culture theories, such as Gabriel Almond and Sidney Verba [35].

## CONCLUSION

Efforts are needed to develop institutional understanding in the form of extensive social institutions in order to include social and political processes, public democracy, and the involvement of civil society, social and political rights and others in a political conventions. The effort was undertaken by the world Bank through political restructuring policies to achieve economic development objectives after ASEAN countries experienced a monetary crisis in 1998, the political restructuring policy of which was in the form of change in line with the Good Governance pattern. But, the institutional theories expressed are less reflective of social and political issues, there is a need of a new theory that associates democracy as a policy of government in improving the welfare of society through social and political rights of the public.

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# THE STANDARDIZATION OF TRADITIONAL MEDICINE FOR PROGRESSIVE LAW PROTECTION OF CONSUMERS IN PALEMBANG

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## Abstract

Consumer protection laws are aimed at making profit, to ensure public welfare. This study used the type of empirical law research according to Soerjono Soekanto consisted of research into legal (unwritten) identification and the effectiveness of laws according. The manner of law based on persistent concern to encourage the law to give its people a better and better purpose by releasing the flow of traditional medicines in which consumer is so much in demand on the other hand, there is in fact surveillance by which the administration is responsible through a preventive dance of permitting and not harming the consumer. But its purpose in detail relates to the subject, researchers focus first on analyzing and implementation of progressive law enforcement in standardizing traditional medicine to ensure legal protection for its consumers as the user of the medicine and both to identify legal efforts covered by health-care regulations and consumer laws that will be compared with such an ASEAN state. However, in the discussion later, researchers will measure the proportion of regulation between Indonesia and Malaysia as Malaysia is one of the places where traditional drug medications are developed in ASEAN.

**Keywords:** Progressive Law, Standard Treatment, and Consumers.

## INTRODUCTION

The Consumer protection is an inseparable part of a healthy business activity, in a healthy business activity there is a balance of legal protection between consumers and producers. Every supporter of rights and obligations here, can be played by each party whether from the producer or the consumer as the legal subject. Meetings or meetings between producers and consumers often occur, even it cannot be denied that the meeting gave birth to the meaning of the engagement, according to Article 1233 of the Civil Code (BW / Burgelijk Wetboek) which states that the agreement was born because of laws and agreements. An engagement that was born because of that agreement, can also lead to a contract law to strengthen the principle of legal provisions for those who bind themselves in an agreement both for consumers and producers in the future.

But in the law of consumer protection aims to realize only the only lawful, so as to guarantee the greatest happiness in the community (stated by: J. Bentham), this was also reinforced by the theory of J. Van Kant, who also stated that the purpose of law is to protect the interests of people solely in a society. Based on the background above, the researcher can formulate a problem as follows:

1. How is the implementation of progressive law enforcement in determining the standardization of traditional medicine, to ensure legal protection for consumers as users of the treatment?
2. Is the legal effort to be investigated or legal protection against consumers related to the standardization of traditional medicine in the city of Palembang?

Therefore, researchers are interested in examining the Standardization of Traditional Medicine as Progressive Legal Protection Measures for Consumers in Palembang City.

## RESEARCH METHOD

In this research proposal, using the type of empirical legal research according to Soerjono Soekanto consists of research on legal identification (unwritten) and legal effectiveness. Data collection techniques used in this study are through qualitative interviews which is one technique for collecting data and information. The interview technique used is a direct and in-depth interview (depth interview) that is an interview that requires a certain expertise and skills from the interviewer.

The data analysis technique in this study is a qualitative descriptive analysis which is an activity carried out by the writer / researcher to determine the content or meaning of the rule of law which is used as a reference in resolving legal issues that are subject to study. Then an analysis or interpretation of all aspects is carried out to understand the meaning of the relationship between business actors and consumers in the social reality of the community and with all aspects that are the main problems in this study carried out inductively, namely drawing conclusions about things that are specific (concrete) towards things that are general (abstract), so as to give a complete picture of the results.

## **RESULT AND DISCUSSION**

### **1. Progressive Law Enforcement in the Determination of Standardization of Traditional Medicine to Ensure Legal Protection for Consumers**

In the era of globalization, only business actors are able to produce goods and or services that have high competitiveness and win competition both at home and abroad. On the other hand free trade tends to result in circulating goods and or services which do not necessarily guarantee the safety, safety and health of consumers. The more the condition of consumers who on average are not careful, the condition is, because the position of the consumer is on the weak side in dealing with the producers.

Because of the emergence of many of these problems, the government issued a legal product namely Law No. 8 of 1999 concerning Consumer protection, hereinafter referred to as "UUPK". To protect consumer rights, the right to security, security and safety in consuming goods and / or services. Consumers with the existence of these laws are expected to guarantee the achievement of the implementation of consumer protection in the community.

Free circulation of traditional medicines which turns out to be of great interest to consumers, on the other hand there is actually supervision carried out by the government, the intended control is through a licensing process that functions preventively so as not to harm consumers.

In Indonesia alone, not less than 1,800 types of illegal drugs have been circulating with the trade turnover of the drugs estimated at up to 30 trillion rupiah. In illegal drugs in circulation there is a circulation of male enhancer drugs or strong drugs in the scientific language aphrodisiac. Understanding aphrodisiac is According to Wikipedia, the free encyclopedia, aphrodisiac is an object that can be in the form of drugs, food, drinks, fragrances, or equipment that is claimed to increase sexual drive (sexual desire) so that increase the pleasure of sex.

In the era of globalization and free markets, development and supervision of the trade in male stamina enhancing drugs should be carried out by the government to protect the public as consumers who use a lot of male stamina enhancing drugs. This has consequences and risks to the health and safety of consumers of the possibility of product circulation that does not meet the health and safety quality requirements.

Supervision is not only on consumers, producers and the government, but also on the circulation system on the market, so that supervision is not only done if there are complaints from the public. In terms of prosecution, the Government must firmly apply sanctions in responding to cases of illegal traditional medicines (in the form of herbal medicines or herbal medicines) because if the application of sanctions is not firm, it is likely that the circulation of these drugs may increase.

Therefore, BPOM has carried out control of traditional medicines by withdrawing products from circulation. BPOM attracts about 22 brands of traditional medicines that are circulating in the market. In addition, BPOM also warns sellers not to sell illegal traditional medicines that have been withdrawn from circulation. The obstacle of this action is if the sanctions imposed are too light so that the incident will recur.

Thus, the problem of consumers is always an actual thing to be a problem and to be debated as well, so that the problem of consumers is a human problem which of course also relates to human health and is inseparable from elements outside of health including religious elements.

Goods and services produced by producers / business actors and will be consumed by consumers. So according to Wikipedia, namely as a physical product (tangible / tangible) that can be given to a buyer and involves the transfer of ownership from the seller to the customer while according to Christian Gronross (economist and business expert) Services is a process that consists of a series of intangible activities / not tangible which usually (but not necessarily) occurs in interactions between customers and service employees and / or physical resources or goods and / or service provider systems, which are provided as solutions to customer problems". Interactions between service providers and customers often occur in services, even though the parties involved may not realize it. In addition, there may be situations where customers as individuals do not interact directly with service companies.

Before becoming goods and services, they must first be produced by producers / business actors, where Production can also be interpreted as activities to add value to goods or services for the needs of many people. From the above understanding a conclusion can be drawn that not all activities that add value to an item can be said to be a production process. Whereas producers are often interpreted as entrepreneurs who produce goods and services, in this sense including the makers, wholesalers, suppliers, and professional retailers, that is, every person / entity participating in the supply of goods and services reaches the consumers, the professional nature is an absolute requirement in demanding accountability from business actors. A consumer is a person or group of people who buy a product for their own use and not for resale. If the purpose of purchasing the product is for resale (Java: wholesale), then he is called a retailer or distributor. At this time it is no longer a secret that the consumer is actually the king, therefore as a producer who has the principle of holistic marketing it should pay attention to all the rights of consumers.

## **2. Comparison of Legal Efforts in Courts with Legal Settlements outside the Courts (BPSK Institution)**

Based on the resolution of consumer disputes outside the court, they may include:

1. Completion of immediate compensation (directly) by peaceful means is a loss that can be claimed, in accordance with Article 19 paragraph (1) consists of losses due to damage, pollution, and other losses resulting from consuming goods and or services. The form of compensation can be in the form of: 1. Refunds for the purchase of goods and or services, 2. Replacement of goods and services of similar or equivalent value, or 3. Health care, or 4. Provision of appropriate compensation.
2. Claims for compensation through the Consumer Dispute Settlement Agency (BPSK). This must go through procedures or mechanisms within BPSK itself, namely through: 1. Consumers fill out the complaint form correctly and completely accompanied by supporting data (KTP, purchase invoice, and other evidence), 2. The completed complaint form is submitted to the BPSK Secretariat, the consumer receives a Receipt, 3. BPSK Secretariat submits consumer complaint files to BPSK Chairperson, 4. The Chair of BPSK studies the case and makes the first summons to both parties to the dispute (Consumer and Business Actor), 5. In the first trial, the BPSK assembly (from government elements, business actors, and consumers) gave an outline of the purpose and objectives of the session and the method of Settlement (Conciliation, Mediation, and Arbitration based on the Law of the Republic of Indonesia Number 30 Year 1999), 6. If the first trial does not yet have a chance for peace, then proceed to a follow-up session (maximum 21 working days), 7. When a chance for peace is obtained then the BPSK assembly makes a decree (which is the end of the Trial Process at BPSK).

However, the obstacle / obstacle in this complaint lies in the public's knowledge of the existence of the BPSK office itself. Based on the existence of BPSK (Consumer Disputes Settlement Agency) in Palembang for around 48% consumers do not know for sure the location / location and 41% again do not know the existence or location so that it causes difficulties to provide reports of complaints in the event of a dispute between a business actor and its consumers.



Besides it can be settled out of court, it can be done in court by:

1) Filing a Lawsuit;

In the civil procedural law that is still in force in Indonesia, it is known that the principle of a judge is awaiting (Nemo Judex Sine Actore) because if there is no claim of rights or prosecution, then there is no judge, the judge is passive because the judge is bound to the events proposed by the parties (secundum allegata iudicare), the parties are required to prove it and not the judge (Verhandlungsmaxime), the nature of the trial opening in principle is open to the public, which means that everyone is allowed to attend and hear the hearing at the hearing, hearing both parties is better known as the principle of "audi et alteram partem" or Eines Mannes Rede ist keines Mannes Rede, man soll sie horen alle beide ", which means that the judge may not accept information from one of the parties as true, if the opposing party is not heard or given no opportunity to issue in his opinion, the decision must be accompanied by reasons because the binding of the judge is based on what he believes that the decision that follows on similar cases is convinced that the decision was right (the persuasive force of precedent), proceeded to be charged fees because for those who are unable to pay the cost of the case, can submit the case for free (pro deo) with get permission to be freed from the payment of court fees, by submitting a statement of incapacity made by the chief of police (Article 237 HIR, 273 Rbg), and there is no need to represent, the judge is still obliged to examine disputes submitted to him, even though the parties do not represent to a power of attorney.

2) Examination and Proof.

After examining and conducting the trial, the next step is Proof, namely: by carrying out the burden of proof stated in Article 163 HIR (Article 283 Rbg, 1865 BW), which reads: "Any person who claims to have rights or who is based on an event to strengthen their rights or to deny the rights of others, must prove the existence of that right or event "; where the evidence is carried out by the parties not by the judge, the judge orders the parties to submit the evidence as follows:

- a) Written Evidence or letter; is everything that contains reading signs that are intended to pour out the heart or to convey one's thoughts and are used as proof.
- b) Proof with a Witness; Testimony is certainty given to judges at a hearing about an event that is disputed by means of verbal and personal notification by a person who is not one of the parties to the case, who was summoned at the hearing.
- c) Equation; This is evidence that is indirect, for example, proof of the absence of someone at a time in a particular place by proving his presence at the same time in another place. Thus, each instrument of evidence can be a guess, even the judge can use both the proceedings and notoir events as a guess.
- d) Recognition; this is done before a judge at trial (gerechtelijke bekentenis) which is a unilateral statement, both explicit written and oral and declared by one of the parties in the case at the hearing, which justifies either all or part of an event, rights or legal relationship proposed by his opponent, which results in further examination by the judge no longer needed.
- e) Oaths; is a solemn statement given or uttered when giving promises or information bearing in mind the omnipotent nature of God, and believes that those who give incorrect information or promises will be punished by Him.
- f) Local examination (descente); is an examination of a case by a judge because his position is carried out outside the building or place of court, so that the judge sees for himself the description or information that gives certainty about the events in dispute.
- g) Expert statement (expertise); is an objective third-party statement and aims to assist the judge in the examination in order to increase the judge's own knowledge.

In social life for the problem of the stages of consumer dispute resolution, it is still very rarely known by every consumer.

## CONCLUSION

Based on the findings and analysis described in the previous chapter, the following conclusions can be drawn:

1. Position and Legal Strength of BPSK's Decision on Standardization of Traditional Medicine, to Ensure Legal Protection for Consumers:

The position of BPSK is as an independent state institution or a complementary state institution with attributive duties and authorities to enforce consumer protection law. BPSK is a supporting institution in the field of quasi justice. Therefore, the strength of BPSK is final and binding. The final meaning referred to in the BPSK decision is final at the BPSK level only whereas at the court level the BPSK decision is not final or remedies can still be made to the district court and appeal to the Supreme Court.

2. Comparison of Legal Efforts in Courts with Legal Settlements outside the Courts (BPSK Institution):

Out of Court Mediation	Mediation in Court
<ol style="list-style-type: none"> <li>1. Registering and recording complaints to the Office of Trade (Disperindagkop / BPSK).</li> <li>2. In case the registration and recording of complaints is correct and complete, mediation is ready to be carried out and the office determines the day of the mediation.</li> <li>3. If on the first occasion of the invitation the consumer is absent without reason / notification to the service, then the service does not invite back and the consumer's complaint is declared null and void.</li> <li>4. If on the first occasion of the invitation the business actor is absent with or without reason / notification to the office, the service does not re-invite the business actor.</li> <li>5. Pre-mediation shall be carried out no later than seven working days from the date the consumer signs the consumer complaint sheet.</li> <li>6. Then proceed to the next stage, the mediation stage.</li> <li>7. Then after the mediation stage, towards the handling of follow-up, namely as the parties agree and disagree on the results of mediation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Within a maximum period of 5 (five) working days after the parties appoint an agreed mediator, each party may submit a case resume to each other and to the mediator.</li> <li>2. Within 5 (five) working days after the parties fail to elect a mediator, each party may submit a case resume to the appointed mediator judge.</li> <li>3. The mediation process takes no longer than 40 (forty) working days since the mediator is chosen by the parties or appointed by the chairman of the panel of judges as referred to in Article 11 paragraph (5) and (6).</li> <li>4. Based on the agreement of the parties, the mediation period can be extended no later than 14 (fourteen) working days since the end of the 40 (forty) days as referred to in paragraph 3.</li> <li>5. The duration of the mediation process does not include the period of the case examination.</li> <li>6. If necessary and based on the agreement of the parties, mediation can be done remotely using communication tools.</li> </ol>

Regarding the recommendation given by researchers here are as follows:

It is hoped that consumer protection efforts towards traditional medicine can continue so that people feel comfortable in consuming traditional medicine

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# ETHNOBOTANY OF WILD EDIBLE FRUIT SPECIES AND THEIR CONTRIBUTION TO FOOD SECURITY IN THE NORTH ACEH REGION, INDONESIA

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## Abstract

Wild edible fruit species (WEFs) refer to exotic indigenous fruit trees and naturalization occurring in the natural environment. The aim of this study was to investigate indigenous knowledge related to the use of WEFs and assess their contribution to food security and dietary diversity for local people in North Aceh region. From two districts in North Aceh, Indonesia, plant materials were gathered randomly. Using a survey technique and semi-structured interviews, ethnobotanical information was gathered. A total of 60 participants has been surveyed using a simple random sampling questionnaire. The technique and group discussions of the informant agreement were used for cross-examination and verification of information. For data analysis, descriptive statistics and quantitative ethnobotany techniques are used. We have reported 28 species distributed as food based on local allegations in 16 families. Most of these crops are collected from nature by local clients. *Garcinia mangostana* is of great importance to ICS. These results indicate that many crops can be eaten wild, sometimes reducing food insecurity for individuals in the region in challenging times.

**Keywords:** Ethnobotany, Food Diversity, Food Security, North Aceh , Wild Edible Fruit.

## INTRODUCTION

Wild edible fruit species (WEFs) refer to exotic indigenous fruit trees and naturalization occurring in the natural environment. WEFs have many functions as raw materials for medicine, food, and additives, while also contributing to food security for local people [1]. WEFs are known to contain various types of nutrients that are important for human health [2], [3]. The nutritional content of the fruit plays a role in reducing the risk of various diseases including diabetes, cancer, heart disease, and so on [3], [4]. More than 500 species of fruit are found in South and Southeast Asia. However, authentic data on the production and trade of wild tropical fruits are still small and limited, consumed by more than 90% by local people [5]. Information about it is still being disseminated in personal documents and has been unpublished scientifically.

Sumatra Island has high biodiversity including wild edible fruit species. Several studies have recorded consumption patterns of wild edible fruit species by local people in several places in Indonesia [6], [7], [8], [9], [10], Malaysia [11], India [12], [13], [14], [15], Sudan [16], and Rwanda [17]. Specifically in Aceh research has been carried out in Langsa [18], Aceh Tamiang [19], [20], East Aceh [21], and West Aceh [22]. Local knowledge by the community around the forest has an important role in the management and conservation of wild edible fruit species resources [23], [24]. Conservation efforts that have been carried out such as the utilization of wild edible fruit species in daily life and some for sale. Including what has been done by the community in the forest area of North Aceh Regency. The wild edible fruit species in North Aceh Regency have made significant contributions improve food security and livelihood for local people. there is not much of ethnobotanical evidence for North Aceh therefore, we conducted an ethnobotanical study in this part of Aceh, focusing on wild edible fruit species. The aim of this study was to investigate indigenous knowledge related to the use of WEFs and assess their contribution to food security and dietary diversity for local people in North Aceh region.

## RESEARCH METHOD

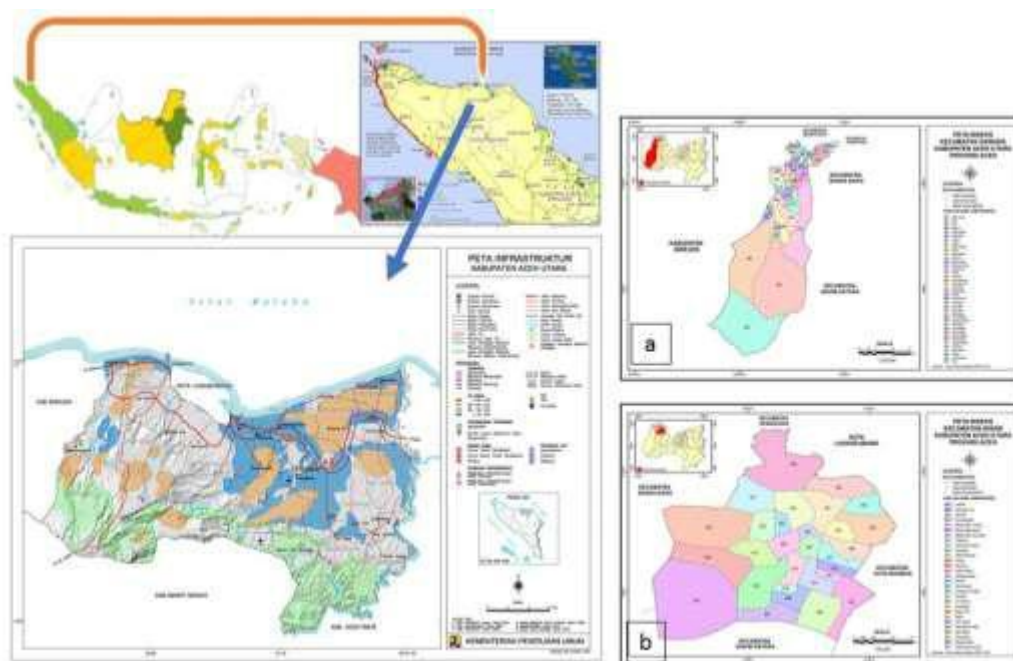
### Study Site

The wild edible fruits recorded with random survey method in Nisam and Sawang district, North Aceh region, province of Aceh (Figure 1). This research was conducted during April – June 2019. All research locations have a tropical climate with two seasons, namely the dry season and the rainy season. The dry season mostly occurs from January to July, and the rainy season lasts from August to December. Rainfall ranges from 0 to 171 millimeters per year with the number of rainy days between 4 and 159 days per year. The average temperature is around 27.15°C. April and May are the hottest months reaching 28.1°C, and December is the coldest months with temperatures of 25.9°C. The air condition is not too humid with an average humidity of 54%. Topography is generally lowland and mountainous regions.

### Data Collection

Ethnobotany data were obtained using a semi-structured interview method by following the method used by Cotton [25]. A total of 60 participants has been surveyed using a simple random sampling questionnaire. Informants were investigated in Acehnese, Malay or Indonesian, depending on the language they use. Interview questions regarding Specific information such as local plant names, uses in daily life such as for medicine, and cooking techniques, harvest and maintain plants. Identification of fruit plants refers to Flora of Java [26], [27], [28] and PROSEA, Southeast Asian Vegetable Resources 2, Fruits Edible [29]. Utilization rate plants for society are measured by Index of cultural importance (Index of Cultural Significance / ICS) [30], [31].

**Figure 1. Map of North Aceh Showing the Two Study Areas: (a) Sawang District dan (b) Nisam District**



### Data Analysis

The data was analyzed by calculating the value of the Index of Cultural Significance (ICS), using the technique developed by Turner [30]. Assessment of this cultural importance index uses three components namely the quality of use, intensity of use, and the exclusivity of use with the following formula [30]:

$$ICS = \sum_{i=1}^n (q_i \times i_i \times e_i) n_i$$

Each plant species has several uses, so that the formula unpacks as follows [30]:

$$ICS = (q_1 \times i_1 \times e_1)n_1 + (q_2 \times i_2 \times e_2)n_2 + \dots + (q_n \times i_n \times e_n)n_n$$

Where: q = quality value, i = intensity value, e = exclusivity

## RESULT AND DISCUSSION

### Diversity of Wild Edible Fruit Species

A total of 28 edible wild fruit species belonging to 22 families have been found at the study site (Table 1). *Anacardiaceae* and *Phyllanthaceae* are the most common families, consisting of five and four species. *Clusiaceae*, *Mystaceae*, *Lauraceae*, *Rutaceae* found as many as 2 species, while *Ebenaceae*, *Apocynaceae*, *Malvaceae*, *Mimosaceae*, and *Passifloraceae* were found one species each.

**Table 1. Scientific Name, Vascular Name and Family of Wild Edible Fruit in Study Site**

Botanical Name	Family	Vernacular Name
<i>Archidendron jiringa</i> (Jack) Neil.	Mimosaceae	Jengkol
<i>Artocarpus champeden</i> (Lour.) Stokes	Moraceae	Cempedak
<i>Baccaurea brevipes</i> Hook.f.	Phyllanthaceae	Tampoi/Pupok
<i>Baccaurea motleyana</i> Muell.Arg.	Phyllanthaceae	Rambai
<i>Bischoffia javanica</i> Blume	Phyllanthaceae	Tingkem
<i>Blumeodendron tokbraii</i> (Bl.) Kurz	Phyllanthaceae	Tampang
<i>Dillenia indica</i> L.	Dilleniaceae	Meudarah
<i>Diospyros kaki</i> Thunb	Ebenaceae	Kesemek
<i>Durio zibethinus</i> Murr.	Malvaceae	Durian
<i>Endriandra sp</i>	Lauraceae	Pala hutan
<i>Flacourtia rukam</i> Zoll. & Moritzi	Flacourtiaceae	Rukam
<i>Garcinia atroviridis</i> Griff. ex T.Anderson.	Clusiaceae	Asam gelugur
<i>Garcinia mangostana</i> L.	Clusiaceae	Manggis
<i>Glycosmis citrifolia</i> (Willd.) Lindl.	Rutaceae	Urot merah
<i>Lansium domesticum</i> Corr.	Meliaceae	Lansat
<i>Leuconotis eugenifolius</i> A.DC.	Apocynaceae	Punti
<i>Limonia acidissima</i> L.	Rutaceae	Boh batok
<i>Mangifera caesia</i> Jack.	Anacardiaceae	Binjai
<i>Mangifera foetida</i> Lour.	Anacardiaceae	Mancang
<i>Mangifera odorata</i> Griff.	Anacardiaceae	Kuweni
<i>Mangifera quadrifida</i> Jack.	Anacardiaceae	Kumbang
<i>Musa balbisiana</i> Colla	Musaceae	Pisang hutan
<i>Passiflora foetida</i> L.	Passifloraceae	Markisa hutan, Jembutan
<i>Phoebe grandis</i> (Nees) Merr.	Lauraceae	Medang nangka
<i>Sandoricum koetjape</i> (Burm.f.) Merr.	Meliaceae	Boh Situi
<i>Spondias cytherea</i> Sonn	Anacardiaceae	Kedondong hutan
<i>Syzygium cumini</i> (L.) Skeels	Myrtaceae	Jembe keling
<i>Syzygium polyanthum</i> (Wight) Walp	Myrtaceae	Salam

We made an ethnobotanical comparison between our results and the regions that Indonesia and ASEAN were investigating in general. The number of WEFs that we found in the North Aceh region was higher compared to some reports in several ASEAN countries. In West Aceh, 44 wild edible fruit species were the most common area [22] (Table 2). There are 8 non-Western Aceh fruit species discovered in North Aceh, namely *B. javanica*, *B. tokbraii*, *D. indica*, *G. Atroviride*, *G. M. Citrifolia*, *P. grandis*, *balbisiana*, and *S. koetjape*.

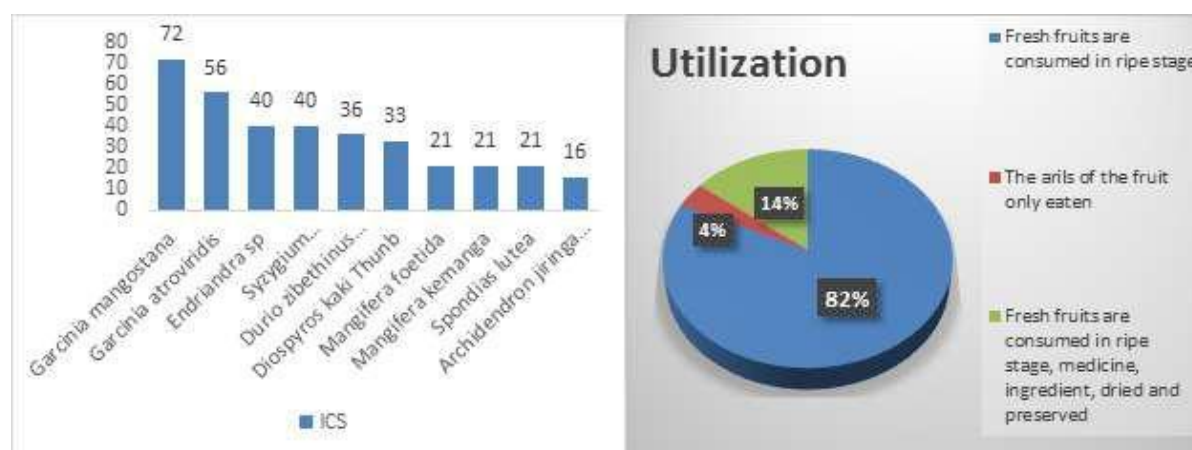
**Table 2. Wild Edible Fruit in Different Region in ASEAN**

Study site	Country	Number of species	References
North Aceh	Indonesia	28	[32]
West Aceh	Indonesia	44	[22]
West Kalimantan	Indonesia	11	[33]
Northeast Thailand	Thailand	34	[34]
Benguet, Cordillera	Philippines	36	[35]
Negeri Sembilan	Malaysia	7	[11]

### Utilization of Wild Edible Fruits Species

ICS (index of cultural significance) is the result of a quantitative ethnobotany analysis that shows the importance of each beneficial plant species based on community needs [36]. Based on the results of data analysis of fruit plants that are utilized by the community at the study site shown in Figure 2 below.

**Figure 2. ICS and Utilization of Wild Edible Fruits Species at All the Study Site. (a). ICS Value of Wild Edible Fruits Species; (b). Utilization of Wild Edible Fruits Species**



Based on the ICS analysis results in the table above shows that the use of wild edible fruit in North Aceh Regency is included in the high, medium and low levels. Utilization of fruit plants that are classified as high is manggis (*G. mangostana*) with an ICS value of 72 and asam gelugur (*G. atroviridis*) (Figure 2a). *G. mangostana* has the greatest ICS value because it is also used as a traditional medicine in relation to the fruit eaten in fresh, fruit skins and bark can also be used to treat diarrhea pain, as well as stems for construction equipment. *G. mangostana* is one of Indonesia's high-economic value export goods [37] and has a delightful taste until it is recognized as the "queen of fruits" and is a superior Indonesian fruit [38]. All kind of fruit found at the study site showed that fresh fruit was consumed in the ripe stage by 82% (Figure 2b) such as *M. foetida*, *M. odorata*, *S. cumini*, and *S. koetjape*. As many as 4% of aryl fruit that is only eaten is *D. zibethinus*. Fresh fruits are consumed in the mature, medicinal, dried and preserved stages of 14%, such as *G. atroviridis* and *G. mangostana*. We can also eat *L. eugenifolius* by creating juice. Our past study demonstrates that communities in the area of Aceh Tamiang like to eat *M. foetida* has a sweet and fragrant flavour [20].

Wild edible fruits species are also used by the community at study site as traditional medicine (Table 3). *G. atroviridis* is used as a spice in cooking and medicine, such us leaves as an antimalarial. *G. atroviridis* is known to have potential in the health world because it contains antioxidants, antimicrobials, antifungals, antiobesity and lipid metabolism, cytotoxicity, anti-inflammatory, and antimalarial [39], [40]. Moreover, *G. mangostana* is also used to treat digestive diseases like diarrhea and dysentery by the fruit and bark [37], [39].

**Table 3. Traditional Medicinal Use at All the Study Site**

Scientific Name	Part use	Utilization
<i>Archidendron jiringa</i>	Leaves	Leaves are used to treat toothache
<i>Garcinia atroviridis</i>	Leaves	Leaves as an antimalarial
<i>Garcinia mangostana</i>	Fruit and Bark	Fruit and bark used in diarrhea and dysentery. Fruit also believed to maintain digestive health
<i>Sandoricum koetjape</i>	Leaves	Leaves are used as a stomachache medicine
<i>Syzygium cumini</i>	Fruit, leaves and bark	The fruit and leaves are used in the treatment of diarrhea, bark juice is used to treat wounds
<i>Syzygium polyanthum</i>	Leaves	Leaves are used as a stomachache medicine

### Socioeconomic Significance of Wild Edible Fruits Species

Along with community life growth in North Aceh region, but the role of forests has not been replaced by meeting the economic needs of the community at the study site. Forest resources continue to be a source of household income for local people in the forest area (Table 5).

**Table 5. A few EIFs are Commercialized in the North Aceh region**

No	Scientific name	Quantity (Kg)	Market Price (IDR)	Economic value (IDR)
1	<i>Artocarpus chameden</i>	250 ± 1.05	7,000	1,750,000
2	<i>Baccaurea motleyana</i>	80 ± 0.05	10,000	800,000
3	<i>Diospyros kaki</i>	60 ± 0.05	15,000	900,000
4	<i>Garcinia mangostana</i>	80 ± 1.23	15,000	1,200,000
5	<i>Garcinia atroviridis</i>	150 ± 1.15	7,000	1,050,000
6	<i>Leuconotis eugenifolius</i>	100 ± 1.15	10,000	1,000,000
7	<i>Mangifera foetida</i>	100 ± 1.18	12,000	1,200,000
8	<i>Mangifera odorata</i>	120 ± 1.05	10,000	1,200,000
9	<i>Mangifera caesia</i>	100 ± 1.23	10,000	1,000,000
10	<i>Sandoricum koetjape</i>	80 ± 1.16	10,000	800,000
11	<i>Syzygium attenuatum</i>	30 ± 0.05	8,000	240,000
12	<i>Syzygium cumini</i>	40 ± 0.05	8,000	320,000

Our results show that up to 42% of all respondents sold WEFs. WEF sales can provide benefits and increase household income. Several high-priced local fruit species, like *G. mangostana* and *D. kaki*, have been claimed to be easily traded. WEFs are known to have an aroma, flavor and taste almost similar to cultivated edible fruits [22]. The value added to separate WEFs and cost-benefit assessment disclosed the revenue can be boosted by three to four times if goods such as juice, pickles, jam, snack food and salad are improved. WEFs are very essential for local people and show that the accessibility of WEFs plays a significant part in rural livelihoods through food security and dietary diversity guarantees.

### CONCLUSION

A total of 28 species were found that belonging to 16 families was encountered in the study site. Most utilizing of wild edible fruit species includes *Garcinia mangostana*, *Garcinia atroviridis*, *Baccaurea motleyana*, *Durio zibethinus*, *Lansium domesticum*, and *Mangifera odorata*. *G. mangostana* and *G. atroviridis* retains a high significance for ICS. The findings show WEFs are very essential for local people and show that the accessibility of WEFs plays a significant part in rural livelihoods through food security and dietary diversity guarantees.



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# MALAYSIA- INDONESIA SOFT POWER AND FOREIGN POLICY: STRENGTHENING BILATERAL RELATIONS THROUGH INTERNATIONALIZATION OF HIGHER EDUCATION

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## Abstract

There is continuity and change in Malaysia's foreign policy in the past six decades under the leadership of six Prime Ministers. The 'returns' of Mahathir as the 7<sup>th</sup> Prime Minister of Malaysia might probably signal the changes in the contemporary Malaysia's foreign policy in responds to the globalization. One of the important sectors that actively embrace the positivity of globalization is higher education. There are a positive capability of higher education institutions (HEIs) as an instrument of Soft Power to strengthen the bilateral relations between Malaysia and Indonesia. With many unsettled security disputes and issues in between Malaysia and Indonesia, Mahathir and Jokowi might be prioritizing their Soft Power strategy. In the Malaysia context, growing numbers and the reputations of HEIs indicate the possibility that higher education to be integrate into enhancing and shaping the foreign policy. This paper highlights the potential of higher education institutions (HEIs) to be an effective platform to enriching the state's soft power and strengthening the bilateral relations between Malaysia and Indonesia through the internationalization of higher education.

**Keywords:** Foreign Policy, Higher Education, Indonesia , Internationalization Soft Power, Malaysia.

## INTRODUCTION

The reflection of the past civilization and history of the two states<sup>1</sup>, Malaysia and Indonesia are the main guises of Syed Muhammad Naquib Al-Attas's lecture on the importance of Islam in the history and culture of the Malays. Ibn Khaldun is the first Islamic historian to write on civilization using the word 'umran'. His view on the birth of civilization is as soon as some kind of social organization is formed, civilization 'umran' results and when a social organization grows more populous, a larger and better 'umran' results[1]. History as described by Ibn Khaldun<sup>2</sup> as an art of valuable doctrine, numerous in advantages and honourable in purpose, it informs us about bygone nations in context of their habits, the prophets in the context of their lives and kings in the context of their states and politics, so those who seek the guidance of the past in either worldly or religiously matters may have that advantage [2]. It is as a collective memory of a mankind and a narrative that helps to construct the essence of group's identity, how it relates to other groups and ascertains what its options are for facing present challenges [3].

According to Syed Muhammad Naquib Al-Attas, one of the important transformations in the process of Islamic cultural history is the disperse of Malay Language as a medium of instruction not limited to the scope in epic and roman literatures, most vital in the discourse of philosophy [4]. Malaysia and Indonesia shared a similar linguistic heritage as Malay Language *Bahasa Melayu* is synonym with Indonesia

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<sup>1</sup> Ibn Khaldun discussed the origin of the state and assigned an important role to religion in thus respect. He also gave a resume respect of important officials of the Islamic state such as Mufti, qadi (judge), muhtasib (a municipal official performed in functions of a market inspector and censor of public morals).

<sup>2</sup> Muslim historian, famously known with his Masterpiece- *Muqaddimah* meaning Introduction published in 1377.

Language *Bahasa Indonesia* as both languages can be understood by those who speak either. Apart of linguistic, both states shared many similarities of ‘sibling identity’ in a cultural aspect, for example the traditional songs and dances of Indonesia and Malaysia are not uncommon, especially in regions such as the Malaysian state of Negeri Sembilan, where many Malays can trace their ancestry back to West Sumatra with the traditional architecture of Negeri Sembilan also has much in common with the Minangkabau architecture style of West Sumatra [5].

Alongside language and culture, Islam has long been promoted as a pillar of the cultural connection between Malaysia and Indonesia. In the colonial era, it becomes clear that Islam has played a cohesive role in the region [5]. According to Robequain [6] and Shamsul [7] the European Colonists have found in the Malay World is one of the most favorable tropical regions for putting their colonizing urge into practice and when they entering the Malay World, the colonists tried to comprehend using their forms of knowing and thinking.

Nonetheless, Malaysia and Indonesia managed to escape and survive as a ‘sovereign state’ in the mid-of 19<sup>th</sup> century against the quest of the long colonialization of the ‘West’. Do this ‘new era’ with the ‘fresh soul’ and free from the ‘colonial regime’ provide a better insight to understand and comprehend the Malaysia- Indonesia foreign relations? The Malaysia- Indonesia relationship is one of the most important bilateral relationships in Southeast Asia and both states are committed to the relationship, especially at the highest levels of government and much has been made of their ‘sibling identity’ [5]. With many similarities in language and culture, the hard truth is the relations between Malaysia-Indonesia is seldom straightforward. Throughout history after the colonial era, Malaysia-Indonesia has able to solve a few major disputes, one of the important historical events for both states is during the postcolonial, Confrontation against the formation of Malaysia. Indonesia’s confrontation of Malaysia during the years 1963 to 1966 was enigmatic affair, less than a war but something more than a merely diplomatic dispute or a political campaign to serve one political purpose [8].

## **RESULT AND DISCUSSION**

### **Soft Power in the Higher Education**

The idea of state<sup>3</sup> rests on the notion that there should be a unified source of political authority for a territory, drawing upon undivided loyalties of its population, operating in a well- organized and permanent way, and directed towards the interests of the society [9]. Hence, in protecting the sovereignty of its territory, power is necessary as a ‘currency’ for the state in providing security, enforcing the law and order, enhancing a sound economy or even implementing foreign policy. There are many types of power, in the context of discussions of two converge aspects foreign policy and higher education, soft power is prevailing. Soft power rests on the state’s ability to shape the preference through attraction or simply known as the attractive power [10]. Further, Nye explains the soft power of a state rests primarily on three resources, its culture, its political values and its foreign policy, where the policy is seen as legitimate and having moral authority. Nonetheless, the role of morality in foreign policy continues to be a matter of lively debate [11].

Since independence, Malaysia’s foreign policy has transformed constantly yet, remains consistent in safeguarding national interests and at the same time, to strengthen its relations with other states and international organizations, regionally and internationally. The overarching thrust of Malaysia’s foreign policy has been to safeguard Malaysia’s sovereignty and national interests as well as to contribute meaningfully towards a just and equitable community of a nations through the conduct of an effective diplomacy [12]. In a globalized era, one of the most visible aspects is the student mobility as more than 2.5 million students studying outside their home countries and estimated there will be 8 million international students by 2020 [13]. Higher education has created a phenomenon of ‘knowledge business’ that generate profit to the host higher education institutions (HEIs) and the states through the massive development of internationalization strategy. In the simplest explanation, HEIs internationalization is an international tertiary education engagement.

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<sup>3</sup> States are among the most important political form and actors in International Relations.

According to Joseph S. Nye [14], a political scientist that coined the term ‘soft power’, universities can help raise the level of discussion and advance foreign policy by cultivating a better understanding of power and how the world has changed in important ways over the last 20 to 30 years [10]. At this time, government, media, non-governmental organizations (NGOs) and intergovernmental organizations (IGOs) are the referees for credibility and legitimacy in foreign policies [15]. Table 1 below depicts the Soft Power Sources, Referees and Receivers.

**Table 1. Soft Power Sources, Referees and Receivers**

<b>Sources of Soft Power</b>	<b>Referees for Credibility or Legitimacy</b>	<b>Receivers of Soft Power</b>
Foreign Policies	Government, Media, Non-governmental organizations (NGOs) and intergovernmental Organization (IGOs)	Foreign Government and Publics

Source: [15]

Analyzing Table 1: Soft Power Sources, Referees and Receivers, how influential the higher education through its internationalization strategy to be the next ‘big thing’ as a referee for credibility or legitimacy in foreign policy?

Acknowledging the ever-changing landscape of higher education in the era of globalization and the important role of higher education institutions (HEIs) in sustaining the economic development of the state through various aspects despite being a repositories and generators of knowledge, producing human capital, inculcate a good personality among its students, facilitate the communities with skills and knowledge and many more. Nevertheless, in coping with a drastic revolution in the globalized era with the intensification mobility of international students, internationalization patterned a ‘trending’ in the HEIs discourses. At the preliminary stage, power paradigm adopted the Nye’s soft power is used to explore the reliability and capability of HEIs and its internationalization strategy to be incorporate as a ‘possible’ referees for credibility in foreign policy and at the same time, to accept the suggestion by Nye that universities can raise the level of discussion on foreign policy by fostering a better understanding of power. In fact, according to Muhammad, Crow & Akhmetova [16] increasingly it is recognized that the dynamics of soft power is capable of providing concrete benefits and persuading others without reliance on military prowess or coercive diplomacy.

### **Internationalization of Higher Education Institutions (HEIs)**

The emergence of ‘knowledge-based society’ sparked the expansion of HEIs activities in all facets due to the increase demands and expectation beyond the state’s boundaries and local dimension. Globalization affected economic, political and societal forces pushing 21<sup>st</sup> century higher education toward greater international involvement [17]. It accelerated rapid changes to the character and function of higher education. As globalization heightens, internationalization in HEIs become mainstreamed. Internationalization is a process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education include the dimensions of teaching, research and service functions of the institution [18] [19]. The rapid development of internationalization in Asia started as early in 1990s with the mobility of students, scholars and researchers, academic cooperation, joint research between different states.

This transnational higher education (TNHE)<sup>4</sup> has become an increasingly vital and integral part of the internationalization of higher education in many states and Asia is the most active region for the participation in TNHE especially in the mainland China, Singapore and Malaysia [20]. The driving forces for the introducing foreign higher education activities as a respond to the increase tertiary education enrolment and pace of massification of these states higher education system. However, Huang [20] emphasized these two major concerns regarding TNHE in this region concerning how the

<sup>4</sup> Defined as that in which the learners are located in a country different from that where the awarding institution is based.

quality of TNHE can be assured and how a national identity and character can be maintained. Emphasizing on quality with a strong intention to enhance global competitiveness, HEIs in Asia have taken university-ranking very seriously in a quest to accelerate the internationalization strategy. For instance, the Chinese government launching a project known as ‘211 Projects’ and ‘985 Programme’ enable some HEIs to become ‘world-class universities’ through allocation of additional funding to these selected HEIs in order to improve their teaching and research facilities [21].

In Malaysia, Ministry of Higher Education (MOHE)<sup>5</sup> was concerned with the performance of public HEIs due to the increasingly calls for accountability since the government has and continues to invest heavily in their development and the pursuit for international recognition to be a ‘world-class universities’ as stated in the National Higher Education Strategic Plan (NHESP) in the form of targeting public HEIs (though this is not stated explicitly) to be ranked among the top in the world [22], Internationalization has initiated the increasing mobility of students, institutional and programs. The changing outlook in the development of higher education has shifted Malaysia from a sending to now become the receiving home countries for international students. Table 2 below depicts the total number of HEIs in Malaysia.

**Table 2. Total Number of Higher Education Institutions in Malaysia**

<b>Public HEIs</b>		<b>Private HEIs</b>	
Research University	5	University	53
Comprehensive University	4	International Branch	
Focused University	11	Campus University	10
		University College	38
		Colleges	348
<b>Total</b>	<b>20</b>	<b>Total</b>	<b>449</b>

Source: [23]

With the growing number of HEIs, which is nearly 500, the students have more variety and option to furthering their higher education in Malaysia. The quest for internationalization in term of government policies is motivated primarily by the economic considerations as estimates that Malaysia will gain RM3 billion in foreign exchange from the targeted 100, 000 international students in 2012 [22]. With the large pool of HEIs in Malaysia and the determination by the HEIs and government in internationalization, Malaysia have the potential to be the outstanding and preferred higher education

### **Overview of Malaysia’s Foreign Policy**

After independence in 1957, the major external issue for Malaysia (known as Malaya before 1963) is the lack of defense capability. Tunku Abdul Rahman<sup>6</sup>’s foreign policy is portrayed more on ‘pro-western’, ‘anti- communist’ and favorable to Southeast Asia regionalism. It is due to the dynamic regional and international security environment during the Cold War as well as the internal state’s condition, economically, politically and socially. Tunku’s continuing determination to encourage various forms of regional co-operation with primary purpose was to establish a grouping of Southeast Asian states that would focus on social and economic development [24]. In a post- independence, armed communist caused a serious threat to the Malaysia national security. Not only with communism, racial riot 13 May 1969 heighten the disunity in a multiethnic society.

<sup>5</sup> Prior to the Malaysia 14<sup>th</sup> General Election in May 2018, under new Government, MOHE has been changed back to Ministry of Education (MOE) under the leadership of Tun Dr Mahathir Mohamad.

<sup>6</sup> First Prime Minister (1957- 1970) and known as Father of Independence for Malaysia.

Post 13 May 1969<sup>7</sup> is a turning point for Malaysia in shaping its internal and external strategies to ensure the survival as a sovereign state. One of the bravest strategies that changed the landscape of foreign policy was during the premiership of Tun Abdul Razak<sup>8</sup>, Malaysia started to have a new diplomatic relation with the communist states including the People Republic of China (PRC) in 1974. His foreign policy emphasized four important pragmatic principles, which are non-aligned, neutralization, peaceful co-existence and regionalism through the Association of Southeast Asian Nations (ASEAN) [25]. The Zone of Peace, Freedom and Neutrality (ZOPFAN) an excellence idea initiated by Tun Abdul Razak to keep the Southeast Asia free from any form or manner of interference by the outside powers. ZOPFAN that encourages the spirit of regionalism cherished by ASEAN until today. It was at Lusana that Tun Abdul Razak sought for the first time, at an international forum, the endorsement for the Malaysia's proposal to safeguard the neutralization of Southeast Asia, soon to become the centerpiece of foreign policy [26]. Tun Hussein Onn<sup>9</sup> continues the foreign policy legacy patterned by his predecessor. The longest Malaysian Prime Minister in the office, Tun Dr Mahathir Mohamad<sup>10</sup>, an 'iconoclastic' leader in the history of Malaysia shaped the Malaysia's foreign policy as independent, active and pragmatic that resulted Malaysia becoming more internationally recognized as a model of stable, multicultural and developing with a relatively impressive economy [27].

Nearing the 'bipolar' era, Mahathir had started alerting nations in ASEAN and the South-South regions to the probable use of economic and non-military factors as tools to undermine their future survival, hence, Malaysia readjusted its foreign policy focus by giving priority to advanced economies and emerging big powers in East Asia consolidating the ASEAN resilience and establishing closer cooperation with South-South, Non-Aligned Movement (NAM) and the Organization of Islamic Cooperation (OIC) [28]. The first portfolio in Tun Abdul Razak's Cabinet given to him was as Education Minister. Education is very closely associated with Tun Mahathir Mohamad. As mentioned, 'future survival' of Malaysia as a sovereign state rely on its capacity to safeguard the national security, thus, national security is essentially a function of economy, and the economy is essentially a function of education accomplishment. The 'Look East Policy' emphasizing reflected his motivation to placed Malaysia on more active role in international affairs through a foreign policy that enhance the positive image of the state and in a quest to obtain the international reputation and recognition. The policy emphasized the needs to learning from Japan and South Korea models of development, emulating their work ethic and management styles and strengthening Malaysia's economic links with both states [29].

Tun Abdullah Ahmad Badawi<sup>11</sup> emphasized the need of Malaysia to be progressively modern and advanced model of Islamic state. He introduced concept of 'Islam Hadhari' a philosophy that reminded Muslims that their faith unequivocally required them to succeed in both worlds- life in this world, as well as life in the external world, that is the afterlife [30]. A short tenure as Prime Minister, there had been a little change in foreign policy. Nonetheless, among his significant contribution to enhance the image and positioning Malaysia as a progressive modern Muslim state globally by actively promoted cooperation through the production and distribution of the Halal foods [31]. Three years appointed as President of the Organization of Islamic Cooperation (OIC), Tun Abdullah expressed that OIC should be the organization that benefitted to the Muslim ummah.

The Muslim ummah needs and demands its success. For example, we are talking about poverty in the Muslim world, lack of education, sickness and health problems or food security and malnutrition [16].

Malaysia's foreign policy with regard to the projection of Abdullah's Islam Hadhari or a new civilization understanding of the religion, emerged as a new force [24]. The eldest son of Malaysian Second Prime Minister, Dato' Sri Najib<sup>12</sup> 1Malaysia<sup>13</sup> concept and apply his vision of 1Malaysia locally and internationally. He has spoken of foreign policy as coming under the domain of his political philosophy,

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<sup>7</sup>Disastrous interethnic clashes escalated in Kuala Lumpur that led to the suspension of Parliament.

<sup>8</sup> Second Prime Minister (1970-1976) & Father of Development for Malaysia.

<sup>9</sup> Third Prime Minister of Malaysia (1976-1981).

<sup>10</sup> Fourth Prime Minister (1981-2003) and appointed again as Prime Minister after his new political coalition won in Malaysia 14<sup>th</sup> General Election in 2018.

<sup>11</sup> Fifth Prime Minister (2004-2009), also known as Pak Lah introduced concept of Islam Hadhari (Civilization Islam) moral and religious values to inspire the rules for a global neighbourhood in a multicultural world.

<sup>12</sup> Sixth Prime Minister (2009-2018) born in a political elite family and ended the Barisan Nasional (BN) ruled for over six decades in 2018, nevertheless, maintained as Member of Parliament in Pekan, Pahang.

<sup>13</sup> Concept that cherish the diversity in a multiethnic society in Malaysia.



'1Malaysia, People First, Performance Now'. In delivering speech at the 7<sup>th</sup> Heads of Mission Conference, he highlighted that 1Malaysia will be principles that will shape Malaysia's foreign policy with concerted effort at linking up with successful, emerging economies in East Asia and the Middle East that allow Malaysia explore into much-needed investment, technology and markets to ensure long-term sustainability of the economy [27].

Effective foreign policy is very crucial in a modern and globalized era, the policy should able to protect the territorial integrity and sovereignty as well as interests of its citizen. Malaysia's foreign policy had changed considerably. Analyzing at the current political scenario, the 'uncertain' direction on Malaysia's foreign policy sparked the debate on the continuity or change under the premiership of Tun Mahathir in his second tenure as Prime Minister. Acknowledging his long determination on education, higher education institutions are crucial in the development.

## CONCLUSION

### A Way Forward

Higher education is the sector that evolving rapidly and contribute significantly towards the economic development and growth of Malaysia. Nevertheless, discussion on the capability of higher education as a soft power instrument in foreign policy especially for a small state and a non-Western is discouraging. International relations always 'mingling' with the power paradigm more towards 'Western-centric' and 'Big Powers'. Malaysia is not new in using soft power through its diplomacy in dealing with the past challenges like communism, confrontation with Indonesia, dispute with Singapore that led to it separation from Malaysia, dispute over Spratly Island and many more.

In contrast with the past soft power strategies, with the blooming of HEIs in Malaysia, the government should take a serious thought to actively integrate the capability of HEIs to its foreign policy, not only to enhance the external relations with other states over the existing various disputes and most important, to boost the positive image of Malaysia in the 'eyes' of the world through the internationalization of HEIs. In the transition to be a developed and modernized state, both government and HEIs should take a vigorous effort to placed Malaysia to be a well-respected sovereign state internationally. The government should constantly respond by changing the contemporary practiced of diplomacy, as mentioned by Knight [18] a 'state-centric' focusing primarily on ministries of foreign affairs and professional diplomats is no longer adequate. For HEIs, in the quest for successful internationalization, they should emphasize on the quality of higher education given to the international students and the effort to preserve the Malaysian identity. The aim of HEIs internationalization should be beyond the profit-making, more significant to create the lasting positive image of Malaysia in the 'hearts' and minds' of these international students. The growing number of HEIs which nearly 500, the recognized reputation of these HEIs portrayed in the Global World Rankings and the active internationalization efforts are among mechanisms that indicate the potential of HEIs to be a soft power instrument in foreign policy. With an effective foreign policy and internationalization of HEIs, the bilateral relations between Malaysia and Indonesia can be strengthen and improved.

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# **THE POLICY OF ASEAN COMPREHENSIVE INVESTMENT AGREEMENT (ACIA) IN THE LAW OF INDONESIA'S CAPITAL INVESTMENT ON THE ASEAN ECONOMIC COMMUNITY**

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## **Abstract**

By the blueprint of ASEAN Economic Community 2015, it is arguing that ASEAN intend to realize the free single market on capital investment of the member states. By the reason, the comprehensive agreement on investment known as ASEAN Comprehensive Investment Agreement (ACIA) 2009 was executed. It involves comprehensive investment in ASEAN to establish —an open and free capital investment regimel for support of economic development in realizes the social welfare. In other side, Indonesia was executing the Capital Investment Law, Act No.25 of 2007 on regulation of investment in Indonesia. The study intends to analyze an implementation of ACIAs policy on regulation of investment in Indonesia. Secondly, it is reviewing an implication of ACIA to the development of capital investment in Indonesia. The method used in research is social legal study. It is arranged to analyze an implementation of ACIAs policy. Moreover, in complement the validity of data, it is arranged an interview comprehensively to the concerned parties. Then, the normative legal study also arranged by literature study in reviews the content of ACIA and Act of Capital Investment of Indonesia, and any related stipulation and the implication to Indonesia. The ASEAN Comprehensive Investment Agreement intend to create the free and open capital investment regime in ASEAN by progressive liberalization on regimes in the member states to obtain the final destination of economic integration in ASEAN Economic Community (AEC). It is important to Indonesia as there is an opportunity in use the cooperation to improve and developing an economy of Indonesia. There is a challenge, however, in harmonize the legal admission of capital investment in Indonesia between Act No.25 of 2007 and ACIA. In this case, in correlation with capital investment that will be established and the dispute of settlement for the future, the legal harmonization is absolutely important.

**Keywords:** Policy; ASEAN Comprehensive Investment Agreement (ACIA); Capital Investment Law of Indonesia and ASEAN Economic Community.

## **INTRODUCTION**

Since 1967, besides political stability, the founders of ASEAN must emphasize on increasing economic development progress in this territory. Among others, the ASEAN Declaration emphasizes one of main targets for more effective cooperation in uses agriculture and industry, expanding trade in dealing with international commodity trading, improving transportation and communication facilities as well as improves of social living [1].

In progress, at the 8th ASEAN Summit in Phom Penh on 4 November 2002, Singapore's Prime Minister Goh Cok Tong initiates initial ideas on establishes an ASEAN Economic Community among the ASEAN member states. In 19 November 2002, the ASEAN Secretariat noted Prime Minister Goh Cok Tong's idea as follows:

ASEAN must be seen as working in clear direction towards a clear goal. Our cooperation projects must be really working. Singapore proposes the ASEAN Economic Community as an end point, not like the EU now, but like the EEC of the previous year with some suitable elements that could be adopted by ASEAN. Ministers and officials concerned should study and report their finding and recommendations at the 9th ASEAN Summit.

The ASEAN economic integration process was reaffirmed by Bali Concord II at the 9th ASEAN Summit in Bali in October 2003. In the meeting, ASEAN leaders agreed that ASEAN cooperation directed to establish an ASEAN Community, and one of them called ASEAN Economic Community (AEC). Basically, the idea of AEC appeared by several exchange in the world economy, especially emergence of two gigantic economies in Asian - China and India-which is increasingly gaining attention from the world. In the 12th ASEAN Summit at Cebu of January 2007, the Declaration on the Acceleration of the Establishment of ASEAN Community by 2015 was agreed. In this context, the ASEAN Economic Ministers have instructed the ASEAN Secretariat to draw up the —ASEAN Economic Blue Print immediately. Finally, in the 13th ASEAN Summit at Singapore on 19-22 November 2007 the two important documents were signed in the framework of ASEAN cooperation, called the ASEAN Charter and the ASEAN Economic Community Blue Print. The ASEAN Charter effective on 15 December 2008, 30 days after ratified by 10 ASEAN member states. In this case, Indonesia ratified the ASEAN Charter through Act No.38 of 2008 [2].

In this case, ASEAN was attempts to realize a free single market including —capital investment as depicted in Article 5 paragraph 1 of the ASEAN Charter, as follows:

To create a single market and production base which is stable, prosperous, highly competitive and economically integrated with effective facilitation for trade and investment; facilitated movement of business persons, professionals, talents and labor; and freer flow of capital.

Therefore, ASEAN member states then agreed on an ASEAN Comprehensive Investment Agreement (ACIA) which was signed at Cha-Am (Thailand) on February 26, 2009. ACIA is a revision and combination of two agreements agreed upon by ASEAN previously, Framework Agreement on the ASEAN Investment Area (AIA Agreement) of 1998 and ASEAN Agreement for the Promotion and Protection of Investment) of 1987 known as the ASEAN Investment Guarantee Agreements (ASEAN IGA) [3]. According to M. Sornarajah, the ASEAN Comprehensive Investment Agreement (2009) is also a combination of the investment liberalization movement in ASEAN and protection of investment in the region. Therefore, the main purpose of this agreement is to provide a balance between protection of investment and safeguarding investment rules that are under the control of national interests [4].

The investment free flow in ASEAN as depicted in ACIA attempts to create a —liberal, facilitative, transparent and competitive investment environment in ASEAN. In this regard, ACIA will “progressively liberalize the investment rules of the ASEAN member states to achieve an open investment climate” in order to the ASEAN Economic Community 2015 by following actions [5]:

1. Extend non-discriminatory treatment, including national treatment and Most-Favored Nation Treatment, to investors in ASEAN with limited exceptions; minimize and where possible, eliminate such exceptions;
2. Reduce and where possible, eliminate restrictions to entry for investments in the Priority Integration Sectors covering goods; and
3. Reduce and where possible, eliminate restrictive investment measures and other impediments, including performance requirements.

An implementation of ACIA 2009 requires the ratification of instruments from all ASEAN member states [6]. In this case the ACIA agreement has been ratified by all member states. By ratification, all member states are bound to carry out the contents of the agreement of ACIA which the purposes intent to create a free and open investment regime in ASEAN to achieve the ultimate goal of economic integration in the ASEAN Economic Community (AEC) in 2015.

Since ratification, the ACIA 2009 must be implemented by ASEAN member states. Thus, it is required a “legal harmonization” of the member states to harmonize the laws and regulations in foreign investment (called, PMA) in order to liberalization of the ASEAN Economic Community launched in 2015. Harmonization of international treaties into the national law of a country is an important process to follow up the agreement to be implemented into the country. In this case, obviously, it is not an easy problem as the ASEAN member states have different legal systems and it will influence legal arrangements, especially in the foreign investment.

Indonesia has ratified this agreement through Presidential Regulation No. 49 of 2011 on Ratification of the ASEAN Comprehensive Investment Agreement (August 8, 2011). Therefore, Indonesia should complement the various capital investment arrangements to be consistent with the ACIA as was been stated in Article 26 of the Agreement.

At present, arrangement of capital investment in Indonesia is regulated by Act No. 25 of 2007 on Investment. Previously, the legal base of investment start with enactment of Act No. 1 of 1967 on Foreign Investment that in later amended by Act No. 11 of 1970 on Amendment and Additional Law No. 1 of 1967 on Foreign Investment and Law No. 6 of 1968 on Domestic Investment as subsequently amended by Law No. 12 of 1979 on Amendments and Additions Law No. 6 of 1968 [7].

The Act substitution in separable from the history and fluctuate situation of investment activities in Indonesia. Historically, the development of investment in Indonesia, it has been developing for long time, that in period more than forty years during investment activities in Indonesia, whether in foreign investment and domestic investment has develop and contributed in sustain the achievement of targets National development [7].

It is a challenge as well as an opportunity for Indonesia to improve of foreign investment in accomplish the ASEAN Economic Community launched in 2015. Indonesia has signed and ratified the ASEAN Charter in 2008 and participated in create the Blue Print for the ASEAN Economic Community that support of establishment a single joint market in the ASEAN, especially in investment so that legally Indonesia bound by the agreement.

### **Overview of the ASEAN Comprehensive Investment Agreement (ACIA) 2009**

In 26 February 2009, Cha-am, Thailand, the delegations from ASEAN member states signed the ASEAN Comprehensive Investment Agreement (ACIA). Previously, based on the decisions of 39th ASEAN Economic Ministers Meeting (AEM) held in Makati City, Philippines, on August 23, 2007, it had agreed to revise the Framework Agreement on the ASEAN Investment Area (AIA Agreement) signed in Makati City, Philippines, in 7 October 1998 as the comprehensive forward-looking investment agreement with improved forms and conditions, comparable to the best international practices in order to improve of investment among the states and enhance the competitiveness of member states in attracting investment into ASEAN.

The ACIA Agreement consists of 49 articles with various provisions related to investment liberalization in the ASEAN. It is part of the implementation of the blueprint of the ASEAN Economic Community in realizing ASEAN as a single market and production base with one of its main elements is free flow of investment. This is clearly stated in Article 1 of ACIA:

The objective of this Agreement is to create a free and open investment regime in ASEAN in order to achieve the end goals of economic integration under the AEC in accordance with the AEC Blueprint, through the following:

- a) Progressive liberalization of the investment regimes of Member States;
- b) Provision of enhanced protection to investors of all member states and their investments;
- c) Improvement of transparency and predictability of investment rules, regulations and procedures conducive to increased investment among member states;
- d) Joint promotion of the region as an integrated investment area; and
- e) Cooperation to create favorable conditions for investment by investors of a State Member in the territory of the other State Members.

By Article 1 on the objectives of the ACIA Agreement, ACIA comprises the legal concept of “free and open” investment regime in ASEAN to achieve the ultimate goal of economic integration in the ASEAN Economic Community. It is realized by actions called “progressive liberalization of investment regimes in member states”; Provisions for advanced protection of investors from all member states and the investment; Increased transparency and predictability of investment rules, regulations and procedures of conducive investment in member states; Joint promotion of the area as an integrated investment area; Collaboration in create a favorable conditions for investment arranged by investors from member state in the territory.

Moreover, ACIA comprises several principles that are widely used and recognized in international agreements. By the Principles, the liberalization of investment in the ASEAN runs as depicted in Article 2:

This Agreement shall create a liberal, facilitative, transparent and competitive investment environment in ASEAN by adhering to the following principles:

- (a) Provide for investment liberalization, protection, investment promotion and facilitation;
- (b) Progressive liberalization of investment with a view towards achieving a free and open investment environment in the region;
- (c) Benefit investors and their investments based in ASEAN;
- (d) Maintain and accord preferential treatment among Member States;
- (e) No back-tracking of commitments made under the AIA Agreement and the ASEAN IGA;
- (f) Grant special and differential treatment and other flexibilities to member states depending on their level of development and sectorial sensitivity;
- (g) Reciprocal treatment in the enjoyment of concessions among member states, where appropriate; and
- (h) Accommodate expansion of scope of this Agreement to cover other sectors in the future.”

Based on the article above, the ACIA agreement is intended to create a liberal, facilitative, transparent, and competitive investment environment in ASEAN based on the following principles:

- (a) Provides investment liberalization, protection, promotion and facilitation of investment;
- (b) Progressive liberalization of investment in order to create a free and open investment environment in the region;
- (c) Provides the benefits for investors and ASEAN-based capital investments;
- (d) Guarantee and provide preferential treatment between the member states;
- (e) There is no step backward on commitments under the AIA Agreement and the ASEAN IGA;
- (f) Provide the special and differential treatment and other flexibilities to member states, depending on the level of development and sectorial sensitivity;
- (g) Reciprocal treatment in enjoy of concessions among the member states, if appropriate; and
- (h) Accommodate the expansion of the agreement scope to cope with other sectors in the future.

Beside the principles, to liberalization of investment in ASEAN, ACIA supported by other principles also, called the principles of National Treatment and Most Favored Nation Treatment (MFN Treatment). In the principle of National Treatment comprised provisions as follows [8]:

1. Each Member State shall accord to investors of any other Member State treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the admission, establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its territory.
2. Each Member State shall accord to investments of investors of any other Member State treatment no less favorable than that it accords, in like circumstances, to investments in its territory of its own investors with respect to the admission, establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments.

Based on the principle of national treatment, each member states are required to provide investors from other investors of the member states with less favorable treatment than those given, under similar circumstances, as given to the investors themselves with respect to licensing, establishment, acquisition, expansion, management, implementation, operation and sale or release of other investments in the area.

Meanwhile, the similar principle of Most Favored Nation Treatment (MFN Treatment) comprises the provisions as follows [9]:

Each Member State shall accord to investors of another member state treatment no less favorable than that it accords, in like circumstances, to investors of any other member states or a non-member state with respect to the admission, establishment, acquisition, expansion, management, conduct, operations and sale or other disposition of investments.

The ACIA Agreement 2009 is an element to sustain the establishment of the ASEAN Economic Community (AEC). Generally, ACIA intend to increase investment activities among ASEAN member states and make the ASEAN region competitive so that it will becomes one of the destinations for investors in the world [10]. According to M. Sornarajah, ACIA is also a combination of the investment liberalization movement in ASEAN and the protection of investment in the region. Therefore, the main purpose of the agreement is to provide a balance between protection of investment and safeguarding investment rules that are under the control of national interests [4].

The free flow of investment in ASEAN as depicted in the ACIA is to create an investment environment in “liberal, facilitative, transparent and competitive for ASEAN. In this case, ACIA will “progressively liberalize the investment rules of the member states to achieve an open free investment climate” for the ASEAN Economic Community by any actions, as follows [5]:

1. Extend non-discriminatory treatment, including national treatment and Most - Favoured Nation Treatment, to investors in ASEAN with limited exceptions; minimize and where possible, eliminate such exceptions;
2. Reduce and where possible, eliminate restrictions to entry for investments in the Priority Integration Sectors covering goods; and
3. Reduce and where possible, eliminate restrictive investment measures and other impediments, including performance requirements.

Moreover, the ACIA Agreement comprises any comprehensive investment requirements based on four pillars such as liberalization, protection, facilitation and promotion; well-defined deadlines to investment liberalization; and benefits for foreign investors based in ASEAN. In 2011 the Ministry of Trade noted that the flow of foreign direct investment into ASEAN was relatively high. Even during the 2008 global crisis, direct foreign investment into the ASEAN region reached 59.7 billion US dollars. On the other hand, the growth of intra-ASEAN investment flows still small, increasing only 13.4 percent to 10.7 billion US dollars in 2008. The organization was attempted to create a favorable investment climate to improve intra-ASEAN investment and competitiveness to attract direct foreign investment to the region [11].

### **Implications of the ASEAN Comprehensive Investment Agreement (ACIA) on the Indonesian Investment Law**

After being signed and ratified, the ACIA agreement 2009 must be implemented by all ASEAN member states. Thus, it is required a “legal harmonization” by the member states to harmonize the laws and regulations in the foreign investment or their foreign investment in order to liberalization for the ASEAN Economic Community. Harmonization of international treaties into the national law of country is an important process to follow up the agreement to be implemented into the territory of a state. In this case, obviously, it is not an easy problem because the member states themselves have different legal systems and it will influence to their legal arrangements, especially in the foreign investment.

Additionally, the understanding of harmonization related to the application of international law into the national one described by Goldring: “harmonization to be a process whereby ... the effects of a type of transaction in one legal system are brought as close as possible to the effects of similar transactions under the laws of other countries.” It means that harmonization does not only tolerate the differences between harmonized legal elements between individuals, but also in application of harmonization level, regardless whether they had or had not any consequences of substantive differences in interpretation [12].

The term of harmonization in the Kamus Besar Bahasa Indonesia (KBBI), interpreted as having to do with (regarding) harmony; agreed. Meanwhile, the harmonizing is being harmonious. It is a process, a way, an act. And harmony is defined as a matter (state) of harmony; conformity; suitability. The National Legal Development Board of the Ministry of Law and Human Rights provides an understanding of the harmonization of the law as a scientific activity towards the harmonization process (alignment/suitability/balance) of written law with refers to the philosophical, sociological, economic and juridical values. By the understanding, it can be interpreted that the harmonization of laws and regulations is the process of harmonizing and harmonizing between laws and regulations as an integral part or sub-system of the legal system to achieve the legal objectives [13].

In correlation, Indonesia has ratified the agreement through Presidential Regulation No.49 of 2011 on Ratification of the ASEAN Comprehensive Investment Agreement (August 8, 2011). Thus, Indonesia



also should harmonize the investment policy or arrangements to be in line with the ACIA as was stated in Article 26 of the Agreement above. However, although Indonesia already has the Investment Law No. 25 of 2007 as replacement of PMA Law No. 1 of 1967 and the PMDN Law No. 6 of 1968 that it has begun to undergo any exchanges through includes new provisions that are aligned with global developments, there are still needs to be harmonized with the ACIA which was specifically formed for the liberalization of investment in the ASEAN region in the context an integration of ASEAN Economy Community. It also related to Law No. 25 of 2007 published, that the ASEAN Comprehensive Investment Agreement (ACIA) was formed in 2 years later, in 2009.

In connection with, Indonesia has also just ratified the ACIA through Presidential Regulation No. 49 of 2011; two years after ACIA was signed by the Government of Indonesia. Therefore, the legal provisions related to foreign investment in Indonesia must be re-harmonized thoroughly with the ACIA Agreement. The legal harmonization of this agreement required in addition to being an agreement of all ASEAN member states to integrate legal provisions in the investment but also to bring an opportunities for Indonesia to take an advantage of this collaboration in order to enhance and develop economic development in Indonesia. The existence of ACIA will —progressively liberalize the investment rules of the ASEAN member states to achieve a free and open investment climatel within the framework of the ASEAN Economic Community.

This is important activities as investment in Foreign Direct Investment and domestic one have a direct contribution to development. Direct investment will bring an economic growth, transfer of technology and knowledge, and create new jobs to reduce unemployment and will also be able to increase people's purchasing power [14]. For Indonesia, it is a challenge and opportunity to improve of foreign investment within the framework of the ASEAN Economic Community.

## CONCLUSION

The ASEAN Comprehensive Investment Agreement (ACIA) intend to establish free and open investment regime in ASEAN through progressive liberalization of investment regimes in ASEAN member states to achieve the ultimate target of economic integration in ASEAN Economic Community (AEC). For Indonesia it is an opportunity to take advantage of collaboration to improve and developing economic development. Besides that, however, there are also challenges to harmonize the legal arrangements for Indonesian investment (Law No. 25 of 1967) with ACIA. In this case, the harmonization of the law is important related to the investment system that will be built in the future and the settlement of disputes in future.

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# THE JURIDICAL REVIEW OF LAW AMENDMENT OF BRAND AND GEOGRAPHIC INDICATION IN TRADING LIBERALIZATION OF ASEAN AND THE INFLUENCE TO INDONESIA

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## Abstract

The ASEAN states have put an interest toward the intellectual right, including brand by trading liberalization regionally through the ASEAN Economic Community. It is becomes the most popular word and almost used in publication of product whether in press and electronic media. In accordance with the recently progressive development in good and service trading, it is not surprising when the brand play a significant rule to be recognized as the mark of particular product in common and have a power and benefit when it has been managed appropriately. In recent free trading era, brand is not just the word only connected to the product or goods, but the process and business strategy also. Therefore, it has the value or equity. The last word is important as the value will become a benchmark of product in the market. By the reason, the problem of research has depicted; first, how the juridical review of law amendment of brand and geographic indication on trading liberalization; and secondly, how the implication toward the regulation of brand right and geographic indication in Indonesia. The method used in research is literature study on normative law and it is the descriptive study with analysis and qualitative. Indonesia has involved in any several international trading agreements, one of them in ASEAN. The regulation in correlation with the brand right in ASEAN based on trading liberalization thus all the member states was open up to the brand regulation. Indonesia has completes the previous act of brand and publishing a new one, Act No.20 of 2016 on Trademark and Geographic Indication. It has given many new regulations on brand such as including nonconventional brand involves 3D brand, voice, and hologram into the regulation and also provide the specific regulation in correlation with geographic indication. It is arranged in correlation with adjustment of stipulation in international society, ASEAN especially. For Indonesia, it has become a challenge and opportunity to implement the new Act of Brand, and use the agreement in properly all at once, as well as harmonizing the new brand regulation to the existing one in ASEAN. Therefore, it is required the legal protection of intellectual right in order to the trading liberalization in ASEAN Economic Community and the implication to Indonesia.

**Keywords:** Juridical Review; Act No.20 of 2016 on Trademark and Geographic Indication; Trading Liberalization; ASEAN and Indonesia.

## INTRODUCTION

At the 13th ASEAN Summit in Singapore on 19-22 November 2007 two important documents were agreed in the framework of ASEAN cooperation, the ASEAN Charter and the establishment of the ASEAN Community, one of which is the ASEAN Economic Community. The ASEAN Charter itself came into force on 15 December 2008 after the ratification of the ASEAN Member States so it has ratified a charter that makes the regional bloc a legitimate institution for the first time in its four decades since its founding. The 2008 Charter of ASEAN is a substitute for the 1967 Bangkok Declaration which has long been an instrument of establishment of ASEAN. ASEAN Charter which has legal personality (Legal Personality) becomes a new milestone for ASEAN in view of its cooperation relationship in the future.

Currently, intellectual property rights have received great attention from countries concerned with the utilization of such IPRs that can be of high economic value. In this case, ASEAN countries also provide a place for intellectual property rights especially with the liberalization of trade in the ASEAN region through the ASEAN Economic Community. This is due to the emergence of fears of mutual claims against intellectual property rights, especially the trademark.

For Indonesia itself, the existence of policies in the form of agreements in the field of intellectual property rights, especially the trademark is an opportunity as well as a challenge within the framework of the ASEAN Economic Community. This agreement will surely have an impact on Indonesia, such as the need to harmonize and synchronize the intellectual property rights, especially the existing trademarks in Indonesia, which must be harmonized with the objectives to be achieved by ASEAN within the framework of the ASEAN Economic Community.

Therefore, Indonesia should start to clean up and prepare to face trade competition with other ASEAN member countries. Some provisions of Indonesia's intellectual property rights need to be inventoried again in trade liberalization in the ASEAN region. .

### **General Review on Intellectual Property Rights**

Intellectual property rights (IPR) or Intellectual Property Rights are equivalent words used for Intellectual Property Rights (IPR) or *Geistiges Eigentum*, in German [1]. The term or terminology of Intellectual Property Rights (HKI) was used for the first time in 1790. It was Fichte who in 1793 said about the property of the creator is in his book. What is meant by property right here is not a book as an object, but a book in the sense of its contents [1]. The term IPR consists of three keywords, namely Rights, Property, and Intellectual. Wealth is an abstraction that can be owned, transferred, bought, or sold.

As for the intellectual property is the wealth of all the production of intelligence power of thought such as technology, knowledge, art, literature, composition songs, papers, caricatures, and others useful for humans [2]. Objects regulated in IPR are works that arise or are born out of human intellectual ability [3]. IPR system is a private right (private rights). A person is free to apply or register his intellectual work or not. The exclusive rights granted by the State to individuals of intellectual property (inventors, creators, designers, etc.) are not intended to recognize the work (creativity) and to stimulate others to further develop it, so that with the IPR system the public interest is determined Through market mechanisms. In addition, the HKI system supports the establishment of a good documentation system of all forms of human creativity so that the possibility of generating the same technology or other works can be avoided or prevented. With the support of good documentation, it is expected that the community can utilize it maximally for their life purpose or develop it further to provide higher added value again [3].

Intellectual Property Right is an official translation of Intellectual Property Rights (IPR) and in Dutch referred to as *Intellectual Eigendom* [4]. Based on its substance, HKI is closely related to intangible objects and protects intellectual works arising from human intellectual ability. These capabilities can be works in the fields of technology, science, art and literature. In general, intellectual property rights consist of two things namely industrial property rights and Copyright. Industrial property rights consist of Patent, Trademark, Plant Variety, Trade Secret, Industrial Design, and Layout Design of Integrated Circuit. Copyright consists of Science, Art, and Literature.

The intellectual property right is the right of material, the right to something that comes from the work of the brain, the work of the ratio [5]. If further explored, intellectual property rights are actually part of the object that is intangible objects (Immaterial objects) [4]. Only a person capable of mastering his or her own brain policy can produce material rights called Intellectual Property Rights and is exclusive [5].

In the Anglo-Saxon literature there is known the name Intellectual Property Rights which is then translated into Indonesian which is Intellectual Property Rights and more precisely translated into Intellectual Property Rights. The reason is that the word "property rights" is actually a standard term in the legal literature because not all Rights for Intellectual Property is a property in the real sense. It may be the right to reproduce only, or to use it in certain products and may even be in the form of "rental rights" rights, or other rights arising from such engagements as licenses, broadcast rights, and so on [6].

The definition formulated by experts, Intellectual Property Rights is always associated with three elements namely the existence of an exclusive right granted by law, the right is related to human effort based on intellectual ability and intellectual ability has economic value [5].

Introduction of Intellectual Property Rights as an intangible property rights of individuals and its straightforward translation in a positive legal order especially in economic life is new in Indonesia. From the point of view of the IPR, the rule is necessary because respect, protection and protection will not only provide a sense of security, but also create a conducive climate for increased enthusiasm or passion to produce innovative, inventive and productive works. From the historical background of the intellectual property rights, it is seen that in the western country the awards of intellectual property or whatever individual thought results have long been applied in their culture which is then translated into legislation. HKI for western society is not just a legal tool used only for the protection of intellectual work of a person but is used as a means of business strategy whereby because of a commercial invention or intellectual property, it allows the inventor or inventor to exploit his/her creation economically. The result of the commercialization of the invention allows the creator of intellectual work to continue working and improving the quality of his work and be an example for the individual or other party, so that there will be the desire of others to also be able to work better so that the competition arises.

### **Trademark Settings in ASEAN Economic Society**

The Association of South East Asian Nations has signed a memorandum of understanding in the field of intellectual property rights or ASEAN Framework Agreement on Intellectual Property Cooperation on December 15, 1995, in Bangkok, Thailand. While Indonesia itself is also a participant in the TRIPS Agreement (Trade Related Aspects of Intellectual Property Rights) on the WTO and the ASEAN Framework Agreement on Intellectual Property Cooperation agreement applicable in the ASEAN region.

The realization of this cooperation is realized by the establishment of a special forum that addresses issues, intellectual property rights at the ASEAN level, the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC). In an effort to enhance cooperation and protection of IPR in Southeast Asia, various forms of work are similar and meetings have been held. On a regular basis, AWGIPC meets at least three times a year. The second meeting of 2013, the 42nd session, has been held in Chiangmai Thailand on 15-19 July 2013. The meeting discussed the progress of implementation of the initiatives as agreed upon under the ASEAN 2011-2015 ASEAN Action Plan. The AWGIPC dialogue partners, Australia-New Zealand under the framework of cooperation between Australia-New Zealand Free Trade Agreement (AANZFTA), World Intellectual Property Organization (WIPO), European Patent Office (EPO), Korean Intellectual Property Office (KIPO), Office for Harmonization in Internal Market (OHIM), Japan Patent Office (JPO), and video conference consultation with United State Patent and Trademark Office (USPTO). From some of these dialogue partners, KIPO is a new dialogue partner for AWGIPC where this same work will be focused on creative industry cooperation, and empowerment of SMEs.

In addition to the discussion of implementation issues, the AWGIPC Chair from Thailand has also been handed over, namely Ms. Pajchima Tanasanti to on The new chair is BG (NS) Tan Yih San, who is Chief Executive of Intellectual Property Office of Singapore (IPOS). Ms. Patchima Tanasanti has been the Chair of AWGIPC for a period of 2 years since the 36th AWGIPC meeting in Bali in 2011 [6].

Thus, the intellectual property protection system in ASEAN in the framework of trade liberalization through the ASEAN Economic Community 2015 is based on the ASEAN Intellectual Property Rights Action Plan 2011- 2015 as contained in the Opening of the ASEAN Intellectual Property Rights Action Plan that:

The ASEAN IPR Action Plan 2011-2015 is designed to meet the goals of the AEC by transforming ASEAN into an innovative and competitive region through the use of IP for their nationals and ensuring that the region remains an active player in the international IP community.

Therefore, the ASEAN Intellectual Property Rights Action Plan, which is part of the ASEAN Economic Community Blueprint, contains 28 initiatives where most of the initiatives are based on the 5 strategic objectives to be achieved:

1. A balanced IP system that delivers the IPBs, to enable them to deliver timely, quality and accessible IP services, and to promote the region as being favorable To the needs of users and generators of IP.
2. Development of national or regional legal and policy infrastructures that address the IP-landscape and facilitate the participation of South-East Asia Member States in global IP systems at the appropriate time.
3. Advancement of the interests of the region through the systematic promotion of IP creation, awareness and utilization, to ensure that IP is a tool for innovation and development; Support for the transfer of technology to promote access to knowledge; And consideration for the preservation and protection of indigenous products and services and the works of their creative people in the region.
4. Active regional participation in the IP community, with closer ties to dialogue partners and institutions to develop the capacity of Member States and to address the needs of stakeholders in the region.
5. Intensified co-operation among South-East Asia Member States and enhancing levels of collaboration to enhance the human and institutional capacity of IP Offices in the region.

Trademark-related arrangements within the ASEAN economic community are not regulated in more specific and detailed but generally regulated in the ASEAN Intellectual Property Rights Action Plan 2011- 2015. Action of intellectual property rights including the trademark therein is an effort to protect ASEAN Trademark of goods and services products from acts that could harm the owner of the trademark as well as the country itself.

### **Implication of Trademark Settings in Connection with the Amendment of the Law no. 20 of 2016**

In the trade of goods or services, the trademark as one form of intellectual work has an important role for the smooth and increasing trade in goods or services. Trademarks have strategic and important value for both producers and consumers. For manufacturers, trademarks in addition to differentiate their products with other similar company products, are also intended to build a company image in marketing. For consumers, trademarks in addition to facilitate for identification and also become a symbol of self- esteem. People who are accustomed to the choice of goods of a particular trademark, tend to use goods with the trademark so on for various reasons such as because it already knows the old, reliable quality of its products, and so on so that the function of trademark as a quality assurance more real [7].

The settings related to the previous trademark are Law no. 15 of 2001 on Trademark is a change from Law no. 14 of 1997 About Trademarks. The right to a trademark is an exclusive right granted by the state to the trademark owner registered in the General Register of Trademarks for a certain period of time by using the trademark itself or giving others to use it. In practice the exercise of the right to this trademark often does not conform to what is prescribed by law. So this causes a loss for the trademark owner. This action that could cause this loss is a violation of the trademark. The State has the responsibility of safeguarding the exercise of the rights to such trademark [8].

The trademark protection system in Indonesia has been started since 1961, the system of copyright protection began in 1982, while the new patent system was started in 1991. Against the laws and regulations in the field of Copyright and Patent, Indonesia in 1997 and last year 2000 To amend and enforce these three laws in order to conform to the needs and Agreements of TRIPs as a consequence of Indonesia having ratified the WTO establishment agreement under GATT through Act No. 7 of 1994. Therefore, Indonesia is bound by the rules issued by WTO, including TRIPs deal. The TRIPs Agreement is the most comprehensive international agreement, and is a unique blend of GATT basic principles with substantive provisions of international agreements on the field of intellectual property rights, including the Paris Convention for the protection of industrial Property and the Berne Convention for The Protection of Literary and Artistic Works [9].

For Indonesia itself has been enforced in the ASEAN Economic Community (MEA) since January 1, 2016 and has significance to the protection of Intellectual Property Rights in the framework of trade liberalization in the ASEAN region. With this rule, the flood of products and services will spin across the Southeast Asian region without any heavy obstacles. Products from abroad can easily enter Indonesia, and vice versa. Only product quality and packaging issues will determine who will dominate. In the view of industry in Indonesia, the ASEAN Economic Community is transformed into a double-edged knife. On one side of the MEA can facilitate the products of Indonesia marketed abroad, on the one hand also threaten the existence of indigenous products of Indonesia. Especially products that have not been patented or registered as intellectual property rights (IPR) [10].

Based on Kadin's data, only about 30 percent of trademarks and products that have been registered to IPR. The rest of more than 70 percent have not been registered. There are still many business actors who have not registered HKI products and their trademarks are small and medium business actors. In fact, the creative industry in Indonesia is very dynamic and growing. If business actors still have not registered their products and trademarks, they will be overwhelmed with the flood of products from abroad when the MEA is enforced. Kadin is currently pioneering efforts to participate in socializing the importance of registering this HKI to the regions or small and medium industry centers. Communication will be built by Kadin with a new government to help small business actors face MEA next year [10].

MEA is the result of an agreement of ASEAN leaders a decade ago to form a single market in Southeast Asia by the end of 2015. This is done so that ASEAN's competitiveness increases and can compete with China and India to attract foreign investment. The establishment of this single market will allow one country to sell goods and services easily to other countries throughout Southeast Asia so that the competition will be tighter. Therefore, the government needs to establish the right rules regarding IPR protection so that the creative people of Indonesia can contribute without worry, his work will be hijacked in the market. Especially in the vortex of the ASEAN Economic Community (MEA), the legal protection of their economic rights is absolute in order to win the regional and global competition of Indonesian creative people. According to Kanwar and Everson in his study in 32 countries between 1981- 1990, IPR protection has a significant impact on investment in research and development. According to this research, a very strong IPR protection will spur innovation and technological progress of a country. Economic growth of a country is closely related to the protection of IPR. The more open the economic system of a country, the protection of IPR will play its role in supporting the country's economic growth. Based on the results of Gould and Gruben (1996) research, in his research in 95 developed and developing countries from 1960- 1988, found that the stronger the protection of IPR in a country, it will have a very significant impact on the economy in countries that apply An open economic system [11].

Based on the above data, Intellectual Property Rights (IPR) has a very important role in encouraging economic growth of a country. Therefore, it is necessary to strengthen the role of the government to strengthen the protection of IPR in the country should be improved, so that with the strengthening of IPR protection, will have an effect on the progress of technology research and the growth of new businesses in the country, which will sustain knowledge-based economic growth in Indonesia [12].

In the trade of goods or services, the trademark as one form of intellectual work has an important role for the smooth and increasing trade in goods or services. Trademarks have strategic and important value for both producers and consumers. For manufacturers, trademarks in addition to differentiate their products with other similar company products, are also intended to build a company image in marketing. For consumers, trademarks in addition to facilitate in identification and also become a symbol of self-esteem. People who are accustomed to the choice of goods from a particular trademark, tend to use goods with the trademark so on for various reasons such as because it is familiar with old, reliable product quality, and etc so that the function of the trademark as a guarantee of quality more real [7].

With the new Law no. 29 of 2016 on Trademarks and Indications of Georgian is based on the following considerations:

- a. In the era of global trade, in line with the international conventions Indonesia has ratified, the role of Trademarks and Geographical Indications is of paramount importance in maintaining fair business competition, equity, consumer protection and the protection of Micro, Small and Medium Enterprises and domestic industries ;
- b. That in order to further improve services and provide legal certainty for the industrial, trade and investment in the face of local, national, regional and international economic developments and the development of information and communication technology, it is necessary to be supported by a legislation in the field of Trademarks and Geographical Indications Which is more adequate;
- c. That in Law Number 15 of 2001 concerning Trademark there are still shortcomings and has not been able to accommodate the development needs of the people in the field of Trademark and Geographical Indication and not enough to guarantee the protection of local and national economic potentials so that need to be replaced;

Based on Article 1 of Law no. 20 of 2016 on Trademark, the definition of trademark is a sign that can be displayed graphically pictures, logos, names, words, letters, numbers, colorations, in the form of 2 (two) dimensions and/or 3 (three) dimensions, sound, hologram, or combination of 2 or more of them to distinguish goods and/or services produced by a person or legal entity in the trading activities of goods and/or services. Furthermore, the trademark is differentiated above [13]:

1. Trademarks are Trademarks used on goods traded by a person or persons jointly or by a legal entity to distinguish with other similar goods.
2. A Service trademark is a trademark used on services traded by a person or persons jointly or a legal entity to distinguish from other similar services.
4. Collective trademarks are trademarks used on goods and/or services of the same characteristics as to the nature, general characteristics, and quality of the goods or services and their controls which will be traded by several persons or legal entities jointly to differentiate with goods And/or other similar services.

The Right to Trademark is an exclusive right granted by the state to the owner of the trademark registered for a specified period of time by using the trademark itself or granting the other party permission to use it [14]. While the right to Geographical Indication is an exclusive right granted by the state to the registered Geographical Indicator, in the name of reputation, quality, and characteristics under which the protection of such Geographical Indications is still present [15].

In the framework of the realization of the ASEAN IPR Action Plan 2011-2015 in the ASEAN Economic Community, Indonesia has adjusted to amend some of its laws and regulations within the scope of intellectual property rights such as Law no. 15 of 2001 with Law no. 20 of 2016 on Trademark and Geographical Indication on the basis of the consideration of the establishment of the new Law no. 20 of 2016 that in the era of global trade, in line with international conventions that have been ratified by Indonesia, the role of Trademarks and Geographical Indications becomes very important, especially in maintaining fair business competition, shielding, consumer protection and the protection of Micro, Small and Medium Enterprises and Domestic industry. To further improve services and provide legal certainty for industry, trade and investment in the face of local, national, regional, and international economic developments and the development of information and communication technology, it is necessary to be supported by a legislation in the field of Trademark and Geographical Indication more adequate. Therefore, Law Number 15 of 2001 concerning the trademark still lacks and has not been able to accommodate the development needs of the people in the field of Trademark and Geographical Indication and not enough to guarantee the protection of local and national economic potentials so it needs to be replaced [16].

Therefore, the legal implication of the participation of Indonesia in the ASEAN Economic Community, especially in the field of intellectual property rights is to adjust the changes to various provisions of intellectual property rights of Indonesia such as changes to the arrangement of Trademark as well as Geographical Indication. The impact of the openness of goods and services traffic within the framework of the ASEAN Economic Community has also provided an opportunity



for developments in the field of intellectual property rights with the introduction of new innovation goods among ASEAN member countries so that a legal protection system is required. It is also stated in the ASEAN Action Plan related to Intellectual Property Rights (ASEAN Action Plan 2011 -2015).

## CONCLUSION

1. Legal protection of intellectual property rights, especially Trademarks implemented in the framework of trade liberalization in the ASEAN Economic Community (ASEAN Economic Community) is manifested in the form of international agreements as stipulated in, first; The ASEAN Charter of 2008 and the second; In the ASEAN Plan of Action on Intellectual Property Rights 2011-2015 (ASEAN Intellectual Property Rights Action Plan).
2. The implications of Indonesia's participation in the ASEAN Economic Community's treaty impose the obligation to harmonize and synchronize the Indonesian national legal arrangements, especially in the field of trademarks with those in ASEAN. Therefore, Indonesia has harmonized and synchronized its Trademark Law by amending the Act. Amendment of the Law in question is Law no. 15 of 2001 has been replaced by Law no. 20 of 2016 on Trademarks and Geographical Indications. This is in line with international treaties ratified by Indonesia where the role of copyright, trademark and geographical indication is very important, especially in maintaining fair business competition, protecting consumers, and protecting micro, small and medium enterprises and domestic industries.

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# MORPHOPHYSIOLOGY CHARACTERISTICS OF RICE VARIETIES (ORYZA SATIVA L. ) GERMINATION IN HIGH TEMPERATURE

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## Abstract

ASEAN needs to have rice varieties that are resistant to high temperatures. This research is needed to test the initial response of plants to high temperatures. The varieties we tested were West Sumatera local varieties from Indonesia and testing was needed for various varieties in Southeast Asia to obtain new varieties that are resistant to high temperatures in the face of future climate change that greatly increases the global temperature and give stress to germination, a key process of plant phenology. This research aims to study the temperature change to morphophysiology germination in four rice varieties. Research started from January to February 2018 at Seed Technology and Plant Physiology Laboratory Universitas Andalas and Chemistry Laboratory University Of Padang. This research applies Factorial Experiment in Completely Random Design, where the first factor is four levels of rice varieties, Anak Daro, Batang Piaman, Cisokan and Inpari 30. The second factor is temperature level, 28 0C, 32 0C, 36 0C, 40 0C, 44 0C and 48 0C. The result showed the viability of seed and plant growth activity and chlorophyll content decreases as the temperature increase. Batang Piaman and Cisokan can germinate until 36 0C but Anak Daro and Inpari 30 can germinate up to 400 C.

**Keywords:** germination, morphophysiology, temperature stress, chlorophyll content, tolerance

## INTRODUCTION

Since the advent of industrialization, the earth's surface temperature has increased by 0,6 0C, generally caused by an increase in CO<sub>2</sub> concentrations during this period. Based on BMKG data, annual temperature increases in Maluku and Papua 0,3 0C, Riau islands 0,022 0C, Bangka Belitung 0,036 0C, Jambi 0,015 0C, North Sumatera 0,028 0C, West Sumatera 0,213 0C [1]. According to the report of the Intergovernmental Panel on Climate Change (IPCC) in 2007, that temperature increase 0,76 0C from 1850-1899 to 2001-2005. Shah [2] report that the average temperature of the earth's surface at the end of the 21st century is estimated to increase 2-4 0C where the increase in temperature can affect the growth and development of rice plants [2].

Overland [3] report from Impact of Climate Change on ASEAN International Affairs, show that climate change may impact on international affairs among the ASEAN countries at several levels. Firstly, changing climatic conditions may affect interstate relations through humanitarian crises, migration, and/or a need for greater imports of vital goods [3]. Secondly, reducing greenhouse gas emissions requires international coordination and cooperation. Thirdly, the global energy transition driven by climate policy may lead to an altered geopolitical situation in the world, including ASEAN. Southeast Asia is one of the most at-risk regions in the world to the impacts of climate change worldwide being Indonesia, Thailand, Myanmar, Malaysia, Vietnam and the Philippines.

The initial phase of plant growth is germination which is the growth of the embryo after the imbibition process. According to Talei germination is a key process of the plant's phenological cycle and the phase that is most sensitive to abiotic stress. One of the abiotic factors is temperature, where the minimum temperature for rice germination according to Wilsie [4] is 11-13 0C, while according to Yoshida [5] the minimum temperature for rice germination is in the range of 16-19 0C, the optimum temperature is around 18-40 0C and a critical limit rice plant germination temperature is 45 0C. The critical point of plant response to stress explains how DNA affects metabolism, one of which is the

improvement of Nucleotide Excision Repair (NER), which is used in various processes when forming a substrate [4],[5],[6].

High-temperature stress is interpreted when there is an increase in temperature above the optimal cardinal temperature over a period which can cause irreversible damage to plant growth and development [7]. High-temperature stress causes a decrease in physiological activity that affects the inactivation of enzymes needed during the initial plant growth. States that high-temperature stress causes enzyme inactivation in chloroplasts and mitochondria, inhibits protein synthesis, protein degradation and loss of membrane integrity [7].

Effect of high night temperature (35-45 0C) on rice seedlings by Yin [8] can decrease the efficiency of photosystem II and activity ribulose-1,5-bisphosphate carboxylase/oxidase (RuBisCO) [8]. Other effects according to Kumar [9], high temperatures can reduce the chlorophyll content of rice leaves and also reported by Dong [10] that high temperatures affect the total ratio of chlorophyll and carotenoid rice leaves. High temperatures (40/32 0C day/night) also cause increased activity of antioxidant enzymes (superoxide dismutase, glutathione reductase) and proline production[9],[10].

Based on the description above so that future rice supplies are sufficient, new varieties that are resistant to high temperatures are needed. It was also stated by Dias [11] that if management now continues in 2050 then rice production can be reduced by 25-35% so it is very important to find new varieties that can adapt to the environment in 2050 [11]. Therefore, research on the study of morphophysiological characteristics of rice germination at high-temperature pressure needs to be done, as a basic science in obtaining new varieties by observing plant morphophysiology in the initial phase of plant growth to obtain plants that can survive when climate change occurs. To achieve sustainable food security, production must be able to meet the needs of all residents in any climatic conditions.

## RESEARCH METHOD

Research started from January to February 2018 at Seed Technology and Plant Physiology Laboratory Andalas University and Chemistry Laboratory University Of Padang. This research applies Factorial Experiment in Completely Random Design, where the first factor is four levels of rice varieties, Anak Daro, Batang Piaman, Cisokan and Inpari 30. The second factor is temperature level, 28 0C, 32 0C, 36 0C, 40 0C, 44 0C and 48 0C. Each experimental unit consisted of 50 seeds using a rolled paper power test method. The data were analyzed by the F test in 5% and continued by Duncan's New Multiple Range Test in 5%. The data is analyzed quantitatively using an F test of significance level of 5%, if there is significant then further testing using the 5% DNMRT test, while the qualitative data are analyzed descriptively. Data analyzed is data that is transformed based on appropriate rules.

Then observing the strength of rice sprouts was carried out on days 5 and 14 [12]. Seed rice that grows normally, abnormally and dead seeds are observed by studying morphology. Analyzed of chlorophyll content with crushed 2 grams of the leaves of the plant in mortar until smooth. Next, it was extracted using 80% acetone in 2.5 mM phosphate buffer (pH = 7.8) with a sample ratio of 1: 10 (w / v) solvent. The extracted filtrate was combined, then the volume was measured up to 100 mL with the addition of a solvent. The extract was analyzed for chlorophyll content using a Hitachi U-1100 spectrophotometer at wavelengths 663 and 645 nm. Chlorophyll content was calculated using the equation Porra [13] in units of  $\mu\text{g} / \text{mL}$ :

$$\text{Chlorophyll a} = 12,25 A_{663} - 2,55 A_{645}$$

$$\text{Chlorophyll b} = 20,31 A_{645} - 4,91 A_{663}$$

$$\text{Total Chlorophyll} = 17,76 A_{645} + 7,34 A_{663}$$

## RESULT AND DISCUSSION

### Root and Shoot

Based on variance on the 5% level, high-temperature stress in four rice varieties provides a real interaction with the root length of the rice seedlings, the root length shown in Table 1.

**Table 1. The Root Length Four Rice Varieties 14 Days After Germination in High-Temperature Stress**

Temperature (°C)	Varieties			
	Anak Daro	Batang Piaman	Cisokan	Inpari 30
		----- (cm) -----		
28	11,90 Aa	10,23 Aa	9,10 Aa	12,70 Aa
32	5,23 Bb	5,20 ABb	8,43 Aa	8,83 Aa
36	6,30 Ba	6,03 Aba	6,76 ABa	7,56 ABa
40	4,46 Ba	1,16 Bb	1,40 Bb	4,63 Ba
44	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca
48	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca

Information: The numbers followed by lowercase letters in the same row and uppercase letters in the same column are not significantly different according to the DNMRT test at the level of 5%.

At 28 0C Inpari 30 has the highest root length (12,7 cm ) and no significant effect on the three other varieties. At 32 0C , 36 0C and 40 0C Inpari 30 has the highest root length is 8,83 cm, 7,56 cm and 4,63 cm respectively. Temperature 44 and 48 0C, there were no varieties of seeds tested that can germinate. Anak Daro Anak has the highest root length at 28 0C which is 11,9 cm and then decreases at 32 0C which is 5,23 cm, but when the treatment temperature is increased at 36 0C the root length has an increase of 6,3 cm, but when the temperature is increased again the decline in the root length of the seedlings is 4,46 cm. The morphology of rice in 14 Days After Germination show in Figure 1.

**Figure 1. Rice Germination Evaluation Results (a) Anak Daro (b) Batang Piaman (c) Cisokan (d) Inpari 30**



Germination growth looks different at all temperature levels. Varieties able to germinate at a temperature of 40 °C is Anak Daro and Inpari 30, but with not good morphology. In the stage of growth and development of sprouts are very dependent on the supply of nutrients in endosperm [14]. Different endosperm contents of the seeds cause different root lengths in the four varieties. According to Krishnan the extension of the radicle of rice sprout optimal at 30 °C and stops at temperatures below 15 °C and more than 40 °C. The same results by Ying [20] states that treatment of high-temperature stress (39,5 °C) for 10 days can reduce the relative activity of roots of rice plants insensitive or tolerant varieties that were tested in China [20]. Germination will occur in the temperature range of 10 °C to 40 °C when the seed dormancy is destroyed and the seeds absorb enough water [5]. According to Salisbury [16] embryonic axis growth occurs because of two events namely enlargement of existing cells and the formation of new cells at the point of growth of the radicles and plumules due to cell division. An increase in air temperature above the optimal temperature will reduce root growth and nitrogen fixation which will cause low rice production [17].

The treatment of high-temperature stresses on several rice varieties provides a real interaction with the length of rice seedlings.

**Table 2. The Shoot Length Four Rice Varieties 14 Days after Germination in High-Temperature Stress**

Temperature (°C)	Varieties			
	Anak Daro	Batang Piaman	Cisokan	Inpari 30
	----- (cm) -----			
28	9,56 Ab	10,86 Aab	13,06 Aa	10,20 Ab
32	11,16 Aa	10,60 ABa	10,93 ABa	11,96 Aa
36	11,16 Aa	8,33 Bb	9,90 Bab	10,67 Aa
40	7,23 Ba	0,00 Cc	0,00 Cc	3,70 Bb
44	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca
48	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca

Information: The numbers followed by lowercase letters in the same row and uppercase letters in the same column are not significantly different according to the DNMRT test at the level of 5%.

At 28 °C, Cisokan has the highest shoot length (13.06 cm) but at 32 °C Inpari 30 which has the longest shoot length is 11.96 cm and no significant with Anak Daro (11.16 cm). At 36 °C Anak Daro has the longest shoot length (11.16 cm) which was not significantly different from the Inpari 30 (10,67 cm). At 40 °C only Anak Daro and Inpari 30 can form the shoots with the longest shoots 7.23 cm. Wahid [18] report that most high-level plant tissue is not able to grow in temperatures above 45 °C for long periods. Besides, different phenological phases have different levels of sensitivity to high-temperature stresses, depending on genotype and species.

Damage to metabolic processes causes plant organs not formed. According to Savchenko high temperatures increase the kinetic energy and movement of molecules across the membrane, which can cause the release of chemical bonds between biological membrane molecules. This results in a more fluid lipid bilayer caused by denaturation of proteins and an increase in saturated fatty acids. It was also reported by Soepandi [7] that direct damage due to high temperatures was denaturation of protein and protein aggregation, as well as increased membrane lipid fluidity [7].

The characters that emerge from a plant are genetic and environmental products, but to find out how far a character is caused by genetic factors as a result of gene action and how far is caused by the environment is quite difficult. With so different characters that occur at 3 local varieties of West Sumatra and 1 national varieties is necessary to further identification and to determine the presence of high-temperature stress resistance genes in Anak Daro and Inpari 30 so that it can grow up to a temperature of 40 0C.

### Chlorophyll Content

Based on variance on the 5% level, the germinate under high temperature and variety gave a real interaction, chlorophyll a content shown in Table 3.

**Table 3. Chlorophyll a Four Rice Varieties 14 Days After Germination in High-Temperature Stress**

Temperature (°C)	Varieties			
	Anak Daro	Batang Piaman	Cisokan	Inpari 30
	----- (µg/mL) -----			
28	3,04 Aab	4,43 Aa	3,08 Aab	2,76 Ab
32	2,04 Aba	1,51 Abab	1,31 Abb	1,41 Bb
36	1,18 Bb	1,31 Ba	0,83 Bb	0,72 Bab
40	1,06 Ba	0,40 Cb	0,33 Cb	0,99 Cb
44	0,27 a	0,00 a	0,00 a	0,0 Ca
48	0,00 a	0,00 a	0,00 a	0,0 a

Information: The numbers followed by lowercase letters in the same row and uppercase letters in the same column are not significantly different according to the DNMRT test at the level of 5%.

At 28 0 C, Batang Piaman has the highest chlorophyll a content, which is 4,43 µg/mL and at 32 0C Anak Daro which has the highest chlorophyll-a content (2,04 µg / mL). At 36 0C Batang Piaman had the highest chlorophyll a which was 1,31 µg/mL and at 40 0C Anak Daro had the highest chlorophyll a content which was 1,06 µg/mL. Anak Daro has the highest chlorophyll a content at 28 0C (3,04 µg/mL) and also Batang Piaman (4,43 µg/mL), Cisokan (3,08 µg/mL) and Inpari 30 (2,76 µg/mL). The four varieties tested also showed the same response that is increasing the temperature, the chlorophyll-a level decreases. Inpari 30 can form shoot but the chlorophyll absorbance value cannot be measured because the shoot extract does not reach 0,5 gram.

Chlorophyll of plant consists of two namely chlorophyll a (C55H72O6N4Mg) which is dark green and chlorophyll b (C55H70O6N4Mg) which is light green. According to Soepandi [7], the photochemical reaction in the thylakoid of lamellae and carbon metabolism in the stroma has been indicated to the main site of the damage due to high temperatures. Chlorophyll fluorescent is a physiological parameter that correlates with plant tolerance to high-temperature stress. This pigment degradation can be an indicator in the selection of genotypes that are tolerant to high-temperature stress. Howart states that high-temperature stress causes enzyme inactivation in chloroplasts and mitochondria, inhibits protein synthesis, protein degradation and loss of membrane integrity. In chlorophyll b also there is interaction, that can be seen in Table 4 below.

**Table 4. Chlorophyll b Four Rice Varieties 14 Days After Germination in High-Temperature Stress**

Temperature (°C)	Varietas			
	Anak Daro	Batang Piaman	Cisokan	Inpari 30
	----- (µg/mL) -----			
28	0,77 Ab	1,15 Aa	0,79 Ab	0,69 Ab
32	0,66 Aab	0,83 Aba	0,22 Bb	0,57 ABb
36	0,27 Bb	0,51 Ba	0,20 Bb	0,42 Bab
40	0,25 BCa	0,00 Cb	0,00 Cb	0,00 Cb
44	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca
48	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca

Information: The numbers followed by lowercase letters in the same row and uppercase letters in the same column are not significantly different according to the DNMRT test at the level of 5%.

At 28 °C Batang Piaman has the highest chlorophyll b content (1,15 µg/mL), then at 32 °C and 36 °C Batang Piaman also has the highest chlorophyll b content of 0,83 µg/mL and 0,51 µg/mL. However, at 40 °C Anak Daro who have the highest chlorophyll content that is equal to 0,25 mg/mL. The four varieties tested showed the same results, namely having the highest chlorophyll b content at 28 °C and the higher the temperature make chlorophyll b decrease. This means that the ability of chlorophyll biosynthesis is not the same between varieties. Madja states that chlorophyll biosynthesis is carried out by certain genes in chromosomes. Steinback et al., (1985) cit Salisbury and Ross [16] also stated that in chloroplasts also included DNA, RNA, ribosomes, and various enzymes that are mostly contained in the stroma, a place for transcription and translation.

Chlorophyll b plays a role in photosystem reorganization during adaptation to the quality and intensity of light. Therefore the loss of chlorophyll a and b affects the efficiency of photosynthesis [19]. Besides, Taiz and Zeiger report that an increase in temperature above the optimal temperature will cause changes in plant physiological activity so that plant metabolism is disturbed and enzyme denaturation increases [20]. Total chlorophyll show in Table 5 below.

**Table 5. Total Chlorophyll Four Rice Varieties 14 Days After Germination in High-Temperature Stress**

Temperature (°C)	Varieties			
	Anak Daro	Batang Piaman	Cisokan	Inpari 30
	----- (µg/mL) -----			
28	3,81 Ab	5,58 Aa	3,81 Ab	3,46 Ab
32	1,83 ABa	2,56 ABa	0,92 Bb	1,56 Ba
36	0,68 Bb	1,61 Ba	0,52 Bb	1,26 Bab
40	0,53 Ba	0,00 Cb	0,00 Cb	0,00 Cb
44	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca
48	0,00 Ca	0,00 Ca	0,00 Ca	0,00 Ca

Information: The numbers followed by lowercase letters in the same row and uppercase letters in the same column are not significantly different according to the DNMRT test at the level of 5%.

At 28 °C, Batang Piaman has the highest total chlorophyll content, which is 5,58 µg/mL. At 32 °C and 36 °C Batang Piaman also showed the highest total chlorophyll content is 2,56 µg/mL and 1,61 µg / mL , but at 40 °C only Anak Daro has total chlorophyll content as 0,53 µg/mL. At 44 °C and 48



0C no seeds can germinate. The same results with the content of chlorophyll a and b that the highest total chlorophyll is at a temperature of 28 0C for all four varieties and a decrease in total chlorophyll levels accompanied by an increase in temperature. Chlorophyll is needed in the process of photosynthesis, where according to Wahid high temperatures can damage the thylakoid membrane and swelling of the grana so that photosynthesis is decrease [18].

## CONCLUSION

High temperatures make morphophysiology of seed rice decrease. Batang Piaman and Cisokan can germinate until 36 0C but Anak Daro and Inpari 30 can germinate up to 400 C. At 28 0C the Inpari had the highest root length of 12.7 cm but at a 32 0C, 36 0C, 40 0C the Inpari had the highest root length of 8.83 cm, 7.56 cm, and 4,63 cm. At 280 C Cisokan has the highest shoot length of 13.06 cm. The four varieties tested showed the same results when the temperature increase, so the chlorophyll content decrease. The highest content of chlorophyll a and b and achieved at 28 0C with Batang Piaman contains 4,43 µg/mL and 1,15 µg/mL respectively. Therefore, research on the study of morphophysiological characteristic of rice germination at high temperature stress as a basic science in assembling new varieties by observing plant morphophysiology variables in the early growth phase of plants so that can survive and produced when climate change occurs. Rice is the major food in Southeast Asia can be met.

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# THE CLUSTERING OF SOUTHEAST ASIA COUNTRIES BASED ON TIME SERIES DATA OF TOTAL TRADE

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## Abstract

ASEAN total trade is an instrument to provide a brief description of the development of trade in each ASEAN country. In order to realize a cohesive and integrated ASEAN economy through the free flow of goods trade in 2025. The hierarchical cluster method for times series data of total trade is used to grouping ASEAN countries into three groups with strong similarities and characteristics to the annual total trade in goods from 2008-2017 from the ASEAN Statistical Yearbook 2018. The cluster analysis by distance corresponding to time series data is performed. The first cluster consist of Brunei Darussalam, Indonesia, Singapore, Malaysia, and Thailand which had a high enough total trade among other ASEAN countries. The second cluster consists of the Philippines. Furthermore, the third cluster consists of Cambodia, Vietnam, Laos, and Myanmar. The second cluster has medium total trade and the third cluster has a fairly low total trade compared to other ASEAN countries. The performance total trade clustering in ASEAN countries is expected to be able to see the situation of the development of goods trade in ASEAN countries, this situation must be considered by ASEAN policies in increasing trade in goods.

**Keywords:** Hierarchical cluster, ASEAN Total Trade, ASEAN Countries

## INTRODUCTION

As a regional collaboration in the Southeast Asia region, ASEAN has grown into a competitive economic region in the world. Gross domestic product (GDP) of ASEAN countries is ranked 7th largest in the world and 3rd largest in Asia. (ASEAN Secretariat, 2015). Aside from that, ASEAN has also developed into one of the main investment destinations in the world. This can be seen from the presence of foreign investment funds entering ASEAN amounting to 136 million US \$ in 2014. In the field of trade, ASEAN also recorded an extraordinary achievement where from 2007 to 2014 the total value of trade increased by almost 1 trillion US Dollars, which the largest share, came from intra-ASEAN trade at 24.1 percent.

Unlike the fields of finance and finance, development the institutional sector in international trade is not very smooth. The participating countries of the convention did not succeed in establishing an international organization. The plan to establish the International Trade Organization (ITO) which is expected to be a forum for dealing with international trade issues did not reach an agreement. Due to various political considerations, mainly due to the rejection of the US congress over the establishment of ITO resulted in an institutional vacuum in the field of trade.

ASEAN total trade is an instrument to provide a brief description of the development of trade in each ASEAN country. In order to realize a cohesive and integrated ASEAN economy through the free flow of goods trade in 2025, it is necessary to build the situation more integrated and comprehensive. The ASEAN Economic Ministers have agreed to expand the Common Effective Preferential Tariff Agreement for the ASEAN Free Trade Agreement (CEPT-AFTA) by completing the ASEAN agreement in comprehensive trade in goods called the ASEAN Trade in Goods Agreement (ATIGA) signed on February 27, 2009, in Thailand. Trade facilitation in ASEAN is continuously carried out by ASEAN member countries to create a consistent and transparent environment for businesses by minimizing barriers to trade and information disclosure.

Previous studies are analysis of the Asean-10 exchange rate stability against the US Dollar and Gold Dinar, analysis of the ASEAN stars stock cluster based on adjusted risk return and several others. However, the model of stock composite index model has introduced by Yollanda, Devianto & Yozza. The clustering model for the stock price or trade for time series data is attracted to solve for economics analysis. Then, the purpose of this study is clustering countries in ASEAN based on the total value of trade to determine patterns of trade value movements.

International trade is one of the ways needed for a country to achieve its national development goals. With the support of technological advances and transportation accessibility that is increasingly advanced today, making the movement of goods or services by every country in the world become faster and more efficient. The flow of information has enabled each country to get to know and understand other countries. In the economic field, each nation will find it easier to know where goods can be obtained to meet their various needs and vice versa where to market their superior products.

International trade is one of the activities aimed at improving the welfare of people's lives in the era of globalization and digitalization. Trade is currently impossible to be able to stop foreign products entering Indonesia easily. One of the factors driving industrial and economic growth is exports. If exports are greater than imports, it will cause a surplus in the trade balance, but if imports are greater than exports, it will cause a deficit in the trade balance. Therefore, it is important for all countries, including Indonesia, to carry out export activities both in services and goods in order to be able to boost the country's economy.

## **RESEARCH METHOD**

In this study, the clustering of countries in ASEAN will be discussed based on the total trade in goods. The data used are secondary data from 2008-2017 obtained from the ASEAN Statistical Yearbook 2018. In this study, the cluster analysis used is cluster analysis with ACF distance using the complete linkage method.

The steps of this research stage are defined as follows; define input data and output used 10 years historical data which from 2008 until 2017. The input data are the total trade of goods between intra-ASEAN and extra-ASEAN countries. The target that wants to be obtained is the ASEAN country groups. Use descriptive analysis to describe the movement of total trade in goods between ASEAN countries. Clustering uses the autocorrelation function distance to obtain the distance matrix.

Combine clusters that have the closest distance, correct the distance matrix using the complete linkage method until one cluster containing all objects is obtained. Conduct the interpretation of cluster analysis according to the specified methods.

## **RESULT AND DISCUSSION**

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International trade can be defined as goods and services trade transactions between the economic subjects of one country and the economic subjects of another country. The economic subjects in question are residents consisting of ordinary citizens, export companies, import companies, industrial companies or state companies. International trade occurs due to differences in the potential of natural resources, capital resources, and human resources. Meanwhile, trade is a process of exchanging goods and services which is carried out on the basis of like and like, to obtain the goods needed. In the period of globalization, trade is not only conducted in one country. Even the world has entered free trade. There is almost no country that does not have relations with other countries.

In domestic trade, economic agents aim to benefit from the economic activities they do likewise with international trade. Every country that trades aims to profit from that trade. In addition to profit-seeking motives, Krugman revealed that the main reason for international trade: trade countries because they differ from one another [2]. Countries carry out trade with the aim of achieving economies of scale.

In general, international trade consists of export and import activities. Exports are sales of goods and services produced by one country to another country, whereas imports are goods and services that enter a country. Countries that produce more than their domestic needs can export the excess production to other countries. However, countries that are not able to produce their own can import from other countries. The factors that influence international trade can be seen from the theory of supply and demand. From the theory of supply and demand, it can be concluded that international trade can occur because of overproduction of a country with an excess of demand from other countries.

One of the efforts made is cooperation between one country and another or between one country and a country that forms a group so that economic integration is created. Countries throughout the world today realize that economic integration has an important role in their trade. Some countries around the world have carried out economic integration with other countries. In general, the integration carried out by each country aims to strengthen its economic position in the international market, so that each country can compete with developed and large countries. In addition, economic integration can expand market access and drive a country's economic growth to a higher level.

Economic integration in an area has several benefits for countries that are members of such integration, such as promoting economic efficiency in an economic area, encouraging local industries to develop, and increasing trade benefits due to improved terms of trade. International trade is useful for meeting the needs of each country as well as seeking profits to increase state revenue. There are several factors that drive international trade. The following are the driving factors for international trade:

### **1. Utilization of Knowledge and Technology.**

If a country relies on and utilizes good science and technology, it will certainly increase the amount of production of goods or services with quality and quality far better than other countries. Countries that utilize knowledge and technology will certainly have sophisticated technology systems and machines in producing goods or services in large quantities in a short time. Of course this will save production costs and also time efficiency.

### **2. Different Natural Resources Availability**

The driving factor behind the occurrence of international trade is the difference in the wealth of natural resources. Each country certainly has different geographical conditions that lead to differences in natural resource wealth. Therefore, each country has variations in producing goods or services depending on natural resources owned by their respective countries. For example, Indonesia has abundant natural wealth in the marine and natural-gas sector. Of course this will be very influential for Indonesia's foreign trade or what is often referred to as export activities.

### **3. Shop Based on Trends and Lifestyle**

Trends and lifestyle can also be one of the factors driving social commerce. For example, there are people who like fashion products that are well-known abroad than domestic products. If so many people have a similar trend, that fashion will become a necessity and sought after by many people. Therefore, the country needs to import these fashion products from abroad.

### **4. Market Expansion to Increase Profits**

One of the factors driving a country to carry out international trade is market expansion and profit expansion. When talking about trading, of course, there will be advantages and disadvantages. Well, surely profit is the main goal of a country to conduct international trade. So, many manufacturers take the risk to produce a lot of goods to be imported or exported to other countries so that their names are known and of course get more profit.

### **5.Plus Minus Products Made by a Country**

Sometimes a country produces certain goods on a large scale because there are other factors that support causing excess product. To avoid losses from the excess product, producers in the country choose to export their goods to a wider sector, namely other countries. Conversely, if a country is short of products due to several factors that do not support production, of course the country needs imported goods from foreign countries. Therefore, pluses and minuses of products can be a factor that drives international trade.

How to avoid losses in your own trade, of course there are advantages and disadvantages to be obtained from the producers who trade, both domestically and abroad. To avoid losses, every producer must know very well about their financial management. Even before starting the business, business people should know thoroughly about the financial management strategy of the business they work at. In addition, the existence of international trade also helps domestic producers to be recognized in the world market.

The total trade ASEAN countries have specific characters and divers form country to country. The strong similarity of total trade from some countries should be considering as one group with same total trade behavior. The process of time series clustering for total trade has to be analyzed by using model classification by clustering methods. Clustering is the process of grouping objects into classes who have something in common. Clustering is based on similarity or dissimilarity between objects. The only way to measure inequality is with a distance measure. The results of the clustering process are clusters consist of a group object with certain similarities in one cluster and different from objects in another cluster [3]. The characteristics of clusters are high homogeneity (similarity) between members in one cluster, high heterogeneity (difference) between one cluster with the other cluster [4].

In addition to cross section data, cluster analysis can also be applied to time series data. In this analysis, there are certain different clustering algorithms and procedures compared to clustering cross section data. Different algorithms and procedures are carried out because time series data is a group of observations at the same time, different observations and not just at one time interval.

Cluster analysis of time series data is the approach that is most widely used as an exploration technique, and also in data mining algorithms are more complex, such as classification, indexing, anomaly detection and discovery. Time series data is included as dynamic data, because the value of the tour changes as a function of time [5]. This means that the value of each point of time series is one or more of the observations made in chronological order. The choice of clustering distance used must be able to accommodate the data structure of time series which is dynamic in nature according to time [6].

Dendogram can also be called a tree graph, which is a tool graphic to present the results of cluster analysis conducted by researchers in conducting a study. Dendograms are useful for showing cluster members if there are to be determined how many clusters should be formed. Cluster analysis consists

of two methods. This is agglomerative method and divisive method. The agglomerative method is a series of object grouping processes, starting by placing each object in the cluster, then combining the cluster structure into a larger cluster until all objects are in one and the same cluster, or until it meets the specified conditions. This agglomerative algorithm is done with a bottom-up approach. The clustering procedure with the divisive method is the opposite of the agglomerative method [7].

This method starts with one large cluster that includes all objects of observation. Furthermore, gradually objects that have a large enough dissatisfaction will be separated into different clusters. The process continues until the stopping criteria (often, the number of cluster) are reached. Next form the desired number of clusters, such as two clusters, three clusters, four clusters and so on [8].

There are various distance measure for time series data. In this study used autocorrelation function (ACF) distance [9]. Time series data is a set of observations of a variable taken in a sequence or sequence based on a fixed time interval [10]. Time series data is data collected from time to time. The aim is to describe the development of an activity over time [11].

**Table 1. ASEAN Total Trade**

COUNTRY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Brunei D	12,775	9,602	11,274	15,383	16,855	15,057	14,181	9,592	8,694	7,849
Cambodia	8,776	8,887	8,601	11,220	12,797	14,877	16,408	20,355	22,444	25,563
Indonesia	266,218	213,339	293,442	380,932	381,721	369,180	354,159	292,977	280,839	325,796
Lao PDR	2,631	2,962	3,745	4,480	4,195	6,540	7,025	6,763	7,719	8,387
Malaysia	338,795	280,221	363,234	415,559	423,942	434,019	442,778	375,169	358,089	412,472
Myanmar	10,415	10,191	11,867	15,233	17,173	23,275	27,257	28,276	27,542	33,131
Philippines	105,671	83,869	109,660	111,752	117,382	119,109	130,806	128,835	142,248	176,130
Singapore	661,801	516,535	666,318	788,755	801,432	807,989	793,293	666,004	629,993	700,946
Thailand	352,534	286,267	376,225	451,359	477,302	478,247	455,526	417,147	409,994	459,458
Viet Nam	141,357	125,922	157,075	203,656	227,793	264,774	293,777	327,744	351,039	424,557

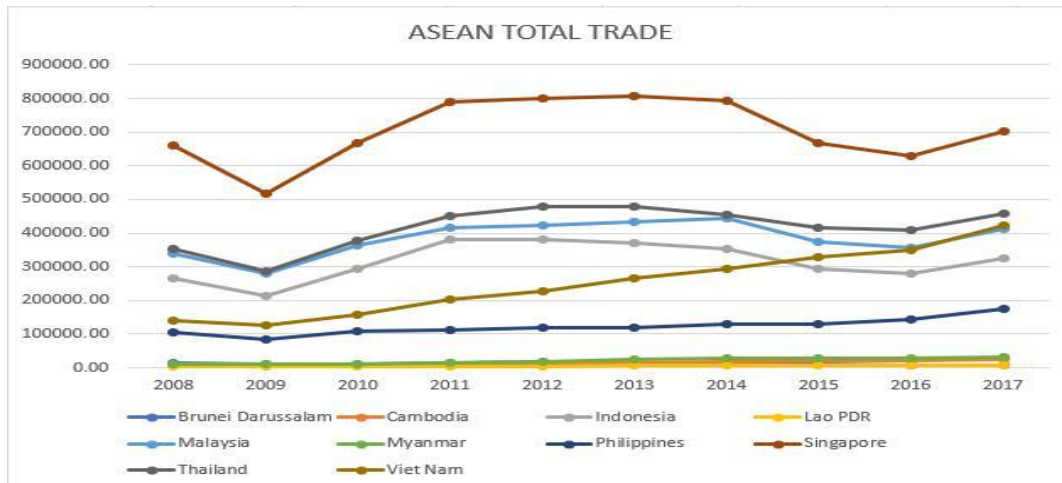
The data used in this study are total trade in goods data in ASEAN countries presented at table 1. The table below shows a list of ASEAN countries that trade in goods in each of these countries. From this data, it will be processed using the hierarchical cluster analysis method to obtain ASEAN country clusters and see the pattern of the total size of the trade in goods. Based on the data, there are 10 ASEAN countries that have traded goods in the past 10 years, from 2008-2017. The data will be processed to obtain a cluster of countries that have similar characteristics.

The patterns total trade of ASEAN countries during 2008-2017 are displayed as follows in Fig. 1. The graph shows the pattern of movement of the total amount of trade in ASEAN countries. The graph shows that Singapore has the highest total trade value and Laos has the smallest total trade value. This will give effect to the results of cluster analysis, then it is predicted that Singapore and Laos are in different clusters. For other countries, it is still difficult to find the similarity of the total trade patterns if only seen from this graph. Therefore, in this study the clustering of countries is used in another way namely hierarchical cluster analysis.

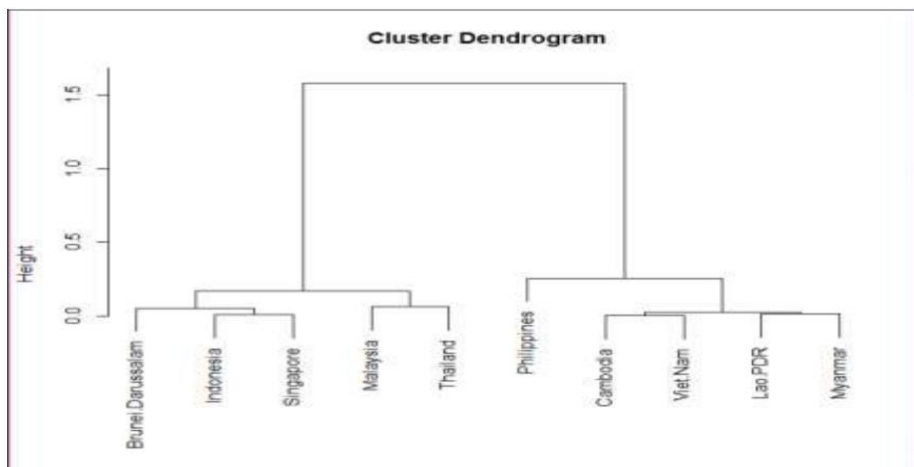
Determination of the distance of each country is calculated based on the distance of ACF between these countries by the formula of the distance of ACF. The smaller the distance obtained between the two objects, it will be similar to the characteristics of the object. The clustering process begins by considering each object as one cluster. Thus, there will be 10 clusters, each of which consists of one country, the closest distance seen first to the cluster.

Then the merging of two clusters is done by repairing the distance using the complete linkage method, so that a new distance matrix is obtained. The distance matrix repair is done using the complete linkage method. Then the same process is carried out until a cluster containing all countries is obtained. The cluster analysis process can be illustrated in the form of a dendrogram. The following is a dendrogram for ASEAN countries clustering based on data time series of total trade in goods for 2008-2017 presented at Fig. 2.

**Figure 1. Movement Patterns of Total Trade in Goods**



**Figure 2. Dendrogram**



After the cluster analysis process is used, a dendrogram is obtained as shown on the slide. This dendrogram is formed based on data on the total time series of trade in ASEAN countries from the dendrogram, we can see that country that has a large total trade value. Does it have a large value or a small value of the total size of the trade.

The first cluster consisted of Brunei Darussalam, Indonesia, Singapore, Malaysia, and Thailand which had a high enough total trade among other ASEAN countries. The second cluster consists of the Philippines. Furthermore, the third cluster consists of Cambodia, Vietnam, Laos, and Myanmar. The second cluster has medium total trade and the third cluster has a fairly low total trade compared to other ASEAN countries.

## CONCLUSION

Clustering time series data analysis is a method used to cluster objects to see similarities between objects. Because the total goods trade data in ASEAN can be classified as time series data, it needs to be analyzed statistically using time series cluster analysis. The first cluster consists of Brunei Darussalam, Indonesia, Singapore, Malaysia, and Thailand which had a high enough total trade among other ASEAN countries. The second cluster consists of the Philippines. The second cluster has medium total trade. The third cluster consists of Cambodia, Vietnam, Laos, and Myanmar. The third cluster has a fairly low total trade compared to other ASEAN countries. From the clustering total trade



in goods in ASEAN, we know that how big the price of goods in each country in ASEAN. On the other hand, the clustering performance in ASEAN countries clearly localizes indicators that are sensitive to the situation of the development of goods trade in ASEAN countries, this situation must consider ASEAN strategies and policies to provide a solid basis for future improvement in ASEAN in increasing goods trade.

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# **BUSINESS STRATEGY, EARNINGS MANAGEMENT, AND READABILITY OF NARRATIVE INFORMATION OF THE ANNUAL REPORT (EMPIRICAL STUDY ON INDONESIA LISTED COMPANIES)**

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## **Abstract**

This study aims to examine the association of business strategy and earnings management on the readability of narrative information in the annual report. The readability of narrative information on an annual report is measured by the Fog Index. The business strategy in this study is measured by a rolling average of five years of research and development ratios, ratio of number of employees, employee fluctuations, capital intensity and changes in income. Earnings management in this study uses accrual earnings management. This research was conducted at publicly listed companies in Indonesia in the 2015 to 2017. The total sample of the study was 495 firm-years. The results of this study prove that the company's business strategy has an association with the readability of financial statement narrative information. However, there is no evidence that the level of legibility of the annual report's narrative information is related to earnings management by the company. In summary, it can be concluded that the level of readability of narrative information on a company's annual report in Indonesia tends to be driven because of the company's business characteristics, not because of the opportunistic motives of management.

**Keywords:** Readability, Annual Report, Business Strategy, Earnings Management.

## **INTRODUCTION**

In determining what information should be reported, companies must follow the general principle of providing information that is most useful in influencing user decisions and considerations. In financial reporting, this principle is called full disclosure. The principle of full disclosure recognizes that the nature and amount of information reported reflects a trade-off to present information that is detailed enough for various users, but by compiling information that remains understandable. At present, the scope of reporting requirements has widened to a broader narrative including corporate governance, responsibility, and sustainability, remuneration, management disclosures, information about complexity in annual reports. The increasingly complex scope of disclosure of financial information at present, on the other hand, began to raise concerns that prompted regulators and the international financial reporting community to undertake projects to simplify annual reports to improve readability.

The International Accounting Standard Board (IASB) began organizing discussion forums to survey the compilers and users of the annual report. This survey aims to obtain input regarding the effectiveness of reports and financial information disclosures. The survey found that the compilers of financial information see the main problem of disclosure on information overload. On the other hand, users of financial information complain about poor communication and irrelevant information. In line with the survey results by regulators, there is a broad consensus that shows an increase in quantity of company information disclosure, but unfortunately, it is not followed by better quality [1]. The results of Li's study found that unstructured textual narratives in annual reports show irregularities, ambiguity, and managerial opportunism [2]. Research by Iannoconi and Sinnett (2011) found that pages and footnotes to financial statements have increased, there have been repetitions, and things have been redundant [3]. The results of this survey and previous findings have increasingly encouraged various parties to make efforts to improve the readability of financial information.

The emphasis on the readability of narrative information in the annual report is also accompanied by a surge in research that seeks to understand whether readability affects investors and companies. Miller found that a higher annual report readability associated with more active trading and less disagreement among small investors [4]. Lawrence (2013) provides evidence that retail investors are more likely to invest in companies that have easier-to-read disclosure documents [5]. Loughran and McDonald (2014) found evidence that companies with less readable documents have a relationship with higher stock return volatility, greater analyst dispersion, and greater absolute profit surprises [6]. Overall, the literature provides evidence of the effect of readability. As investors rely on financial information to make trading decisions and pricing (Cazier and Pfeiffer, 2016; Huddart et al., 2007, [7] then when disclosure of financial information is complex, annual reports are less readable, which would disrupt investors' ability to process information, and therefore influences judgment and decision making (Li, 2008; Miller, 2010; You and Zhang, 2009) [2] [4] [8]. As a result, policymakers and various capital market players are increasingly worried about the readability of financial information.

Concern over the effect of the readability of the report has given rise to new research that links readability with the complexity of operations and uncertainty as corporate characteristics. There are several challenges faced by researchers, namely in addition to proving how the readability of financial information affects company value, another challenge is proving whether the readability of financial statements is closely related to the structure of complexity the firm [6]. Companies with complex operations may need to offer more detailed explanations, which translate into longer information and, perhaps with longer sentences, and more complex words. Several studies have examined the characteristics of other individual companies with the readability of financial information, which includes company size, market to book ratio, research and development costs, company age, and operating and geographic segments [8], [9], [10]. However, because it affects the complexity of company operations and environmental uncertainty, business strategies are predicted to be more needed to explain the readability of annual reports. Business strategy is a comprehensive measure that can capture the complexity and uncertainty of a company's environment, which cannot always be captured by the individual characteristics of other companies [11], [12], [13]. Based on these considerations, this study aims to investigate whether the choice of business strategy as a representation of the characteristics and level of complexity of the company can explain the readability of annual reports on publicly listed companies in Indonesia.

In other areas, several studies have also begun to explore the possible relationship of earnings management with the readability of annual reports [2], [14]. And the findings of previous studies show a tendency that the level of earnings management conducted by the company is related to the level of readability of the company's annual report. The research findings in this area imply that the readability of narrative information of the annual report is not solely due to the business characteristics of the company, but is further from that because of the alleged opportunistic motives of management. Therefore, this study aims to examine whether the readability of narrative information on annual reports of companies in Indonesia is related to the business characteristics of the company (which is then operationalized with business strategy), or further than that because there is an encouraging opportunistic motive for earnings management.

In this study, the proxy for the type of business strategy used refers to the typology of Miles and Snow (1978) [13]. Based on the typology of Miles and Snow (1978), business strategy is divided into prospector, analyzer, and defender, with the key dimension considered is the level of organizational change in markets and products [12]. Earnings management in this study will be measured using a discretionary accrual model developed by Jones [15]. Whereas in terms of readability, this study will use the Fog Index to measure the readability of the narrative information of the directors' reports as a component of the company's annual report [16].

This research is important to do when there are rules that require every public company listed on a stock exchange to publish its annual report so that it can be used by users for decision making. In Indonesia, this rule refers to the Financial Services Authority Regulation Number 29 / POJK.04 / 2016

Chapter I Article 1, that the annual report is the accountability report of directors and the board of commissioners in carrying out the management and supervision of the issuer or public company within one financial year. to the General Meeting of Shareholders. In addition there is a Financial Services Authority Circular Letter Number 30 / SEOJK.04 / 2016 section III concerning the contents of the annual report point b which states that the annual report can present information in the form of pictures, graphs, tables, and / or diagrams by including the title and / or information clear, so easy to read and understand. That is, the annual report presented by the company must have readable criteria to reflect that an article can be read and understood. However, despite the rules regarding the readability of annual reports, the current research trends indicate that business strategy and earnings management can affect the annual report readability. Therefore it is very important to prove this phenomenon empirically on issuers in Indonesia.

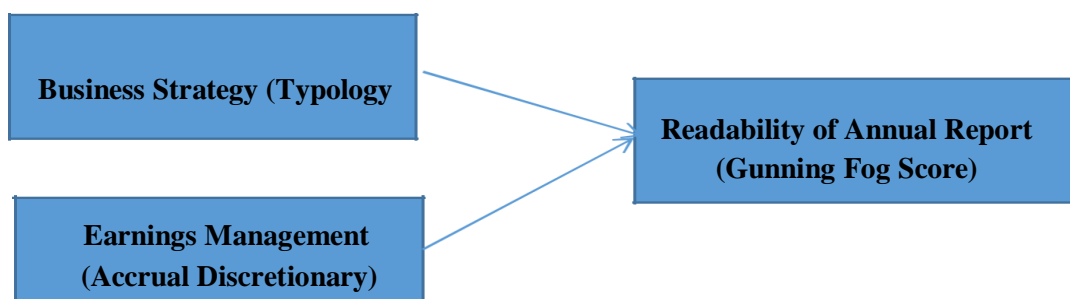
The results of this study are expected to provide contributions and benefits for various parties. This research is expected to contribute to the development of science because it links two fields of science namely accounting and language. From the field of accounting, this research is interesting when prior research focused on assessing the content of accounting number information, now it turns out that the number of information must also be supported by other narrative information. Companies as compilers of annual reports need to understand that the readability of information in annual reports is important because the information will be used by users in the context of decision making. Difficulties in understanding the narrative information presented by the company will certainly cause decisions taken by report users, especially investors and potential investors to be wrong or distorted, which could have an impact on the company itself. As the results of the research found by Bloomfield concluded that the quality of corporate disclosure affects the quality of investment decisions made by investors. For investors, the results of this study are expected to attract investors' attention in assessing the information presented by the company in the company's annual report. It is expected that the results of this study can be taken into consideration by capital market regulators to be more optimal in formulating policies related to the presentation of narrative information on annual reports of companies listed on the Indonesia Stock Exchange.

## RESEACH METHOD

### Research Design

This research is an empirical study conducted to analyze the relationship of business strategy and earnings management to the readability of narrative information in annual reports. This research was conducted at companies listed on the Indonesia Stock Exchange (IDX). In Figure 1 below, a research framework model is shown.

**Figure 1: Conceptual Framework**



### Data

The type of data used in this study is secondary data. The data used in this study are financial statement data used to measure earnings management variables and business strategies, and Management Discussion & Analysis (MD&A) report data from the company's annual report to assess the level of readability. Financial report data and MD&A reports are obtained from the company's annual reports taken from the IDX website, [www.idx.co.id](http://www.idx.co.id) and the official websites of each sample company.

## Population and Sample

**Table 1. Sample Selection Procedure**

Sample Selection Criteria	Amount
Indonesia Listed Company in 2017	671
Less: Banking and Other Financial Institution Sector	(87)
Newly listed companies on the IDX in 2017	(52)
Companies that not consistent listed in IDX on period 2010-2017	(174)
Companies that do not have complete financial data	(193)
Sample	165
Total sample = 165 x 3 year	495

The population in this study are all companies listed on the Indonesia Stock Exchange (IDX) from 2013 to 2017, except the banking and other financial institutions sector. The banking sector and other financial institutions are excluded in this study because many of these sectors have opposite account structures/definitions with other industrial sectors. The selection of this study sample uses purposive judgemental sampling with the criteria that can be seen in Table 3.1 above.

## Research Model

This research model as follows:

$$FOG_{i,t} = \alpha_0 + \beta_1 STRA_{i,t} + \beta_2 DA_{i,t} + \beta_3 ROA_{i,t} + \beta_4 SIZE_{i,t} + \varepsilon$$

Notes:

FOG	= Fog Index measuring readability
$\alpha$	= Constant
$\beta_1, 2, 3$	= Regression coefficient each independent variables
STRA	= business strategy <sup>252</sup>
DA	= accrual discretionary
e	= standard error

## Operational Definition and Variable Measurement Readability of Annual Report

The dependent variable in this study is readability. Dale and Chall (1949) defines readability as the total number of all elements in a printed document that can make a group of readers understand the document, read it at an optimal speed and the document is interesting to read [17]. Readability is measured using the Fog index introduced by Robert Gunning (1952). Readability formula is designed to predict the level of difficulty of readers of a writing [18].

This readability measurement is based on the word "Foggy". The readability calculation Gunning Fog Score, namely:

$$GFScore = 0,4 \times \left( \left( \frac{Words}{Sentences} \right) + 100 \times \left( \frac{Complexwords}{Words} \right) \right)$$

The readability scale for this measurement is: Fog  $\geq$  18 means the text cannot be read; 14-18 (difficult); 12-14 (ideal); 10-12 (acceptable) and 8-10 (very easy). So, the higher the Fog index the more difficult an article is read and understood.

## Business Strategy

This study uses the typology of Miles and Snow (1978) in determining the choice of corporate strategy orientation. Strategies are measured using five measures that follow Ittner (1997) and Miles

Snow (1978, 2003) [13]. Each variable is measured per company with a rolling average of 5 years from the beginning of the year data (rolling prior five-year average). Each variable is ranked into 5 groups (quintile) each year. The highest quintile group is given a score of 5 (except for the capital intensity ratio, has an inverse measure, score 1 for the highest quintile), the second highest quintile group is given a score of 4, and so on, so that the lowest quintile group is given a score of 1 (except for the ratio capital intensity, given a score of 5 for the lowest quintile). The scores of these 5 ratios are added for each company-year, so the business strategy score will be in the range of 5 to 25. Companies that get a maximum score of 25 will be categorized as having a prospector strategy and companies with a total score of 5 will be categorized as having defender strategy. Furthermore, the types of business strategies are categorized based on the number of scores as follows: defender (5-10), analyzer (11-20), prospector (21-25).

Ratios for Measuring Business Strategy	Measurements
Research and development to Sales ratio	The ratio of research and development expenses divided by sales is calculated during the five-year rolling average, measured from the beginning of the year
Employee to Sale Ratio	The ratio of the number of employees divided by sales calculated during the five-year rolling average, measured from the beginning of the year
Change of Total Revenue	Changes in sales divided by current total sale calculated during the five-year rolling average, measured from the beginning of the year
Employee Fluctuation	The standard deviation of the number of employees calculated during the five-year rolling average, measured from the beginning of the year
Capital Intensity	Net PPE divided by total assets calculated during the five-year rolling average, measured from the beginning of the year

### **Earnings Management**

This study uses discretionary accrual earnings management estimated using the Jones (1995) modification model. The formula used to measure discretionary accruals is as follows:

Note: TotAcc,  $t$  is the total operating accrual,  $\Delta Rev, t$  is the change in income from year  $t-1$  to year  $t$ , PPE,  $t$  is the gross value of property, buildings and equipment, and TAt-1 is the total assets at the end of year  $t-1$ . This study estimates the accrual model by cross section based on industry and year with a minimum of 15 observations. The residual value of the estimated model above is the discretionary accrual value which is the value of earnings management.

### **Analysis Method**

Research data analysis following steps:

#### **Classical Assumption Test**

The classic assumption test is carried out to ensure that the research model is free of bias. The classic assumption tests include tests of normality, multicollinearity, heteroscedasticity, and autocorrelation.

#### **Descriptive Statistic Analysis**

This analysis is carried out to illustrate the findings of the research results and provide information in accordance with those obtained in the field. Descriptive statistic analysis techniques interpret the average value, maximum value, minimum value, standard deviation of each research variable.

## Multiple Regression Analysis

This analysis aims to test whether the business strategy and earnings management have an association with the annual report readability index. In this study, the technique used is multiple regression analysis techniques, because the independent variables in this study are more than one. In this analysis the test results will be seen on the whole model (F test), the coefficient determination of the research model (Adjusted R<sup>2</sup>), and the results of each test independent variables on the dependent variable (t test).

The methods section describes the rationale for the application of specific procedures or techniques used to identify, select, and analyze information applied to understanding the research problem, thereby, allowing the reader to critically evaluate a study's overall validity and reliability. The methodology section of a research paper answers two main questions: How was the data collected or generated? And, how was it analyzed? The writing should be direct and precise and always written in the past tense.

## RESULT AND DISCUSSION

This section will describe descriptive statistical analysis, the results of model testing and discussion. Descriptive statistic aims to provide a general description of the sample profile and research variables. Descriptive Statistical analysis is shown in table 4.1 below

**Table 4.1 Descriptive Statistic**

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
FOG	495	5.9400	14.8000	9.372586	.0589737	1.3120819
STRA	495	8.0000	22.0000	15.121212	.1313795	2.9230091
DA	495	-.5175	.3113	-.002882	.0039332	.0875075
SIZE	495	10.1790	14.4708	12.445023	.0341534	.7598645
ROA	495	-72.1300	45.7900	4.165960	.4416937	9.8270637
Valid N (listwise)	495					

Table 4.1 shows that the Fog index which is a measure of annual report readability shows a range of values from a minimum of 5.9 to a maximum of 14.8, with a mean value of 9.3. As explained in the measurement of variables, that the readability status for the Fog index measurement can be classified as follows: Fog  $\geq$  18 means the text cannot be read; 14-18 (difficult); 12-14 (ideal); 10-12 (acceptable) and 8-10 (very easy). So, the higher the Fog index, the more difficult an article is to read and understand. This descriptive statistical analysis shows that company directors' reports have a level of readability that spreads from very easy to difficult ranges.

Furthermore, the company's business strategy score (STRA) shows that a minimum value of 8 with a maximum of 22 with an average of 15. As described in the measurement of variables, business strategies are categorized based on the total score as follows: defender (5-10), analyzer (11-20), prospector (21-25). In other words, the results of the descriptive statistical analysis show that the study sample has a range of strategy choices from defender, analyzer and prospector.

Earnings management with the discretionary accrual (DA) construct indicate that the research sample tends to be less motivated to conduct earnings management with a pattern of increasing earnings. This can be seen from the average DA value of -0.0028 (negative), with a minimum value of -0.517 and a maximum of 0.311. For company performance which is represented by the value of ROA, in table 4.1 it can be seen that the performance of the sample company is a positive average of 4,165 with a minimum ROA value of -72.13 and a maximum of 45.79.

This study aims to empirically examine the association of business strategy, earnings management, on the readability of narrative information on annual reports. To test the hypothesis, this study uses multiple regression models. The results of the research model tests are summarized in Tables 4.2, 4.3 and 4.4 below:

**Table 4.2 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.138 <sup>a</sup>	.019	.011	1.3047599

Predictors: (Constant), DA, SIZE, STRA, ROA

**Table 4.3 ANOVA<sup>a</sup>**

Model		Sum of	df	Mean Square	F	Sig.
1	Regression	16.275	4	4.069	2.390	.050 <sup>b</sup>
	Residual	834.175	490	1.702		
	Total	850.450	494			

**Table 4.4 Summary of Result**

Independent Variables	Coefficient	t	Sig
(Constant)	8.467	8.597	.000
STRA	-.035	-1.657	.098
DA	-.583	-.844	.399
ROA	.015	2.291	.022
SIZE	.110	1.356	.176

Dependent Variable: Fog Index

Table 4.2 shows the coefficient determination of the independent variables in explaining the variable readability of the narrative information of the annual report, which is small at 1.9%. Nevertheless the F test results (Table 4.3) of the research model show the overall model fit with a significance level of 5%. Table 4.4 shows the results of testing the hypothesis. The test results of this study indicate that the business strategy has an association with the company's annual report readability with a significance level of 10%. The direction of the STRA coefficient which is -0.035 (negative) can mean that the higher the score of the company's strategy, the lower the Fog index of the company's annual report. In other words, the more a company follows the prospector's business strategy, the higher the company's annual report readability. While the results of research testing shown in table 4.4, cannot prove that the earnings management by the company has an association with the readability of the company's annual report. In other words, hypothesis 2 of this study was rejected. The results of this study are not in line with the research of Lo et al., (2017) who found that earnings management is associated with the level of readability of the company's annual narrative information [19].

The finding of these two variables shows that the compilation of narrative information in annual reports of companies in Indonesia tends to be still related to the issue of the characteristics of the company's business, which in research is captured by the characteristics of the complexity of the company's business through the type of strategy that the company adopts. different, so it becomes a related factor and has an impact on the quality and quantity of company report disclosures. The expansion of the study towards the possibility of disclosure of narrative information related to the company's management motives, apparently has not been proven to occur in companies in Indonesia.



## CONCLUSION

This study aims to examine the association of business strategy, earnings management, and the interaction of business strategy and earnings management with the readability of narrative information on annual reports. The results of this study indicate that business strategies have an association with the readability of annual report narrative information. These results are consistent with Bentley's (2012) study. However, this study cannot find evidence that accrual earnings management by the company has an association with the readability of the company's annual narrative information. This result shows the implication that the issue of the readability of narrative information on annual reports of companies in Indonesia has not yet spread to the motives of management, but is still at the level of company characteristics.

The study has several limitations which can later become recommendations for further research: The data used in this study is still limited, so we need to add data. This study uses the Jones (1991) model to measure accrual earnings management, where there are other alternative measures of accrual earnings management such as the modified Jones (1995) model, the Kasniz model, the Stubben model which can be used as the basis for analyzing research sensitivity. This research focuses on earnings management. According to Graham (2005), in addition to accrual earnings management, there are other earnings management alternatives that are widely used by companies is real earnings management, so it is necessary to develop a model for real earnings management.

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# THE EFFECTIVENESS OF WHATSAPP AND INSTAGRAM AS BREAST SELF EXAMINATION (BSE) HEALTH PROMOTION MEDIA TO PREVENT BREAST CANCER

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## Abstract

Breast cancer is the most commonly diagnosed cancer in women and also the leading cause of cancer death in women in the world. 42.1 per 100,000 female populations in Indonesia have breast cancer with a mortality rate of 17 per 100,000 populations. One form of breast cancer prevention is through early detection known as 'Breast Self Examination' (BSE). This study aims to measure the effect of BSE health promotion through *WhatsApp* and *Instagram* social media on increasing knowledge, attitudes, and perceived of usefulness of technology in Andalas University female students. This is *Quasi experiment study with a non-equivalent pretest post test design* approach to female students in non-medical faculty of Andalas University, which are divided into health promotion recipients using *WhatsApp* dan *Instagram*. Data analysis using Wilcoxon test and Mann Whitney test. The result of research are, there are differences in the average score of knowledge, attitudes, and perceived of usefulness of technology the respondents before and after BSE health promotion using *WhatsApp* and *Instagram* social media (p value <0.05). The results of statistical tests show that the knowledge, attitudes, and perceived of usefulness of technology respondents in *WhatsApp* group are higher than the *Instagram* group (p value <0.05). Health promotion using *WhatsApp* is more effective than *Instagram*. It is recommended to use *WhatsApp* and *Instagram* as an alternative BSE health promotion media.

**Keywords:** Health promotion, Breast Self Examination (BSE), *WhatsApp*, *Instagram*, Breast Cancer.

## INTRODUCTION

Breast cancer is a disease in which cells in the breast grow out of control [1]. Breast cancer is the most commonly diagnosed cancer in women (24.2%, i.e about one in 4 of all new cancer cases diagnosed in women worldwide are breast cancer) and the cancer is the most common in 154 of the 185 countries included in GLOBOCAN 2018. Breast cancer is also the leading cause of cancer death in women (15.0%) [2].

Breast cancer is the most common type of cancer and the leading cause of cancer-related deaths among women in Asia, accounting for 39% of all breast cancers diagnosed worldwide. An estimated 231,013 women in Asia died of breast cancer, accounting for 7% of all deaths[3]. The mortality ratio per breast cancer incidence in Asia is 0.35 with the second highest ranking in the Southeast Asia region of 0.41 after South Central Asia. In Malaysia (25%), the Philippines (23%), Indonesia (22%), and Singapore (20%), breast cancer is the leading cause of cancer-related deaths [4].

Data from the Indonesian Ministry of Health 2017, breast cancer is still the highest cancer case in women in Indonesia, which is 42.1 per 100,000 population with an average death rate of 17 per 100,000 population. The incidence of breast cancer in West Sumatra Province ranks third out of 34 provinces after DI Yogyakarta and East Kalimantan, which is 0.9 ‰ with an estimated number of breast cancer sufferers of 2,285 people [5].

The majority of breast cancers in Indonesia are found at an advanced stage when the chances of achieving a cure are small. The prognosis of breast cancer per stage is stage I (100%), stage II (92%),

stage III (72%), and stage IV (22%). More than 80% of cases are found to be at an advanced stage [5]. There are 60-70% of breast cancer patients seek treatment for the first time in stages III and IV. Whereas the chances of a breast cancer patient achieving recovery reach 98% if detected early and treated medically [6].

Early diagnosis is one of the important early detection strategies, especially in developing countries where the disease is diagnosed in the late stages and resources are very limited [2]. This strategy can result in "staging down", which is an increase in the proportion of breast cancers detected at an early stage so that the cure rate becomes higher [7]. Breast Self Examination (BSE) is a breast cancer screening method that is cheap, uncomplicated and not invasive [8]. Breast Self Examination (BSE) aims to make women become accustomed to the physical form and condition of their own breasts. So they can find themselves if they notice symptoms such as lumps, pain, or changes in size in the breast [1].

WhatsApp is an internet-based short message service (chat) that showed significant growth in 2017 with 1.5 billion active monthly users. Meanwhile daily active users are in the range of one billion in Indonesia. Meanwhile Instagram is a social media application that shares photos and videos. No less than 45 million Indonesians actively use Instagram and become the largest Instagram community in the Asia Pacific [9].

The number of WhatsApp and Instagram users in Indonesia is very likely to be used as a medium for health promotion. Various studies have shown that educational interventions via messages on WhatsApp improve respondents' knowledge and positive attitude scores. [10], [11], [12]. So it is with health promotion using Instagram media can increase respondents' knowledge and positive attitude [13], [14], [15]. Therefore, the author is interested in examining the effect of Breast Self Examination (BSE) health promotion using WhatsApp and Instagram social media on increasing knowledge, attitudes, and perceived usefulness of technology in college students in 2018. The results of this study are expected to add to the study and development for the use of social media in increasing health promotion for the prevention of breast cancer.

## **RESEARCH METHOD**

This research is an analytical study with a quasi experimental design with a non equivalent pre test post test design approach, conducted in June to October 2018 at Andalas University, Padang City, West Sumatra Province, Indonesia. The population in this study were Andalas University students enrolled in Odd Semester 2017/2018 school year.

The samples in this study were female students of the Faculty of Economics and Faculty of Agriculture who met the inclusion and exclusion criteria. The minimum sample sizes in this study were 58 people each for the WhatsApp group and the Instagram group determined by the hypothesis test formula for average difference pairingly.

Sampling in this study uses the proportion of sampling with the process of sampling in the field using accidental sampling. Data collection techniques use questionnaires in the form of questionnaires and filled out before and after the intervention (pretest and posttest). The intervention was given for 10 days in the form of sending pictures and videos accompanied by narrative texts through Instagram accounts and WhatsApp groups created specifically for this study.

Primary data collected were tested for normality before and using the Kolmogorov-Smirnov test. The results are not normally distributed data so the Wilcoxon test and the Mann Whitney test were done. Wilcoxon Test is conducted to measure differences in knowledge, attitudes, and perceived usefulness of technology before and after health promotion BSE. Meanwhile, the Mann Whitney test is used to measure differences in knowledge, attitudes, and perceived usefulness of technology between Instagram and WhatsApp and to find out the most effective media.

## RESULT AND DISCUSSION

Respondents in this study amounted to 58 people for the WhatsApp group and 61 people for the Instagram group with the characteristics of the respondents in Table 1 below

**Table 1. Frequency Distribution of Respondent Characteristics**

Respondent's Characteristic	Group			
	WhatsApp		Instagram	
	n	%	n	%
<b>Class</b>				
2013	1	1,7	-	-
2014	1	1,7	-	-
2015	3	5,2	4	6,6
2016	8	13,8	6	9,8
2017	19	32,8	20	32,8
2018	26	44,8	31	50,8
<b>Age</b>				
16-20 years old	51	87,9	58	95,1
21-25 years old	7	12,1	3	4,9
<b>Faculty</b>				
Economics	44	75,9	34	55,7
Agriculture	14	24,1	27	44,3
<b>Respondent's Characteristic</b>				
Respondent's Characteristic	Group			
	WhatsApp		Instagram	
	n	%	n	%
<b>Class</b>				
2013	1	1,7	-	-
2014	1	1,7	-	-
2015	3	5,2	4	6,6
2016	8	13,8	6	9,8
2017	19	32,8	20	32,8
2018	26	44,8	31	50,8
<b>Age</b>				
16-20 years old	51	87,9	58	95,1
21-25 years old	7	12,1	3	4,9
<b>Faculty</b>				
Economics	44	75,9	34	55,7
Agriculture	14	24,1	27	44,3
<b>Study Program</b>				
Agribusiness	10	17,2	22	36,1
Agrotechnology	1	1,7	1	1,6
Accounting	21	36,2	26	42,6
International Accounting	5	8,6	-	-
Economic Development	4	6,9	3	4,9
Economics	14	24,1	2	3,3
Management	-	-	1	1,6
Secretariat	-	-	2	3,3
Agricultural Instructor	2	3,4	-	-
Plant Protection	1	1,7	4	6,6

Based on Table 1, the most respondents came from the class of 2018 who are mostly 16-20 years.

**Table 2. Knowledge, Attitudes, and Perceived of Usefulness of Respondent Technology Using WhatsApp Before and After Intervention**

<b>Variables</b>	<b>Mean ± SD</b>	<b>Min-Max</b>	<b>p value</b>
<b>Knowledge</b>			
<i>Pretest</i>	5.78 ± 2.256	0-10	0.000
<i>Posttest</i>	7.12 ± 1.546	3-10	
<b>Attitudes</b>			
<i>Pretest</i>	46.66 ± 4.571	37-55	0.000
<i>Posttest</i>	49.58 ± 5.586	24-55	
<b>Perceived of Usefulness of Technology</b>			
<i>Pretest</i>	38.50 ± 6.865	20-50	0.000
<i>Posttest</i>	44.17 ± 6.289	13-50	

Based on Table 2 it is known that the average score of knowledge, attitudes, and perceived of usefulness of technology increased after the intervention. Based on the Wilcoxon test analysis results obtained p value of knowledge, attitudes, and perceptions of technological usefulness <0.05 (p = 0,000) it can be concluded that there are differences in the average score of knowledge, attitudes, and perceived of usefulness of the respondent's technology before and after the intervention using whatsapp.

**Table 3. Knowledge, Attitudes, and Perceived of Usefulness of Respondent Technology Using Instagram Before and After Intervention**

<b>Variables</b>	<b>Mean ± SD</b>	<b>Min-Max</b>	<b>p value</b>
<b>Knowledge</b>			
<i>Pretest</i>	6.74 ± 1.436	4-10	0.003
<i>Posttest</i>	7.38 ± 1.356	4-10	
<b>Attitudes</b>			
<i>Pretest</i>	48.15 ± 3.974	37-55	0.01
<i>Posttest</i>	49.46 ± 4.857	33-55	
<b>Perceived of Usefulness of Technology</b>			
<i>Pretest</i>	40.52 ± 5.611	20-50	0.000
<i>Posttest</i>	44.70 ± 5.123	29-50	

Based on Table 3 it is known that the average score of knowledge, attitudes, and perceived of usefulness of the respondent's technology increases after the intervention. Based on the Wilcoxon test analysis results obtained p value of knowledge, attitudes, and perceived of usefulness of technology <0.05 (p = 0.003), (p = 0.01), and (p = 0.00) it can be concluded that there are differences in average scores knowledge, attitudes, and perceived of usefulness of the respondent's technology before and after the intervention using Instagram.

The difference in respondents' knowledge, attitude, and perceived of usefulness of technology before and after the intervention in the two groups can be seen in the following table.

**Table 4. Differences in The Average Knowledge, Attitudes, and Perceived of Usefulness of Technology of Respondents Before and After The Intervention In The Instagram And Whatsapp Groups**

<b>Variables</b>	<b>Mean</b>	<b>Mean Difference</b>	<b>p value</b>
<b>Knowledge</b>			
WhatsApp	5.78-7.12	1.34	0.000
Instagram	6.74-7.38	0.64	
<b>Attitudes</b>			
WhatsApp	46.66-49.58	2.92	0.000
Instagram	48.15-49.46	1.31	
<b>Perceived of Usefulness of Technology</b>			
WhatsApp	38.50-44.17	5.67	0.000
Instagram	40.52-44.70	4.18	

Based on Table 4 it is known that the difference in the average knowledge, attitude, and perceived of usefulness of the respondents' technology in the WhatsApp group is higher than the difference in the average knowledge, attitude, and perceived of usefulness of the respondents' technology in the Instagram group. Based on the results of the mann-whitney test analysis obtained p value 0.00 ( $p < 0.05$ ), it means that there is a significant difference between health promotion using whatsapp and instagram of knowledge, attitudes, and perceived of usefulness of respondent technology regarding BSE Health Promotion.

The average score of knowledge Breast Self Examination (BSE) respondents who used WhatsApp experienced an increase before and after the intervention. These results are in line with Kurniawati's research which shows that an increase in adolescent knowledge about HIV and AIDS after being given information with WhatsApp media ( $p$  value  $< 0.005$ ) [12]. Likewise with Ekadinata et al's research, an increase in the knowledge of posbindu cadres about type 2 diabetes after receiving education through messages on WhatsApp ( $p$  value  $< 0.05$ ) [11].

The average score of knowledge BSE respondents who used Instagram experienced an increase before and after the intervention. These results are in line with Permatasari's research in 2017 reveals an increase in student knowledge after receiving health promotion about Dagusibu (the right way to use medicine) through social media Instagram with a  $p$  value of 0.002 ( $p < 0,05$ ) [16]. Likewise with Rahmi's research (2017) there was an increase in college students' knowledge after receiving BSE health promotion through Instagram.

The highest knowledge enhancement is seen in the topic given not only through pictures but also videos. According to Herawati, video media is flexible in providing explanations about the concept of material and skills for health promotion. Activities such as Breast Self-Examination (BSE) are easier to understand if they just look at the practice than just looking at the pictures [17].

Based on literature studies conducted by Yale, et al, 75% of orthodontist patients prefer to receive information from the WhatsApp application because they can receive images and videos. Correspondingly, WhatsApp benefits student achievements in Iran and a positive attitude towards blended learning methods [18]. A study conducted by Al-Eisa et al concluded that the use of Instagram in a physical activity program at home was effective in increasing motivation, strengthening compliance, and maintaining the right level of physical activity. Postings in the form of images and videos are required to be attractive and effective [19].

There are differences in the average score of attitudes regarding BSE's respondents who use WhatsApp before and after the intervention. These results are in line with Cheung et al's study where interventions through the WhatsApp group were found to be more effective in reducing smoking craving for those who had quit smoking [10].

There are differences in the average score of attitudes regarding BSE's respondents who use Instagram before and after the intervention. These results are in line with Althunayan et al's study in Saudi Arabia stated that more than 50% of respondents who received a message promoting oral health through Instagram social media had a positive attitude [13]. Correspondingly, the results of the study of Marcon. et al, concluded that health promotion with the topic breastfeeding through social media Instagram was able to change perceptions and build support groups for breastfeeding mothers in Canada [14].

Attitude has a level, which is accepting, which means a person's willingness to accept a given stimulus. Furthermore responding is interpreted as providing answers or responses to questions or objects encountered. Then proceed with respect by giving a positive value to the object or stimulus provided. After that take responsibility for the attitude he or she chooses [20]. This positive attitude was also apparent from the results of the evaluation questionnaire which found that 98.3% of respondents were willing to follow the @ayolakukasadari account consciously and were willing to receive one post each day. Likewise, as many as 89.8% of respondents are willing to remain in the WhatsApp group 'Ayo lakukan Sadari' and suggest administrator to post everyday.

There is a difference in the average score of perceived of usefulness of respondent technology using WhatsApp before and after the intervention. These results are in line with research conducted by Trisnani about the use of WhatsApp as a medium of communication and satisfaction in delivering messages among community leaders. The result is WhatsApp technology is an effective communication medium for delivering information to the target group because messages are received more quickly [21].

There is a difference in the average score of perceived of usefulness of respondent technology using Instagram before and after the intervention. These results are in line with research conducted by Widodo et al. States that there is an effect of perceived usefulness on the attitude of technology use on Instagram users in Indonesia. This research was conducted on 100 samples and amounted to 81.76% which gave good responses to the perception of usefulness. This shows that Instagram has good uses or benefits for respondents to find information [22].

Based on the results of the study, there was an increase in the perception of the usefulness of student technology after the promotion of BSE's health, among other things, it was easy to obtain information about BSE on Whatsapp and Instagram. According to Jogiyanto, technology system users will use the system if they first feel that the system is easy to use. If someone feels that the information system is easy to use and useful, then he will use it. The easier it is to use a technology system, the more it is believed that the technology benefits its users [23].

Based on the results of the study note that WhatsApp media is more effective than Instagram media. This result is proven by more respondents' discussions and interactions on WhatsApp media compared to Instagram media. According to Cheung et al, the effectiveness of interventions through the WhatsApp group is related to discussions and social support among group members [10]

The WhatsApp application has the characteristics of low-cost, safe, and fast, giving rise to a perception of positive technological usefulness. Khanna's research results, extensive use, low cost, easily available, and safety protection make conversations with WhatsApp groups an ideal tool for health communication [24]. Likewise with the research of Nardo et al. that WhatsApp is a low-cost, safe, fast technology that offers clinical and non-clinical communication opportunities, improves learning, and improves patient care and privacy [25].

The results of Rambe and Bere's research on the use of WhatsApp in mobile social learning were found to have a significant positive impact on attitudes and levels of student achievement. The results of this study indicate that WhatsApp can increase peer involvement and increase college student participation [26].



## CONCLUSION

There are differences in knowledge, attitudes, and perceived of usefulness of technology about BSE in Andalas University students before and after health promotion using WhatsApp and Instagram social media. WhatsApp media is known as a media that is more effective than Instagram. It is recommended to form a discussion group as a tool for sustainable health promotion.

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# INNOVATION OF HEALTH SERVICES IN PARIAMAN GENERAL HOSPITAL

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## Abstract

The development of technology and information, the government is recommended to reorganize the system by actually placing the community as citizens who have the right to be served, one form of service provided by the government to the community is to implement service innovations with the aim of effectiveness and efficiency of services. Regional General Hospital (RSUD) is often synonymous with poor bureaucracy in providing services to the interests of the community, health services performed at hospitals are part of public services that are urgent to pay attention to, this is not much different from the application of health services in Malaysia, at least there are 3 reasons why the country of Malaysia is a reference for treatment by Indonesians, namely, services, facilities, and prices. Whereas in Indonesia health service providers have not produced improvements in these three things, because political reforms within the government are still not followed by bureaucratic reforms, thus the government also thinks about service quality in meeting the needs of the community, this is stated in the innovations practiced by a number of hospitals in West Sumatra Province one of which is Pariaman Hospital, Innovation efforts made by the Pariaman District Hospital by establishing an information technology service system as a form of breakthrough that facilitates the community in conducting services. This article aims to describe the innovations in health services in Pariaman District Hospital, this study uses qualitative research methods. Data collection through interviews, observation and documentation. The informant is the Head of Pariaman District Hospital. The results of this article show that with the innovation in the Pariaman Regional Hospital since 2018, the quality of service has improved, this is evidenced by the index of community satisfaction in 2018 which is very good

**Keywords** : Public Services, Health Service Innovation in Pariaman District Hospital.

## INTRODUCTION

The birth of the grand design of bureaucratic reform within 15 years, namely in 2010-2025As a guideline for implementing bureaucratic reform. the birth of gdrb was motivated by the old paradigm about civil society to government is low respon, the convoluted goverment, and maintenance is very long, so Political will is used as a benchmark in carrying out bureaucratic reform, and to realize good governance though bureaucratic reform if should be do to excellent service and innovation, and now the innovation very need by goverment for the upgrade a organization effectively and efficiently.

The era of the Asean Economic Community (AEC) which began in 2015 until now has become a challenge for all sectors in Indonesia, especially in the health sector. So to support the challenges mentioned above, health policy has demanded changes towards better ways of providing services to the community effectively and efficiently. Law No. 36 of 2009 concerning health in article 53 paragraph 2 concerns the government and regional governments also responsible for the delivery of health services, meaning that the rights and obligations of the public in conducting health affairs will be protected by the government, so that anything related to hospital services, the government and bureaucrats can provide quality services and position themselves as servants for the community.

West Sumatra Governor Regulation (Pergub) No 91 of 2012 concerning the Sakato West Sumatra Health Insurance Service System, local governments will guarantee access to services for all residents by preventing the burden of health costs that exceed the community's ability to pay, RSUD in West

Sumatra is a service organization tool owned by the regional government, and as a hospital that has the status as a Regional Public Service Agency (BLUD)[1]. Pariaman General Hospital, Ahmad Moctar Hospital Bukittinggi, Solok Genarl Hospital, Pschiatric Hospital (RSJ) Hb Saanin. Of the four hospitals, Pariaman Regional Hospital is a hospital that has improved in a better direction, also Pariaman Regional Hospital becomes a Pilot Hospital in terms of service to the community. Among the efforts made by the General Hospital of Pariaman is the existence of new innovations for outpatients. So The problem that will be answered in this research is how is the implementation of Innovation of health services in Pariaman Genaral Hospital? and about the what to do for implementation of innovation?

## RESEARCH METHOD

This research applied descriptive qualitative, the reason researcher use qualitative research methods by looking at the effort to realize innovative health services in Pariaman General Hospital. According to H.B Sutopo, a qualitative method is a method used to solve problems by describing in detail and depth, about a portrait of conditions about what actually happens according to what is in the field [2]. The data used are primary data and secondary data. The informants in this study were determined by purposive sampling, Purposive Sampling is a technique of deliberately determining informants by considering matters relating to the research problem. In another definition stated that purposive sampling is a sampling technique with certain considerations [3]. Those informants are the head of the field, head of the subdivision, and the innovation team or the reform team along with other related parties. Data obtained by in-depth interviews, observation, and study documentation. Data validity testing is done by triangulation of sources. The data obtained by researcher are then poured in the form of qualitative data analysis techniques, namely by emic and ethical conduct.

## RESULT AND DISCUSSION

PICTURE IS THE OUTPATIENT APPLICATION FORM OF PARIAMAN HOSPITAL:

Picture 1. Outpatient Application Form Pariaman Hospital



Source: [4]

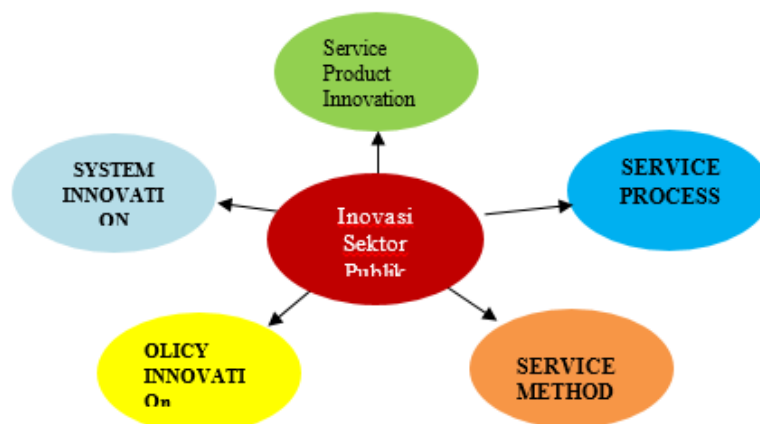
Based on the data obtained, when the outpatient program was implemented since 2018, the quality of service has improved, this is evidenced by the index of community satisfaction in 2018 is very good [5], the following data on outpatient satisfaction in Pariaman Hospital:

**Table 1. Community Satisfaction Survey at Pariaman General Hospital Outpatient Agency**

No	Poli	Nilai	Mutu	Kinerja
1	Fisioterapi	93,15	A	Sangat Baik
2	Penyakit dalam	91,63	A	Sangat Baik
3	Anak	91,44	A	Sangat Baik
4	Paru	93,7	A	Sangat Baik
5	Tht	89,94	A	Sangat Baik
6	Jantung	90,11	A	Sangat Baik
7	Orthopedic	93,05	A	Sangat Baik
8	Psikologi tumbang	9,45	A	Sangat Baik
9	Kebidanan	90,57	A	Sangat Baik
10	Mata	9,57	A	Sangat Baik
11	Jiwa	91,38	A	Sangat Baik
12	Neurologi	89,94	A	Sangat Baik
13	Bedah	9,45	A	Sangat Baik
14	Urologi	96,75	A	Sangat Baik
15	Gigi	96,48	A	Sangat Baik
16	Kb	97,75	A	Sangat Baik
17	Okupasi	95,68	A	Sangat Baik
18	Kulit dan kelamin	97,11	A	Sangat Baik

Source: [6]

Dari keberhasilannya mencapai kepuasan masyarakat, maka untuk melihat sejauh mana lagi inovasi yang sudah dilakukan oleh RSUD Pariaman, According to the regulation of minister of the State Apparatus Empowerment and Bureaucratic Reform (Permen PAN and RB) No. 30 of 2014 Regarding Guidelines for Public Service Innovation, Public service innovation is a breakthrough type of service both an original creative idea and/or adaptation/modification that provides benefits to the community, both directly and indirectly, by meaning that innovation is not something new but by rearranging the system towards a better direction, it has also been applied in the RSUD Pariaman in providing services to its patients, so that in this study the intended innovation includes innovation from Khairul Muluk, there are 5 key to success government innovation [7], the following results of the study are presented as follows:



Source: [7]

### **Service Product Innovation**

Service product innovation is a change in the shape and design of a new product or service or renew an existing service. Thus an innovation can be said to be a service product innovation if it has been modified from the previous form of service to improve the quality, image, function, and so on of that form of service. These aspects include product design, and service product changes. The results of this study indicate that the Pariaman Regional Hospital has changed from semi-active service products to become proactive in service to the community, this is evidenced by the direct service to each poly without any queuing, with which the Pariaman hospital has received awards, successfully won 2012 KARS ACCREDITATION achievements with the Plenary Predicate of the Central Hospital Accreditation Commission.

### **Service Process Innovation**

It is a type of service innovation that stems from a quality renewal movement that refers to a combination of organizational changes, procedures, and policies needed to innovate.

These aspects include organizational changes, procedural changes, policy changes needed to innovate, the results of this study indicate that the Pariaman District Hospital has changed the service procedure, where patients must first register at the nearest health center before referring to the hospital, this means the hospital also must work together with local health centers in order to improve service procedures. With this, Pariaman Regional Hospital has experienced rapid progress, as evidenced by the increase in the rating of the type of Pariaman Regional Hospital from Type C to Type B. in West Sumatra Province there are 4 hospitals that have been accredited B, one type A hospital, and 23 hospitals type C.

### **Service Method Innovation**

Is a new change in terms of interacting with customers or new ways of providing services. Service method innovation is aimed at implementing new methods and techniques to achieve better results. The scope of this innovative service method is new ways and techniques. According to Muluk, service method innovations consisted of: New Ways to Interact, New Ways to Provide Services The results of this study showed that the Pariaman District Hospital had changed the pattern of interaction with the community by conducting ballot boxes with three assessments that had been provided in each room, making it easier the public to submit their complaints to the doctor concerned. According to the data the researcher got, the ballot box is opened once a week to see what the community needs.

### **Policy Innovation**

Is an innovation that is made leading to the vision, mission, goals, and new strategies and reasons that depart from the existing reality. Policy innovation can also be said to be a change of perspective as a result of existing problems so as to bring up solutions to those problems. Policy innovation can be seen as a continuous and interrelated process carried out by the government together with stakeholders in regulating, managing and resolving public affairs, public problems and available resources for the common good. According to Muluk, policy innovation consists of: Vision and Mission, New Goals, New Strategies. The results of this study indicate that a lot of renewals and improvements are carried out each year by the hospital apparatus, by promoting the vision of an "International Standard Regional Hospital with Islamic Value", among the efforts made by the Hospital there is a complete availability of information through The website is <http://rsudpariaman.sumbarprov.go.id/> as a form of accountability and transparency, by issuing the motto "Jika Bisa Terbuka, Ngapain Tertutup". With this website, all forms of activity reporting (Lakip) as well as the budget allocated along with the availability of beds for hospitalization and so on can be easily accessed by the public, besides that the content contained on the website also has a lot of complete supporting data

## System Innovation

Is a type of innovation in system interactions that includes new or updated ways of interacting with other actors or in other words there are changes in governance. The system itself has the meaning of a business entity consisting of parts related to one another that tries to achieve a goal in a complex environment. This understanding reflects the existence of several parts and relationships between parts, this shows the complexity of the system which includes cooperation between parts that are interdependent with each other. According to Muluk, system innovation consists of: System Interaction, Changes in Governance. The results of this study indicate that there are structured patterns in carrying out every service process, starting from patient registration to discharge from the hospital, all connected with a path that each room already has a coordinator in supervising patients.

## CONCLUSION

Based on the description above, it can be concluded that in an effort to deal with the Asean Economic Community (AEC), Pariaman Hospital has improved its health services to the community, with digital technology in the form of innovations that facilitate services to the community effectively and efficiently, overall the implementation of the innovation has been successfully carried out as evidenced by some of the successes obtained by Pariaman General Hospital.

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# HALAL TOURISM: A NEW FACE FOR ASEAN TOURISM

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## Abstract

Halal tourism has emerged from the Tourism and Halal industries as a new phenomenon over the past recent years. In just a short amount of time, the Muslim tourist market has managed to grow into one of the most promising industries. As Halal matters advancing in tourism industry, many countries are ready to tap the Muslim tourist market by providing the tourism products, facilities, and infrastructures to cater the Muslim's needs. While Malaysia and Indonesia sat on the top of Halal destinations chart, other ASEAN countries seem to be lagged to capture this promising market's potentials. Taking the account of the unsettled Islamophobia problems and ethnic hatred among some countries on this region, can Halal Tourism emerge as the new face of ASEAN Tourism?

**Keywords:** Halal Tourism, ASEAN Tourism, Islam, Socio-cultural

## INTRODUCTION

The 1.4 billion forecasts for tourist arrivals by UNWTO in 2010 has reached two years ahead from the presumed time, and it shows the remarkable growth of Tourism in recent years. The Year 2018 consolidates the powerful results of 2017 (+7%) and is the second strongest year since 2010. This growth also exceeds UNWTO's forecast of 4% to 5% for the year 2018 [1]. Along with that, the growth of Muslim tourism also booming, according to the report by Global Muslim Travel Index (GMTI). The report shows 10% or 140 million of the global tourist are represented by Muslim travelers. These massive growth numbers are lined up with the fast-growing of Muslim population globally.

Muslims continue to be the world's fastest-growing religious group with approximately one in four people worldwide being Muslims. By 2050, this will increase to 2.8 billion or nearly one in three people worldwide practicing Islam, with the majority originating from the Asia Pacific region [2].

While the market segment is growing, the producer of Halal industry also essentially required to grow along to meet the certain needs for the growing characteristic of Muslim consumers. The word halal is no longer merely associated with food and beverages, but also has expanded to other sectors such as finance, to cosmetics, clothing, and in this case, tourism.

In just a short amount of time, the Muslim tourist market has managed to grow into one of the most promising industries. Today, the Muslim tourism market accounted for 11.6% of total global tourism expenditure and targeted to reach US\$ 238 billion before the end of 2019. Many countries have succeeded in seeing and tapping this huge profit opportunities from the market, including countries in ASEAN. Two ASEAN member countries, Malaysia and Indonesia, even managed to cap the first position in the index ranking of Halal tourism destinations.

## RESULT AND DISCUSSION

### What is Halal Tourism?

There are definitional ambiguities surrounding the concept and terminologies regarding Muslim tourism. In Malaysia, the "Muslim friendly tourism" term is used more often while the "Halal



tourism“ term is better known in Indonesia. The variety of the terms is only a form of the marketing strategy chosen by each country, but still has the same concept and purpose. The core meaning for all of them is related to compliance with the rules and guidance of the Halal concept and Islamic Sharia [3].

Halal tourism, despite all the discourses and ambiguities in definition and terminologies, is a subcategory of tourism that is designed to fulfill needs and meet the criteria of Muslim tourists in traveling activities. For a devoted Muslim, obeying the rules and laws of Sharia is mandatory. Sharia law is a guide for a Muslim which contains suggestions and prohibitions based on the word of God in the Qur'an and the advice of the Prophet Muhammad PBUH in his hadiths.

The word Halal refers to everything that is permitted and allowed to do, according to Allah and His Prophet. Doing something outside the Halal category does not directly make it Haram. In the science of Ushl Fiqh the science that studies and strives to translate the Qur'an and the Hadith into the daily practice there are five categories of types of actions: Fard, Mustahhab, Haram, Makruh, and Mubbah. The scholars reject that all acts of Fard, Mustahhab, and Mubbah conclusively belong to the Halal category, while all actions of Haram and Makruh fall into the category of sinful acts. In a situational condition, these rules can be changed at any time.

For a Muslim who devout on practicing Islam, it is recommended to avoid all the acts of Makruh and Haram as much as possible, and it is forbidden to leave the deeds of Fard, and also try to do all the actions of Mustahhab. To fulfill all of these characteristics, adequate facilities and services can be beneficial for Muslim travelers. For example, it is forbidden for a Muslim to eat Haram foods, so the availability of Halal food is obligatory. Another example is the availability of prayer facilities so the Muslim tourists can obey their daily five time Shalat.

However, there are still many aspects related to suffice Muslim travelers needs aside from the basic needs. In Islamic teachings, interaction between men and women who are not bound by marital relations or blood ties, identified as something that must be avoided. Therefore, additional efforts such as limiting hotel workers serving guests only to the same gender, also need to be considered.

El-Gohary proposed a list for Halal tourism principles and/or key requirements, such as: no alcoholic beverages served, no nightclubs, male staff for single male floors and female staff for single female floors, in house religious figures, appropriate entertainment, Islamic dressing code for staff uniforms, separate facilities, no art depicted human form, guest suitable dressing code, and Hotel that follow Zakat principles [3]. However, he also argues that that such principles and/or key requirements are not going to be equally recognized by all Muslims, and so that basic needs will have a higher level of importance.

There's a huge misconception about the practice of Halal tourism. Many understand it the same as applying strict Islamic laws, making some parties refuse or even hate the concept of Halal tourism. As in the view of the tourism businesses industries that rejected, the concept of Halal tourism is considered to limiting the space for businesses development and can be incriminating, while in the view of tourists whose not in favor, Halal tourism seen as an unsuitable type of tourism because it limits the freedom of travel.

While in fact, in practice, Halal tourism can accommodate both Muslim and non-Muslim travelers. For Muslim travelers, it is clear that the concept of Halal tourism suits their characteristics and needs. For non-Muslim travelers, several aspects of Halal tourism can provide assurance, such as a guarantee of the cleanliness of Halal food, a guarantee of the purity of water in toilets at tourist attractions intended for Muslim tourists, and several other things.

The common misconception about Halal tourism stems from the absurdity of the definition of Halal tourism itself. Some academics try to explain the concept of Halal tourism by linking it to deep Islamic laws. Whereas Halal tourism can be simplified as the following can be proposed: Halal tourism can be understood as a set of extended services of amenities, attractions and accessibility intended to deliver and fulfill Muslim travelers' experiences and needs.

## **Requirements or Halal Tourism**

In Muslim-majority countries such as Malaysia and Indonesia, the availability of Halal food is not difficult to find. Unlike in non-Muslim countries, finding Halal products that are in accordance with Islamic legal guidance can be challenging. Given that Halal tourism destinations have expanded to non-Muslim countries, certifications that guarantee Halal products have also begun to be applied in non-Muslim countries. In Thailand for example, the Halal Standard Institute under the auspices of the Central Islamic Committee of Thailand was formed to guarantee Halal products. While in Singapore, the Islamic Ulema Council of Singapore (Muis) is an institution that regulates the certification of Halal products.

GMTI categorizes the requirements that must be possessed by a halal tourist destination in 3 key faith based categories:

Need To Have:

- Halal Food Service
- Salath (Prayer) Facilities

Good To Have:

- Water Friendly Washrooms
- Ramadhan (Fasting) Services and Facilities

Nice To Have

- No non-Halal Activities
- Recreational Facilities and Services

In 2018, a revised to the key added three more “needs”:

1. No Islamophobia,
2. Social Causes,
3. Local Muslim Experiences

GMTI also proposed a model for Halal tourism that can be used as a benchmark in developing the Halal tourism destination. The ACES model consists of Access, Communication, Environment, and Services.

Model ACES:

1. Access:
  - Visa Requirements
  - Connectivity
  - Transport Infrastructure
2. Communication
  - Outreach
  - Ease of Communication
  - Digital Presence
3. Environment:
  - Safety
  - Visitor Arrival
  - Faith Restrictions
  - Enabling Climate
4. Services
  - Core need (Halal food and prayer facilities)
  - Core services (Hotels and Airport)
  - Unique Experiences

## **Halal Tourism Practices in ASEAN Countries**

Southeast Asia is home to more than 240 million Muslims about 42 percent of Southeast Asians, and about 25 percent of the world’s 1.6 billion Muslims. Most Southeast Asian Muslims are Sunni, and follow the Shafii school of Muslim jurisprudence. Islam is the official religion of Malaysia and

Brunei, and an officially recognized religion of Indonesia, Thailand, and the Philippines [4]. To this extent, it is not surprising if a very rapid growth of Halal tourism can be seen in this region.

The Southeast Asian region has long been known as a very appealing tourist destination in global tourism. Malaysia, Indonesia, and Thailand are among the most visited destination countries by global tourists in the region. The four countries succeeded in fitting in Halal tourism also capped the top ranking of Halal tourism destinations in the OIC and non-OIC countries category. The lookout of these three countries:

### **Malaysia**

Still ranked number one in both GMTI and GIEI index on Halal tourism destination, Malaysia strongly recognized as the most successful Halal tourism destination country among the other destination. Using the term “Muslim-friendly tourism” Malaysia thrives to attract Muslim tourists from various countries, especially from the Middle East Muslim countries. Malaysia receives many notions of awards and recognition for its accomplishment as a host country for Halal tourism.

The country will command a 22.7% share of Asean’s Muslim tourism market, attracting a total inbound Muslim traveller spend of US\$4.4 billion by the end of the decade, the 'Global Economic Impact of Muslim Tourism and Future Growth Projection: 2017-2020 report reveals. By 2020, the direct GDP of inbound Muslim tourism as a percentage of Malaysia’s total inbound tourism GDP, will increase to 20.8%. The country currently receives US\$600 million in direct tax contribution from the inbound Muslim travel sector, almost a quarter (24.4%) of the total collected in Asean, and this is set to increase in line with spending trends to US\$ 400 Million by 2020. Malaysia’s outbound Muslim travel sector is booming too, with expenditure forecast to grow to US\$4.8 billion by 2020, up from US\$3.7 billion in 2017.

This achievement can be seen as the result of the efforts of Malaysian government, who enacted the “Halal Master Plan” program. The program organized into three phases: First, establishing Malaysia as a world center for Halal integrity and prepares for industrial development (2008-2010), establishing Malaysia as one of the favorite locations associated with Halal Business (2011-2015), and expanding the geographic footprint of Malaysia as the center of Halal Development Company (2016-2020).

Another strategy undertaken by the Malaysian government is establishing the Islamic Tourism Center (ITC) in 2009 to help with related strategic research and development. According to a press release posted on the Tourism Malaysia website in 2013, ITC titled “Developing the Islamic Tourism Trail” at various states, preparing a draft blueprint on the Islamic tourism development strategies, and collaborating with the local 9 universities to conduct various researches on Islamic and Halal tourism. The clever marketing strategy brings Malaysia to the top of the GMTI index ranking of Halal destinations for five consecutive years.

### **Indonesia**

Indonesia as the country with the largest Muslim population in the world, has become one of the most progressive countries in developing halal tourism. Indonesia has recorded a significant increase in its ranking in the GMTI (Global Muslim Travel Index) index. Indonesia was ranked sixth in 2015, ranked fourth in 2016, ranked third in 2017, and ranked second in 2018. In 2019 Indonesia succeeded in achieving first place with a total score of 78.

According to the ranking index contained in the IMTI (Indonesia Muslim Travel Index), Indonesia has 10 leading tourism destinations, namely Lombok, Aceh, Riau and Riau Islands, Jakarta, West Sumatra, West Java, Yogyakarta, Central Java, East Java (Malang), and South Sulawesi.

In 2016, Indonesia awarded 12 of the 16 award categories in the 2016 World Halal Tourism Award in Abu Dhabi. This success has increasingly convinced the government, stakeholders and the people of Indonesia to continue to build competitive tourism by developing the characteristics of halal tourism in the tourism promotion scheme. The increasing number of Middle Eastern tourists by 32% in 2016 also contributed to the country's foreign exchange income reaching US \$ 13 billion. At the same time, coordination between the Ministry of Tourism and related parties must also be more effective so that

infrastructure development, natural resource preparation and integrative promotion can be achieved and accelerate the growth of Halal tourism in Indonesia.

But it is unfortunate that Indonesia still can not maximize the effort in making the Halal tourism as a beneficiary sector. According to Anwar Bashori, financial director of Shariah Bank Indonesia, in the global Halal industry, Indonesia is still serving as the biggest consumer country. Indonesia needs to take a stand as a producer in the Halal product industry, but it is unfortunate that Indonesia still does not have regulations that can help shape the Halal ecosystem.

## **Thailand**

As a host country that receives most tourists in the region, Thailand refuses to miss out on taking advantage of the rapidly growing and promising Muslim tourist market. Muslims comprise as Thailand's largest religious minority and are concentrated mainly in the southernmost provinces of Narathiwat, Pattani, Yala, and Satun. According to the 2015 census, Islam is the second most populous religion after Buddhism in Thailand. The number of Muslims in Thailand is 4.29% or 2,892,311 people. The number of Muslims led to significant demand for halal products.

In recent years, Thailand has received numerous awards as the best Halal tourist destination in the category of non-OIC countries. Thailand is a display of proof that in a non-majority Muslims country, Halal tourism can also be successfully executed. It is estimated 3.6-3.7 million Muslims visited Thailand last year, accounting for nearly 10% of total international arrivals. As the market trend is promising, the Tourism and Sports Ministry has launched a project for the development of halal tourism and services [5].

One of the efforts took by Thailand's in realizing the application of Halal tourism is to establish a Halal certification unit held by the Halal Standard Institute of Thailand under the authority of the Central Islamic Committee of Thailand. Restaurants and hotels in Thailand displaying Halal certification as a way to solve trust issues and create branding for halal products.

Halal tourism gained its momentum after the 9/11 tragedy. The after effect significantly impacted the journeys of populations affiliated with the religion of Islam. Widespread distrust toward Muslims emerged in the form of anti-Muslim sentiment frequently defined as Islamophobia. Given that Muslim tourists are treated with suspicion in a political context where governments and states are waging war on terror, the fear of Muslims as terrorists or extremists has spread globally and affects their freedom to travel and liberally participate in tourist activities within the Western states [6]. Looking it at the bright side, this situation has become a key element to the blooming relations of the inter-Muslim countries and is also one of the growth factors of Muslim tourism as it is today.

While Islamophobia is no longer a growth factor for Muslim tourism, it now becomes a barrier to the subject. The phobic behavior is no longer found openly, but it can still be found in some certain societies. Discrimination and oppression against Muslim still exist in non-Muslim countries. For instance, in Southeast Asia, this demeanor can be seen in the oppression of Myanmar to the Muslim Rohingya, while the Philippines also struggling to end the conflict with Muslim communities in Moro.

Such difficulty not only happens to non-Muslim or a country with Muslim minorities. In some Muslim majority countries, this also can be an obstacle that needs to be tackled. Take Indonesia as an example, while holding the predicate of the largest Muslim population country in the world, Islamophobia still occurs in some places. The tragedy of Ambon still echoing as a reminder of how the lack of tolerance can be.

Islamophobia can give a bad reputation for destinations from Muslim travelers perspective. Efforts to enabling a safer climate that can prevent discrimination and hatred towards Muslim must be utilized at the destination before implementing Halal tourism.

Another thing that needs to be considered in practicing Halal tourism in ASEAN is the certification of Halal products, especially Halal food certification. In several major countries, such as Malaysia, Indonesia, Thailand, Singapore, Brunei, and the Philippines, Halal certification has been well

established. However, a body or committee that guarantees Halal food cannot be found in Laos, while in Myanmar the Halal logo has not been legally regulated and has been issued separately by institutions that are not under government supervision [7], [8].

A better cooperation between countries in ASEAN interregional can certainly make the progress of Halal tourism development in ASEAN more sustain. And with the hope that all countries can accept and adopt this concept, Halal tourism will also give a positive impact on the tourism industry in ASEAN.

## CONCLUSION

The conclusion is intended to help the reader understand why your research should matter to them after they have finished reading the paper. A conclusion is not merely a summary of the main topics covered or a re-statement of your research problem, but a synthesis of key points and, if applicable, where you recommend new areas for future research. For most essays, one well-developed paragraph is sufficient for a conclusion, although in some cases, a two or three paragraph conclusion may be required.

Halal tourism gained its momentum after the 9/11 tragedy. The after effect significantly impacted the journeys of populations affiliated with the religion of Islam. Widespread distrust toward Muslims emerged in the form of anti-Muslim sentiment frequently defined as Islamophobia. Given that Muslim tourists are treated with suspicion in a political context where governments and states are waging war on terror, the fear of Muslims as terrorists or extremists has spread globally and affects their freedom to travel and liberally participate in tourist activities within the Western states [6]. Looking it at the bright side, this situation has become a key element to the blooming relations of the inter-Muslim countries and is also one of the growth factors of Muslim tourism as it is today.

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# ENHANCING INNOVATION FOR COMPETITIVENESS: WHAT COULD INDONESIA LEARN FROM MALAYSIA DAN THAILAND

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## Abstract

Innovation has become a mantra for nation's competitiveness. This paper analyze Global Innovation Index 2019 from WIPO, Cornell and SEAD, which is a leading benchmarking tool for those who want to know the state of innovation around the world. This research is presented based on a critical review of the literature in relation to innovation and Global Innovation Index 2019 and Global Competitiveness Report 2018. It was found that Indonesia is now dealing with a problem as it seems stagnate in innovation compared to some of its counterparts in ASEAN, most notably: Malaysia and Thailand. In the 2019, Global Innovation Index, Indonesia was ranked 85th. This was an improvement on 2012 (100th). Indonesia had a lower ranking in terms of infrastructure, human capital and research and knowledge workers. These indicators suggest there is a need to improve infrastructure and education especially higher education institution. Indonesia has a lack of innovation in terms of ease of business compared to Thailand, and creative good export compared to Malaysia. This may indicate the importance of clear strategic paths to enhance Indonesia's competitiveness.

**Keywords:** Global Innovation Index, Global Competitiveness Report, Innovation, ASEAN, Competitiveness, Business Innovation, ASEAN Collaboration, Indonesia, Malaysia, Thailand.

## INTRODUCTION

Innovation has become a mantra for increasing competitiveness among nations. It is hard not to notice, for example, the China's economic transformation from an emerging market economy to the second largest economy. China uses innovation to elevate their economic development. In this case, trade war has become a strong indicator the power of China's economy. These may encourage ASEAN's responses, in particular, in how these countries implement innovation in order to compete with nations.

ASEAN perhaps is not like European Union (EU) that emphasized the importance of integration although Brexit may indicate there is a problem in this regard. ASEAN should not be expected to follow the path followed by EU [1]. However, ASEAN has its uniqueness as "close friends" in which collaboration and great understanding are expected. In order to enhance collaboration, there is a need to have a strong foundation in terms of innovation. Here ASEAN members may need to take lesson from each other. More specifically, Indonesia needs to learn from Malaysia and Thailand as these two countries have consistently surpasses Indonesia's achievement. It is always easier to learn from neighbours as they may offer relatively similar contexts. This paper analyzed Global Innovation Index 2019 [2]. Global Innovation Index is a leading benchmarking tool for those who want to know the state of innovation around the world. This research is presented based on a critical review of the literature in relation to innovation and Global Innovation Index. It was found that Indonesia is now dealing with a problem as it seems stagnate in innovation compared to some of its counterparts in ASEAN, most notably: Malaysia and Thailand. In the 2019 Global Innovation Index, Indonesia was ranked 85th. This was an improvement on 2012 (100th). Indonesia had a lower ranking in terms of infrastructure, human capital and research and knowledge workers. In the 2013 Global Innovation Index, Indonesia was ranked 85th out of 142 countries [2]. This was an improvement in ranking on 2012 (100). Despite this improvement, Indonesia compared poorly with its ASEAN neighbours, such

as Thailand (57th), Malaysia (32nd) and Singapore (8th). This was because Indonesia had a lower ranking in terms of infrastructure, human capital and research and knowledge workers. Again, these indicators suggest there is a need to improve infrastructure and education in Indonesia in order to improve innovation.

In the 2018 Global Competitiveness Index, Indonesia was ranked 45th out of 140 countries, while Thailand was ranked 38th and Malaysia 25th. It was found that Indonesia has problem particularly in infrastructure as there is a huge gap in this regard among G20 economies (about 30 points between Japan and Indonesia, the best and worst performers, respectively). It was also found that Indonesia has difficulties in innovation implementation as R&D spending amounting to less than 0.1% of GDP (112th).

The objective of the present study is to examine strategic paths that can be taken by Indonesia to enhance its innovation from Malaysia and Thailand from the lens of Global Innovation Index 2019 and Global Competitiveness Report 2019. This is because from 2012, this index has shown that Indonesia is always behind these two countries' rankings. In a broader sense, innovation enhances competitiveness and the latter is a critical factor in Indonesia's current and future economic prosperity. The Global Competitiveness Report 2013–2014 ranked Indonesia 38th out of 148 countries; lower than their ASEAN neighbours Thailand (37th), Malaysia (24th) and Singapore (2nd)

In this report, Indonesia is categorised as a country in the „efficiency-driven“ stage of development. This means there is a strong demand for more efficient production and better product quality as Indonesia is no longer a provider of the cheapest workers. However, Indonesia has problems with delivering infrastructure and health and primary education. They are the missing links in driving Indonesia's competitiveness, which may reflect a lack of skilled and well-educated workers and entrepreneurs.

## **RESEACH METHOD**

This research is presented based on a critical review of the literature in relation to innovation. More specifically, this paper analyzed the findings from two main documents: Global Innovation Index 2019 and Global Competitiveness Index 2018. In particular, this paper focused on weaknesses that have caused Indonesia's rankings in these two indexes behind Thailand and Malaysia. Both Malaysia and Thailand also have their own strengths that may have some patterns that can be followed by Indonesia. These patterns could be categorized as strategic paths. After that, this paper would relate these findings to innovation related concepts. Finally, there would be some suggestions in how Indonesia can enhance its competitiveness and how some perspectives from ASEAN neighbours (i.e Malaysia and Thailand).

## **RESULT AND DISCUSSION**

Ciocanel and Pavelescu identified that there is a strong link between innovation performance and nation's competitiveness [4]. In addition, while competitiveness and innovation in Indonesia may partly reflect entrepreneurial behaviour, a Global Entrepreneurship Monitor report by Amoros and Bosma explains the importance of the development of entrepreneurship in Indonesia [5]. The report suggested that as one Asia's efficiency not innovative driven economies Indonesia offers abundant business opportunities, which are being responded to by encouragingly enthusiastic new business owners. Nascent entrepreneurs, those who tried to establish new businesses and new businesses ownership in Indonesia were higher in number than those in other efficiency driven countries such as Brazil, China and Malaysia. This may indicate the importance of new business owners enhancing their innovativeness so that Indonesia can develop into an innovative-driven market in the future.

However, Indonesia has a lack of foundation of entrepreneurship: innovation. In terms of innovation, there is a gap between Indonesia and Malaysia and Thailand. In Global Competitiveness Report 2018, In terms of R & D expenditures (% GDP), Indonesia was ranked 112<sup>th</sup>, behind Malaysia (28th) and



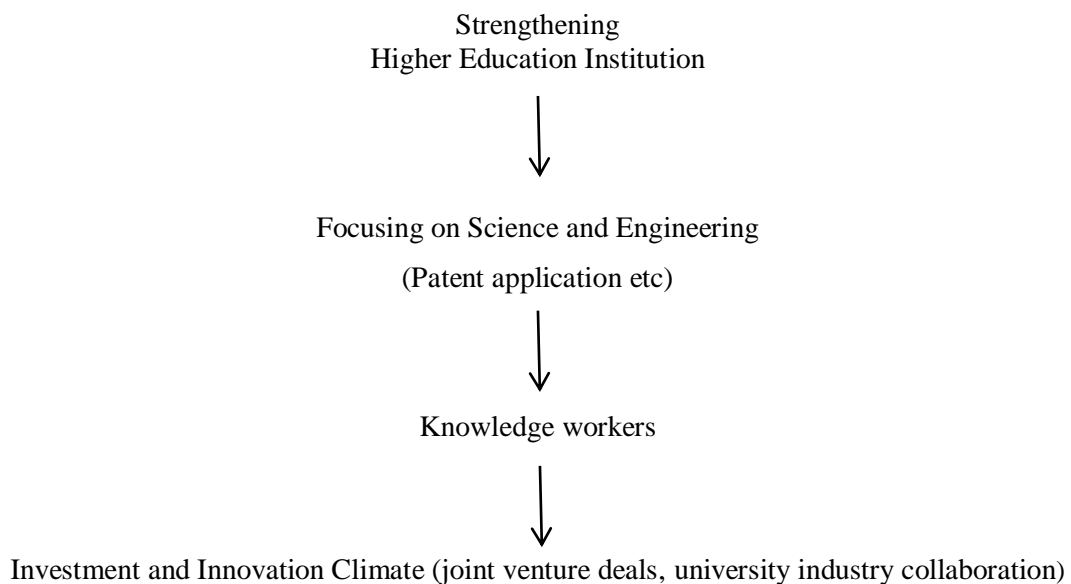
Thailand (54th). In terms of quality of research institution in which Indonesia was ranked 53th, Malaysia 34th, and Thailand (40), unsurprisingly, this is also the case in patent applications (Indonesia 99, Malaysia 42, Thailand (68). This is to signify the importance of human resources in enhancing innovation. The low skilled labour force can be attributed to the poor quality of education and its inability to create highly skilled graduates and Indonesia’s poorly skilled labour force may also have a negative impact on business innovation. In this case, education institutions more specifically higher education institutions need to play a greater role. As mentioned previously, Indonesia has many enthusiast business owners, but they most probably do not have capabilities to innovate. Here universities may need to closely interact with small business owners in order to enhance business innovation. More often than not, in Indonesia, there is no strong link between research findings or prototypes and small business products [6]. This is the reason why small medium enterprises, even though they are big in quantity in Indonesia, they still cannot contribute significantly in Indonesia’s competitiveness and innovation indexes.

As mentioned previously, in general, Indonesia had a lower ranking in Global innovation Index for many years in terms of infrastructure, human capital and research and knowledge workers. These indicators suggest there is a need to improve infrastructure and education in Indonesia in order to improve innovation. Investment in infrastructure has not been sufficient to support businesses and households and this, in turn has hampered Indonesia’s economic performance even though recent policies in Indonesia have emphasized the importance of infrastructure. Investments in education and health also have been insufficient to enhance the quality of human resources across Indonesia. Therefore, the next question is that what next to do in details to overcome a lack of innovation and competitiveness in Indonesia?

**Strategic Paths**

After identifying problems and general solutions, this paper formulates strategic paths that could be taken from Malaysia and Thailand. From Malaysia, while we can safely say that Malaysia was generally better in many innovation related aspects, Global Innovation Index 2019 provides some patterns to follow. Malaysia consistently focuses on education in general, but to be precise, in higher education institutions especially in terms of graduates in science and engineering (Indonesia 68th; Malaysia 8th. This is important because innovation needs knowledge workers. This is a path that Malaysia follows as it was ranked 58th-Indonesia was ranked 122th. As a result, investment climate in Malaysia can be considered much better compared to Indonesia (90th; 29th). This path can be seen in Figure 1.

**Figure 1. Strategic Path 1**



Based on Global Innovation Index 2019, Thailand also has some patterns that can be followed.

**Figure 2. Strategic Path 2**



Thailand has a slightly different path. It offers ease of starting business. This perhaps is not hard for Indonesia to follow as Indonesia's entrepreneurs have enthusiastically established their new businesses. However, the next steps are much harder. Again, R&D has made differences. Business organizations funded their own R&D as they know the importance of R&D. As a result, Thailand can heavily focus on creative good exports rather than raw materials. This path can also be followed by Indonesia. SME internationalization has become a main issue in Indonesia. As suggested by Indarti, the impact of depth of knowledge on firm's innovation capabilities is stronger for small firms than larger ones [7]. This means that small businesses can benefit from business innovation if they have knowledge. As suggested by Siudek and Zawojka, one of the main obstacles for reaching competitiveness in emerging market economies is their inability to open up their economies to global competitiveness forces [8]. This means that SME internationalization should be supported by high-growth businesses that have knowledge and business innovation.

Carayannis and Grigoroudis have identified that, by average, there are no significant gaps among innovation and competitiveness, although a number of variations may be found for particular countries [9]. This means that by analyzing either Global Competitiveness Report or Global Innovation Index may result in similar conclusions. These two strategic paths from these documents have showed that it is true that competitiveness and innovation in Indonesia needs high-growth business and knowledge workers from better higher education institutions.

## CONCLUSION

As Indonesia behind Malaysia and Thailand in terms of innovation and competitiveness, it could learn from these two countries. They are part of ASEAN and are Indonesia's friends. There are two paths that can be followed by Indonesia in order to enhance its competitiveness. They are mainly from innovation-related concepts as innovation is considered a source of competitiveness. . Strategic path 1 focuses on innovation implementation by strengthening university particularly science and engineering and R&D. strategic path 2 focuses on creative good exports by providing ease in the business startup, ease in getting credit, and strengthening SMEs. These two strategic paths have successfully increased their rankings in innovation and competitiveness. Indonesia may choose either one or two strategic paths. The essence of these strategic paths is knowledge and SME internationalization. This is a path that could be consistently implemented in Indonesia.

It is important to have collaboration with ASEAN neighbours such as Thailand and Malaysia. In order to enhance innovation and competitiveness, higher education institutions need to be strengthened. Indonesia, Malaysia, and Thailand can enhance universities' collaboration which may lead to university-industry collaboration among these countries. Some research collaboration including agricultures and engineering which are sources of economic growths in ASEAN should be encouraged. R&D in small businesses can also be a key point in enhancing innovation and competitiveness. R&D and knowledge are important sources of business innovation and SME internationalization. Government can provide incentives to SMEs that implement R&D. SMEs need to expand their markets. In this case, promoting ASEAN Economic Community among SMEs in these three countries and ASEAN as a whole is an effective way to enhance competitiveness. Indonesia needs to actively implement these paths.

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# CAN FOREIGN DIRECT INVESTMENT (FDI) REDUCE UNEMPLOYMENT IN HOME COUNTRIES? ANALYSIS FOR ASEAN 5

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## Abstract

Foreign direct investment (FDI) is considered a strategic policy to reduce unemployment in the host country. Through multinational companies, it is expected to be able to absorb new workers so that they can reduce the unemployment rate. Some studies show that FDI is not only related to capital transfers but also provides several key benefits such as reducing unemployment, transferring technology and managerial capabilities. But the benefits are again questioned, both for developing countries and for developed countries. Some studies have found that FDI can reduce unemployment but other studies have also found different things. So that the interrelationships between foreign direct investment and the unemployment rate are not fully clarified. This study aims to analyze the effect of FDI on the labour market in ASEAN 5. This research focuses on 5 founding countries of the Association of Southeast Asian Nations (ASEAN), namely Indonesia, Singapore, Malaysia, Thailand, and the Philippines. This study uses a series of Vector Error Correction Model (VECM) analyzes to analyze the effect of FDI on unemployment rates, both in the long and short term in each ASEAN 5 country. Through the Impulse Response Function (IRF) test in VECM analysis, it can also analyze the impact of FDI shocks on fluctuations in the unemployment rate. The data used is annual data covering the years 1975-2016. The results show that FDI can reduce unemployment in ASEAN 5 countries, but this result is only seen in the long term. While through the IRF it was explained that the results were different in each country.

**Keywords:** FDI, Unemployment Rate, VECM.

## INTRODUCTION

Unemployment is still crucial for ASEAN countries, where members are still dominated by developing countries. According to data from the World Bank in 2017, the highest number of unemployed were Brunnei, the Philippines and followed by Indonesia and other countries. In general, this problem is motivated by the same problem, one of which is because population growth is faster than job creation. Furthermore, due to economic disparities in the central and regions. However, the core problem of most of these countries is the lack of capital, so the country is not able to create new fields in line with high population growth.

Some studies reveal that unemployment can be reduced through domestic policies such as fiscal and monetary policies. Expansive fiscal policy can create jobs for example by increasing spending on government projects and reducing taxes. Or through monetary policy such as applying low interest rates. This policy is one solution to reduce unemployment, but this becomes an obstacle if a country also has limited funds. Recently, Foreign Direct Investment (FDI) has emerged as one of the most widely applied methods by many countries. Where FDI does not only provide funds transfers, but many other benefits such as the use of new labour, transfer of technology functions and managerial capabilities [1].

In summary, Foreign Direct Investment (FDI) describes long-term investment with companies operating in other countries. Foreign investment (FDI) that enters through multinational companies, is expected to absorb new labour and provide other benefits to the economy. Through these great benefits, many countries are increasingly opening themselves up to attract foreign investors by

offering various stimuli that benefit investors, including ASEAN countries. One of ASEAN's policies in increasing FDI is to create a free flow of investment, namely implementing an investment-free area [2].

Several policies have succeeded in increasing Foreign Direct Investment (FDI) in ASEAN and have shown a rapid increase since the 1970s. The increase was sourced from intra-ASEAN investors and outside the ASEAN region. Until 2016, the largest intra-ASEAN investors came from Singapore (69 percent), followed by Malaysia and Thailand [3]. About 95% of investment in the ASEAN region in 2016 came from these three countries. Meanwhile, the biggest recipient of this investment is Indonesia, which reached U \$ D 5.7 billion in 2016 [3]. In addition, investors from outside the region also continue to grow, coming from China, the Netherlands, Hong Kong, the United States and Australia.

Investors investing in ASEAN were initially dominated by the manufacturing sector, but lately the service sector has shown rapid growth. Especially modern services such as finance, tourism, business and logistics have become the biggest sectors in the economy. However, the agricultural sector saw a significant decline. In addition, the digital economy gets attention because its growth is classified as very fast and very needed. Investment in the digital economy includes e-commerce, fintech, venture capital, and other digital activities such as in the development of data centers and various information and communication technology infrastructure (ICT) [2].

Increasing foreign investment (FDI) in various economic sectors is one of the goals for developing countries to achieve rapid economic growth and the problem of labour can also be overcome. But lately many studies have doubted this, because FDI may not be able to provide benefits as expected. Many studies describe the great benefits of FDI, but the fact has not been able to reveal clearly the link between the influence of foreign investment (FDI) and the unemployment rate. Several studies have revealed the negative influence between foreign investment and the unemployment rate, including research which says that the contribution of FDI is not only seen in reducing unemployment, but also includes technology transfer which directly contributes to the increase in productive capital stock, technological growth, transfer of managerial skills and global market access [4]. This is also reinforced by research conducted by [5],[6],[7], and [1].

On the other hand, there are still several other researchers who find different results. FDI had adverse effects on the economy [8]. These side effects are seen through advances in technology and the inclusion of higher financial assistance, foreign investors can monopolize the market, and influence local producers and bring in more foreign workers. Furthermore states that FDI is not the key in resolving unemployment, because it does not contribute to reducing unemployment in Turkey [9]. Rizvi & Nishat, 2009 also found the same thing where FDI does not have a direct impact on unemployment for the countries studied such as China, India, and Pakistan [10].

Summarizing this section, we can state that the interdependence between foreign direct investment and unemployment is not fully clarified. However, we must keep in mind the fact that this relationship is very dependent on the country under study (group of countries), the type of foreign direct investment under study and also on the time period analyzed. So it is very interesting to further analyze the effect of FDI on the unemployment rate in ASEAN 5 countries, both short-term and long-term effects.

## **RESEARCH METHOD**

### **Data and Data Sources**

The type of data used in this study is annual data covering from 1975-2017. The variables used are FDI inflow, unemployment rate, inflation rate, and real effective exchange rate. This study only covers 5 ASEAN member countries, namely: Indonesia, Malaysia, Singapore, Thailand and the Philippines. These five countries were known as the founders of ASEAN in 1967, while 5 other Countries (Brunei Darussalam, Vietnam, Myanmar, Laos and Cambodia) were known as members.

Brunei joined in 1984 while 4 other countries followed in the 1990s. For this reason, this research is only focused on 5 founding countries with the same membership year. Furthermore, the data used is obtained through the World Bank.

### Vector Auto Regression (VAR) / Vector Error Correction Model (VECM) Analysis Method

Vector Auto Regression (VAR) appears as a solution to the problems encountered in the use of structural approaches to the simultaneous model. Economic theory is usually used to describe relationships between variables. But sometimes economic theory alone is not enough to provide dynamic model specifications between variables because of the endogeneity of variables, both on the dependent and independent sides. The VAR / VECM method is used to overcome this, and this is one of the reasons for using this model. In the VAR / VECM model, all variables will be treated systematically as endogenous variables to avoid the problem of simultaneous bias.

The Vector Auto Regression (VAR) model illustrates a system of equations where each variable is a function of its own lag and the lag of other variables in the system. Vector Error Correction Model (VECM) is a special form of VAR, which is used when two non-stationary variables are found to have cointegration. The occurrence of cointegration illustrates the existence of long-term relationships in the series [11],[12]. So that in VECM it is possible to know the long-term relationships and short-term relationships in the series. The main idea of VECM is to include error correction terms that adjust short-term fluctuations, thus allowing the model to capture both long-term and short-term property [13].

Furthermore, if we analyze the Vector Error Correction Model (VECM) in another processing model, for example Ordinary Least Square (OLS), it is feared it will produce less valid results. Where OLS is an econometric method where there are independent variables which are explanatory variables and the dependent variable is the variable described in a linear equation. The OLS method has clearly defined dependent and independent variables. It is different in the case of VECM which treats all variables systematically as endogenous variables (variables whose values are determined in the model). Where VECM is a system of simultaneous equations, as a result of the use of macro and monetary variables, making it difficult to separate the independent and dependent variables. The general form of VAR / VECM is explained using the equation below [12];

$$Y_t = \alpha_1 + \sum_{j=1}^k \beta_j \Delta Y_{t-j} + \sum_{i=1}^p \gamma_i \Delta X_{t-i} + u_{1t} \quad (1)$$

$$\Delta X_t = \alpha_2 + \sum_{j=1}^k \theta_j \Delta Y_{t-j} + \sum_{i=1}^p \gamma_i \Delta X_{t-i} + u_{2t} \quad (2)$$

Furthermore, to find the relationship between the variables used in the model, the relationship of foreign direct investment (FDI), unemployment rate, inflation, and real interest rate variables is explained in the equation below. So the general form of the VAR / VECM equation used in this study is:

$$\begin{aligned} UNEMP_t = & \alpha_1 + \sum_{i=1}^k \beta_i FDI_{t-i} + \sum_{i=1}^k \gamma_i UNEMP_{t-i} \\ & + \sum_{i=1}^k \delta_i INF_{t-i} + \sum_{i=1}^k \delta_i RIR_{t-i} + U_{1t} \end{aligned} \quad (3)$$

$$\begin{aligned}
 FDI_t = & \alpha_2 + \sum_{j=1}^k \beta_j FDI_{t-j} + \sum_{j=1}^k \gamma_j UNEMP_{t-j} + \\
 & \sum_{j=1}^k \delta_j INF_{t-j} + \sum_{j=1}^k \theta_j RIR_{t-j} + U_{2t}
 \end{aligned}
 \tag{4}$$

Where, FDI is foreign direct investment, UNEMP is unemployment rate, INF is inflation and RIR is real interest rate and u is the term stochastic error. There are several stages of this research analysis method, including stationarity test, determination of optimal lag, cointegration test, vector error correction model (VECM), and impulse response function (IRF). But in this paper will only discuss the results of direct analysis of VECM and IRF analysis.

## LITERATURE REVIEW

Unemployment is still the most highlighted topic for a country's economic problems, be it developing or developed countries. For developing countries, the problem is increasingly difficult to solve because it is related to capital problems. For this problem, FDI is one of the solutions chosen by several countries. In many studies FDI has a positive impact by creating new jobs and can further reduce unemployment. In addition to the influx of FDI capital, it can also transmit advances related to technology and managerial skills so as to encourage economic growth. This claim is generally accepted is the result of many studies, but some results give different things.

It is important to emphasize that FDI can bring more benefits to the country than damage it, but every country that adopts FDI must be able to direct it properly, because if not, FDI can have a negative impact on the country's economy. Some positive and negative impacts of several studies have been summarized in Figure 1.

**Figure 1. Positive and Negative FDI Impacts**



Source: Quoted from [14] research in accordance with [15], [16], and [17].

First, research conducted by Muhd Irpan et al., 2016 which focuses on the impact of FDI on employment levels in Malaysia. This study found that support from FDI and foreign workers significantly reduced the unemployment rate [8]. FDI also provides opportunities for Malaysia to develop networks between countries, such as international trade. This allows the domestic market to supply goods for international demand, thereby creating more employment opportunities and reducing the unemployment rate. But this also has side effects due to technological advances and the inclusion

of higher financial assistance, foreign investors can monopolize the market and influence local producers and bring more foreign workers to Malaysia. This has positive and negative effects for the country of Malaysia.

Furthermore, research conducted by Balcerzak & Zurek, 2011 analyzed the relationship between FDI and unemployment in Poland. This study proves that there is a reciprocal relationship between FDI and employment in Poland. Impulse FDI causes a decrease in the unemployment rate. However, the positive effect of FDI on the Polish labour market tends to be short-term [1].

In contrast to the above research, several studies have also found mixed results. Analysis of the impact of FDI shows that FDI has a positive influence on the economies of the Baltic countries, because it found a strong relationship between FDI and GDP, as well as between FDI and labour productivity in all Baltic countries. However, FDI does not affect the unemployment rate in all Baltic countries [14]. Further research by Brincikova, 2014 in V4 countries using panel data. The study revealed that FDI inflows did not have a significant impact on employment in the host country [18].

It can be concluded from all studies related to FDI and unemployment gives different results. The study in Turkey also gave surprising results [6]. This study explains the role of FDI inflows in job creation in Turkey at the sectoral level for the period 2000 and 2007, using dynamic panel data. This study found a negative relationship between FDI inflows and employment. Where along with the increase in FDI inflows, the country achieved a high growth rate. However, high unemployment continues to be a major problem. The negative relationship is caused by Mergers and acquisitions (MAs), as the dominant mode of foreign entry in Turkey. In addition, the shift in foreign investment from low-tech industries to medium and high industries in manufacturing has a detrimental effect on employment in Turkey.

## RESULT AND DISCUSSION

Through the stages of stationarity test and Johansen's cointegration test, it is known that the most appropriate model is VECM. Data contains stationarity at the first level and there is also cointegration. In determining the optimal lag it is known that the 5 countries studied were found to be optimal lags that differed by country, where: Indonesia, Malaysia and the Philippines used lag 4, while Singapore and Thailand used lag 2. In this analysis phase, the results of the analysis test would be placed in the attachment.

In Table 1 it can be seen that  $p > \chi^2$  is less than 5%, explaining that there is a cointegration or long-term relationship in the VECM equation. To strengthen the proof of cointegration equations, one can use Johansen normalization restriction imposed in the appendix. The result provides an explanation that all variables are significant in all cointegrating equations, so the VECM results can be said to be valid and all variables can be included in the VECM discussion.

The VECM estimation results can be seen in Table 3. In  $_{ce1}$  (cointegrating equation 1), the value of  $p > |z|$  smaller than the level of the hypothesis used is 5%. This figure shows that there is a cointegration between FDI and the unemployment rate and other variables in the long run. The results show that FDI has a significant negative effect on the unemployment rate in the long run. This means that increasing the value of FDI in 5 countries has proven to be able to reduce the unemployment rate in the long run. This is in line with research conducted by [8].

But something interesting happened here, the results of the analysis in the short term did not give the same results. In the short term, the unemployment rate has no effect on changes in FDI during the study period. In the appendix it can be seen that the unemployment rate (unemp) variable, foreign direct investment (fdi), inflation (inf) and real interest rate (RIR) have a value of  $p > |z|$  which is greater than the 5% hypothesis level. This figure indicates that FDI has no significant effect on the unemployment rate in the short term. This result contradicts research conducted by Balcerzak & Zurek, 2011 who found that FDI affects employment or labour in the short term [1].



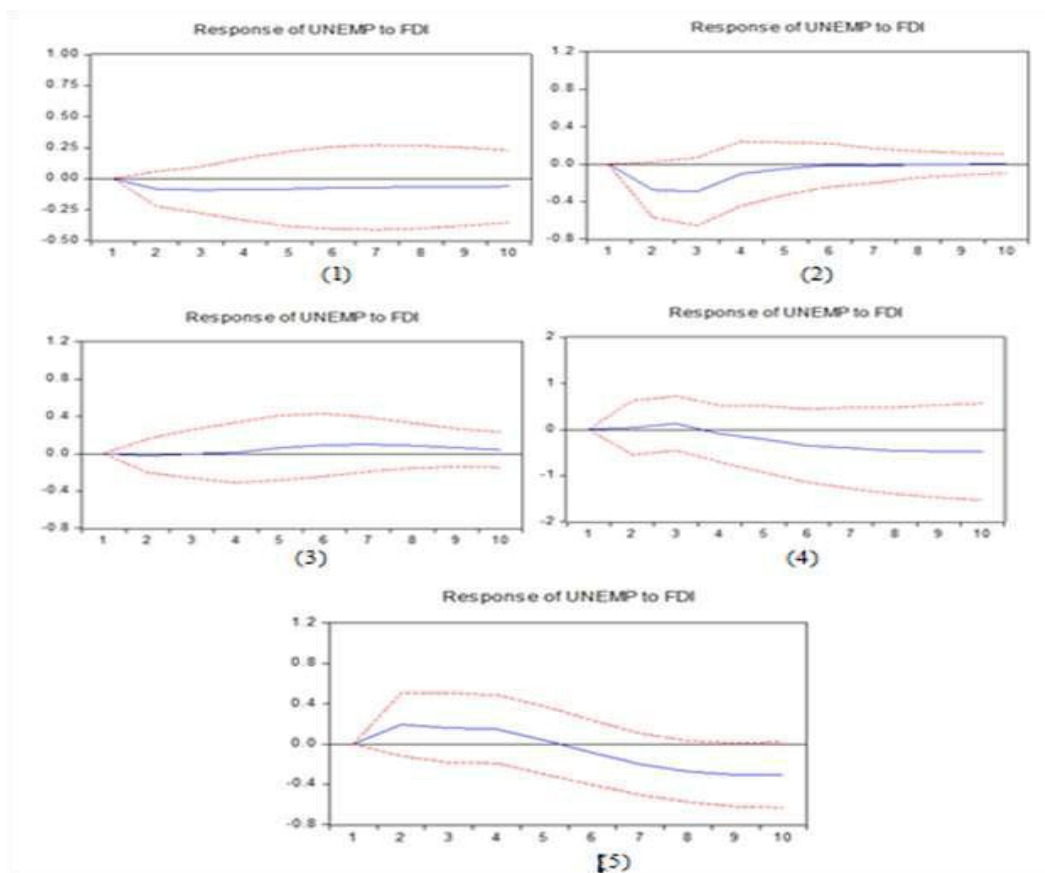
**Table 1: Long-Term VECM Estimation Result**

<b>Indonesia</b>						
D_unemp	Coef.	Std. err	z	p>z	[95% conf. Interval]	
_ce1	-0.1758027	0.0853156	-2.06	0.039	-0.3430183	-0.0085872
_ce2	-0.1991461	0.1313079	-1.52	0.129	-0.4565048	0.0582126
_ce3	-0.0036188	0.0231089	-0.16	0.876	-0.0489114	-0.0416738
<b>Singapore</b>						
D_unemp	Coef.	Std. err	z	p>z	[95% conf. Interval]	
_ce1	-0.4413231	0.1403568	-3.14	0.002	-0.7164174	-0.1662288
_ce2	-0.0189845	0.0237806	-0.80	0.425	-0.0655935	0.0276245
_ce3	-0.0521617	0.775882	-0.67	0.501	-0.2042317	0.0999083
<b>Malaysia</b>						
D_unemp	Coef.	Std. err	z	p>z	[95% conf. Interval]	
_ce1	-0.3548663	0.1417267	-2.50	0.012	-0.6326454	-0.770871
_ce2	-0.1762775	0.0968902	-1.82	0.069	-0.3661788	-0.0136238
_ce3	0.0746406	0.0414502	1.80	0.072	-0.0066004	0.1558815
<b>Philippines</b>						
D_unemp	Coef.	Std. err	z	p>z	[95% conf. Interval]	
_ce1	-0.5151463	0.1397088	-3.69	0.000	0.7889705	0.2413221
_ce2	0.539312	0.4574346	1.18	0.238	-0.3572434	1.435867
_ce3	0.2390517	0.0736701	0.001	0.001	0.0946609	0.3834425
<b>Thailand</b>						
D_unemp	Coef.	Std. err	z	p>z	[95% conf. Interval]	
_ce1	-0.3806548	0.2288291	-1.66	0.046	-0.8291517	0.067842
_ce2	-0.020849	0.2017153	-0.10	0.918	-0.4162037	0.3745056
_ce3	0.003491	0.0754098	0.05	0.963	-0.1443096	0.1512915

Meanwhile, to complete the analysis, an impulse response function (IRF) will be conducted in the final stage. Many practitioners recommend using the impulse response function when the coefficients in the VECM structural equation above are difficult to interpret. The impulse response function describes the rate of shock from one variable to another over a certain period of time. Based on IRF values, the response of the unemployment rate to changes in FDI in 5 countries is quite volatile. The results of the analysis of the 5 countries studied by the Philippines and Thailand are countries whose unemployment rates respond negatively to changes / shock that occurs in FDI. The response of these 2 countries looks negative and continues to decline sharply. This explains that the shock / change in FDI has a large impact on FDI.

The response to the decline in unemployment due to changes in FDI was 11 percent in the Philippines and 18 percent in Thailand in the 10th period. While Indonesia also showed a negative response, but in the period 4 to 10, the unemployment rate barely responded to changes / shock to FDI. The resulting negative trend has seen little change and is almost flat. Singapore shows different results where in the 5th to 10th periods there was no response to changes in FDI, the lines appeared flat and stuck to the balance line. Furthermore, Malaysia also showed a positive trend in the 4-7 period, but the trend then changed in the 7-10 period.

**Figure 2. Response of the unemployment rate to changes / shock from FDI (Note: (1) Indonesia (2) Singapore (3) Malaysia (4) Philippines and (5) Thailand)**



## CONCLUSION

Foreign direct investment (FDI) is defined as a very profitable investment for the host country or the country that provides investment. Investment is increasingly in demand by various countries, because of the enormous benefits for the economy. Increase economic growth and be able to solve socio-economic problems such as unemployment. This is the main reason for some countries. This investment is also used as a strategy by several countries to achieve accelerated economic growth. But lately several studies have found different results, although in theory this investment can reduce unemployment. One of them in this analysis, we find that FDI can reduce the problem of unemployment in ASEAN 5, but this result is only seen in the long run. In the short term, it turns out that FDI is not able to influence unemployment in ASEAN 5. However, apart from these results, we must accept that this type of investment is very influential on the results obtained. This gives an indication that the results of each country will differ depending on the type of FDI entered. As with this study, a more capital-intensive type of FDI is one reason for this discovery. This explains that FDI in ASEAN 5 is more dominant in capital-intensive investment. Investors are even more interested in investments that lead to technology so there is no need to add labour.

Although in general the five countries gave the same results, the results of the IRF can be seen differences in the response of the unemployment rate to the shock of FDI in each country. Through the IRF test it is known that the Philippines and Thailand are countries that respond to an unemployment rate to FDI that is greater than other countries. This implies that there is a big change in the unemployment rate if there is a shock on FDI. In the FDI data it is known that Singapore is the country that receives the most FDI and is followed by Indonesia and Malaysia. These three countries are the biggest recipients of FDI but their influence is small compared to the other 2 countries, this can be seen in Figure 2. This indicates that Thailand and the Philippines are more open to the types of FDI that are profitable and absorb more new workers. So it will have an effect on employment.

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# THE INFLUENCE OF DOMAIN KNOWLEDGE AND CLIENT'S REPORTING STRATEGY ON TAX CONSULTANT'S DECISION

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## Abstract

This study aims to investigate the contingent effect of domain knowledge in two different client financial reporting strategy toward tax consultants decision making. The study differentiates the consultants' decision into tax recommendation and willingness to sign clients' tax return. To accomplish this purpose, study participants were given the role of a tax consultant in a tax compliance task setting. The Experiment was conducted toward experienced students. The results show that tax consultants who possess higher domain knowledge suggest more conservative recommendation when their client adopt aggressive reporting strategy. Furthermore, there is no significant difference in tax recommendation between tax consultant who possess higher and lower domain knowledge if their client adopts a neutral reporting strategy. Then, the study results show that tax consultants who possess higher domain knowledge have a lower willingness to sign clients tax return when their client adopt aggressive reporting strategy. Lastly, it found a similar condition has occurred in the neutral reporting strategy condition. These findings suggest that domain knowledge is crucial to solving a variety of client condition. These findings imply the importance of domain knowledge in tax professional work environment. Thus, tax professionals need to be more concern about their domain knowledge when providing tax services.

**Keywords:** Tax Consultant, Tax Reporting Strategy, Domain Knowledge, Recommendation, Willingness to Sign.

## INTRODUCTION

Tax consultants play an important role in the taxation system. Previous research (such as Stephenson, 2010 and Devos, 2012) shows that tax consultants participate in determining taxpayer compliance decisions. [1] state that, governments in many countries have begun to direct efforts to reduce fiscal gaps and increase tax compliance through monitoring tax consultants. The same conditions occur in Indonesia. The issuance of PMK No. 111 / PMK.03 / 2014 concerning Tax Consultants and the discussion on the Draft Bill on Tax Consultants is indicating this phenomenon.

It is important to understand how tax consultant makes tax decision for their client since a lot of use of consulting services. There are 2 (two) types of tax decisions by consultants when providing services to their clients, namely judgment and choice. Judgment refers to tax recommendations given to their clients while choice refers to their willingness to sign their client's tax return. Einhorn and have found that judgment is different from choice and there can be inconsistencies between them. Ajzen (1989) implies that although attitudes can influence behavior, they are not necessarily predictive of certain behaviors. A judgment is an evaluation of a particular situation, while a choice is the selection of certain actions from two or more options.

Some previous researchers suggested that tax consultants view tax recommendations and willingness to sign client tax returns as separate and distinct decisions [2]. A tax consultant can recommend an aggressive tax position without having to sign the client's tax return, or sign a client's tax return that contains an aggressive tax position that is not recommended by the consultant [1]. According to the taxation law, consultants can act as representatives of taxpayers or commonly refer to as tax authorities. In Indonesia, this is regulated in PMK No. 229 / PMK.03 / 2014 concerning the Requirements and Implementation of the Rights and Obligations of a Power of Attorney. When signing the client's tax return, there is greater responsibility for the consultant than when giving

recommendations [2]. because in that action there is a greater commitment. This research will test both of these.

Tax professionals play an important role in helping company managers to make tax compliance decisions and tax planning. Cloyd (1995) states that this role is specifically valuable in assisting corporate clients in determining the position of tax reporting for transactions that have high ambiguity regarding "correct" tax treatment. In this ambiguous condition, conformity between accounting reporting and tax reporting becomes one of the important things to be considered by tax consultants. The issue of conformity between accounting and tax is still debatable. imply that when conformity is weak, managers can opportunistically report lower taxable profits to the tax authorities and at the same time mislead shareholders by reporting higher profits. Previous researches show that companies with large tax-book differences are subject to greater investigations from regulators and more likely to get tax audits from the tax authorities and external auditors [3]. This finding has implications for the risk of consultant uptake, especially regarding the possibility of maintaining the recommended tax position.

Although there are no legal requirements for conforming tax accounting, tax consultants take into account the economic incentives of these conditions. In formulating their recommendations, tax consultants consider the potential benefits (such as improving professional reputation, increasing client satisfaction) and the costs that may arise (such as damage to relationships with clients, damage to professional reputation and the threat of freezing or revoking permits). More complicated conditions will occur when ambiguity in the accounting-tax treatment occurs, the client chooses a particular strategy for financial reporting and tax reporting, such as through earnings management actions were undertaken by company managers. In addition to the potential to change the magnitude of book-tax differences, the choice of client strategy is also accompanied by different attitudes shown by the client to the tax consequences that then arise, such as the willingness/unwillingness to pay additional tax. This condition will certainly make the consultant's decision more complex.

Based on interviews with managers and Big Eight tax partners, Milliron (1988) concluded that consultant recommendations are driven by their attention to the risks they face and the client's willingness to accept certain risks from the recommendations given. They are also sensitive to the vulnerability of their position. Therefore, in facing the possibility of facing challenges from the tax authorities on ambiguous transactions, especially when the consultant acts more as an advocate for the client than as an enforcer, and attempts to consider the choice of the client's financial reporting strategy as a decision domain, the consultant's recommendations will be greatly influenced by the domain knowledge factor they have. Researchers have recognized the essential nature of domain knowledge to understand judgment and decision making strategies [4]. Einhorn and Hogarth (1981a) and Libby (1983) have formulated conceptually that knowledge together with skills motivation and environment are determinants of performance.

Tax consultants rely on their knowledge of taxation rules and other regulatory requirements to evaluate client information and provide tax reporting position recommendations [5]. When the client's situation matches the criteria set out in the taxation law, the proper position of compliance becomes clearer and the decision becomes relatively simple. However, regulatory requirements often require interpretation [6]. When the client facts and regulatory requirements are ambiguous, decisions become increasingly complex. In this condition, knowledge of the decision domain becomes important in the decision process [7].

Although the important role of knowledge and expertise possessed by consultants is important in the decision process, [6] state that the knowledge possessed can be used by consultants to suggest two opposite types of recommendations. Based on the consultant's superior knowledge of actual law enforcement priorities, the consultant can give advises the client to take a reporting position that is not susceptible to the challenge/examination of the tax authorities. These suggestions lead to behavior that is less aggressive or tends to be more obedient (at least according to the tax administrator). Instead, by using his expertise on the substance of tax law, consultants can advise their clients on how to exploit the benefits of ambiguous features in tax law. This type of recommendation will contribute more to non-compliance. Then, Roberts (1998) concludes that research examining the influence of domain

knowledge on tax consultant recommendations shows contradictory evidence. Previous studies showed that the domain knowledge developed by tax practitioners through experience provides different decision effects, some of which make them more aggressive [8] or more conservative [9]. Another study found no relationship between knowledge and judgment (Kaplan, Reckers and Boyd, 1998).

The aims of this study are to examine the role of domain knowledge possessed by tax practitioners in responding to client's financial reporting strategies related to tax-accounting conformity to the recommendations and willingness of tax practitioners to sign client tax returns. Research lines on services that can be provided by consultants have recognized that the decision to provide recommendations and the willingness to sign the client tax return is a different decision. This study conducted a separate test for both. More specifically, the objectives of this study is to examine the role of procedural knowledge in the formation of the consultant's outcome expectations in responding to the client's financial reporting strategy when the consultant decides to provide recommendations or a willingness to sign the client's tax return.

This study contributes to 3 branches of literature. First and foremost, it provides a deeper insight into the intersection between financial and tax reporting and economic trade-offs between the two by taking the recommendation setting and choice of tax reporting decisions by consultants. Second, it provides a better understanding of how managers perform profit management driven by tax motivation through a restatement of financial statements and how consultants respond to the choice of strategies chosen by clients. Finally, expanding the literature examines the role of tax consultant knowledge in making recommendations to clients. This will make the understanding of the nature of expertise in accounting and taxation getting better. Knowledge domains have been discussed in several previous studies which concluded that the amount and organization of knowledge were identified as a major component of expertise in accounting and auditing discipline [4].

## **LITTERATURE REVIEW**

### **Decision on Recommendations and Signing of Client's Tax Return**

Some common arguments to use tax consulting services include complex tax regulations and the need to submit tax returns properly. Consultants are expected to provide assistance to interpret regulations and assist taxpayers to calculate their tax debt following applicable regulations. Consultants also must prepare a tax return accurately. Since tax consultants are commonly used to settle tax obligations, tax compliance can be partially demonstrated by how decisions are made by tax consultants. In some countries, following the latest tax case developments, tax compliance efforts by the tax authorities shift their focus to consultants [2]. Senator Chuck Grassley in one of the financial trials said: "*tax consultants have a direct and substantial impact on tax compliance ...*". Therefore, understanding of how consultants make decisions is important to be known.

The consultant provides a variety of taxation services to his clients such as giving recommendations, signing tax returns and tax planning. This research focuses on the first two types of output, recommendations and willingness of consultants as the signing of the client tax return. The tax consultant may be requested by the client to determine the appropriate tax position for a particular transaction without being asked to prepare the relevant tax return where the transaction is loaded and reported. Conversely, the consultant may be asked by the client to prepare a tax return without being consulted about the treatment of certain transactions because that part of the work has been recommended or determined by another party. Consultants are also very likely to be asked by the same client for both types of services, provide treatment recommendations for certain transactions and then prepare a tax return followed by being a signatory to the client's tax return. The last condition is the scenario used in this study.

Previous research implies that tax consultants view recommendations and decisions to sign client tax returns as separate and distinct decisions [2]. Recommendations are seen as judgment decisions while signing tax return is considered as a choice decision. Although judgment and choice are related, previous research on decision making implies that one's judgment decisions cannot be generalized to

their choice decisions. Similarly [10]. found that judgment and choice were inconsistent. Judgment is an evaluation of a particular situation, while choice is the selection of certain actions from the various options available. Judgment may help choose alternatives, but the judgment is not a necessary or appropriate condition for a choice. There are times when choices are made by ignoring judgment so that choices are going to be made is in contrast with someone's best judgment [10]. Einhorn and Hogarth add that choice because it requires action, has greater implications for commitment than judgment, and unlike judgment, it is bound more strongly to responsibility.

Providing recommendations for certain tax positions involves several tasks for consultants such as examining the facts and conditions of the client and related to tax laws to evaluate the benefits and costs associated with the tax position taken, and then recommending appropriate tax positions with the best interest of the client. On the other hand, a choice decision, an action to choose between signing or not the client's tax return [1]. identify several different things between judgment decision making and choice decisions, namely the use of different cognitive processes[11]. information retrieval in different ways (Billings and Scherer, 1988), and weighting different information [12]. These differences can cause individuals to make different decisions when asked for judgment rather than being asked to make a choice.

Found that penalties for tax consultants had different effects between recommendation decisions and willingness to sign client tax returns[1]. Both found that penalties were more effective in influencing the decision to sign the tax return. Hansen and White also found that client advocacy had a significant influence on the decision on signing, but not on the recommendation decision. [13] found that client importance influences the allowance/signing decision but not the recommendation decision.

The results of these studies imply that tax consultants make judgments (decision recommendations) and choices (decisions to sign client tax returns) differently. As mentioned earlier, consultants may only be asked to provide recommendations, only prepare tax returns for clients, or are asked to do both, and because previous research has found that both decisions may not be made in the same way, this study separately examines the influence of domain knowledge and the client's financial reporting strategy for the two forms of decision by the tax consultant, recommendations and challenges of the tax return. In addition to the lack of research examining both, testing of the role of domain knowledge and client financial reporting strategies has not much been done.

### **Tax-Accounting Conformity and Client's Financial Reporting Strategy**

Conceptually, several factors cause tax-book differences. [14] in their review of tax research in accounting stated that there are at least two causes. The most basic cause is the two systems have different goals and the differences in objectives lead to different rules. In theory, the rules of financial accounting are based on a conceptual framework which is then outlined in financial accounting standards aimed at providing useful information for decision-maker, such as shareholders and parties in contracts. On the other hand, tax rules are more political in nature, and usually have the aim of increasing state revenue, encouraging or inhibiting certain activities, and efforts to stimulate the economy.

Another source of tax-accounting differences, at least as a suspected source, is "aggressive" reporting for both accounting and taxes. For example, when managers manage upward profits, they will have the choice between reporting taxable profits at a higher rate based on inflated earnings or reporting taxable profits at an unregulated amount or lower number and then revealing accounting differences tax in financial statements. This second source shows the active efforts of managers to change the book-tax difference. [15] add tax planning as a reason for book-accounting differences in addition to the two previous reasons, the passive interaction between accounting and tax-based income definitions and because of profit management.

Referring to the economic trade-off between reporting high taxes in high accounting with low taxable profits, there is the development of empirical literature that explores the intersection between accounting profit and tax profits [16]. tested with the motivation that previous research ignored the tax consequences of restatement of financial statements (overstatement). They stated that previously some



people would have assumed that company managers who raised accounting profit figures through profit manipulation efforts and simultaneously want to avoid reporting higher profits in the tax return. However, according to them managers also have the willingness to pay taxes on over-statement earnings to avoid suspicion from astute investors, the SEC and the IRS. They found that companies that "illegally" reported accounting profits aggressively made tax payments for these actions. For every dollar reported, they found the mean income tax paid was 11 cents and the median was around 8 cents. They conclude that managers believe inflated reported profits are more valuable than tax wealth transfers to the government.

Badertscher et. al [17] extend the research of [16] by testing companies that restatement of accounting profits in a downward manner by considering the cost of detection. They believe that the effort to reduce profits shows that the company initially made an upward profit presentation. They tested 2 (two) types of profit management strategies. The first type is earning management strategy which reports upward profit followed by an increase in taxable profit or referred to as conforming earnings management. Examples of these strategies are income recognition and recording accounts receivable earlier than can be justified (eg revenue from front-loading and channel-stuffing) and timing of the purchase of stocks under the LIFO method. The second strategy, called nonconforming earnings management, is carried out by increasing accounting profits without affecting the current year's taxable income. This type of earnings management includes transactions that accelerate revenue recognition and delay cost recognition for financial reporting purposes, relative to tax reporting purposes, such as aggressive recognition of income received in advance, extending the useful life of fixed assets or reducing the provision of uncollectible receivables for reporting purposes finance. By comparing the data before and after restatement, they found that companies that were aggressive in reporting accounting profits also acted aggressively in reporting their taxable profits. In other words, companies are more likely to take non-conforming earnings management strategies.

Similar findings were shown by [18] who used a larger sample in the study of intersections between aggressive accounting reporting and aggressive tax reporting. They provide empirical evidence that there is a strong positive relationship between aggressive accounting reporting and aggressive tax reporting. Their findings imply that there are insufficient costs incurred in covering (to offset) the conflict between financial and tax reporting. Therefore, these costs should not be incurred.

Next, [19] tested the relationship of aggressive accounting reporting and aggressive tax reporting by taking samples from Arthur-Andersen's former clients in Houston and clients from other Big 5/6 accounting firms. They tested two competing theories as shown in the findings of [16] referred to as an aggressive strategy and [18] called pervasive aggressive strategies. They added the third possibility which they called a neutral strategy. Neutral strategies can occur for several reasons including companies not having the ability to engage non-conforming transactions in manipulation efforts, companies do not want to give aggressive behavior signal with a large difference between accounting earnings and tax profits, and / or the company wants to be aggressive only when aggressiveness in financial reporting does not result in additional costs for taxes. They test the predicted outcomes that are most likely occurs when the type of strategy is mentioned. They found no support for Frank et al. and Erickson et al. According to them, companies are in the middle-ground region where companies can show an aggressive financial reporting culture without affecting their relative tax reporting.

Those research findings imply that companies have different strategies in addressing the intersection and economic trade-off between accounting and tax. Three strategies can be identified, namely aggressive (similar to conforming earnings management strategies), aggressive pervasive (similar to nonconforming earnings management strategies) and neutral. The approach in this study is consistent with the idea that managers strive to maximize company value. This view supports the idea that corporate taxation plans are not always sought to minimize tax payable. In such a situation, recommendations from tax consultants will have significant economic consequences for their clients, their companies and countries. Therefore, it is important to understand how the client-consultant relationship, especially regarding how the consultant considers the various financial reporting options or preferences of the client.

## **Domain Knowledge**

Possing of domain knowledge is one central point of expertise (Lewis, 1998). Humans develop decision-making skills through the acquisition and refinement of specific domain knowledge [20] Domain knowledge represents information stored in long-term memory about how to make decisions in a specific task domain, including determining which cues are relevant and how they are evaluated

Professionals with more domain knowledge will make different decisions, usually better than professionals with less domain knowledge [22]. In carrying out multi-attribute tasks (such as tax compliance decisions), people with domain knowledge weigh more cues and make decisions differently from people who have less domain knowledge (Payne, Bettman and Johnson, 1993). In the context of tax decisions by consultants, [5]. found that when task complexity increased, professionals with more procedural knowledge preferred recommendations that were less aggressive and had greater confidence in their outcome expectations.

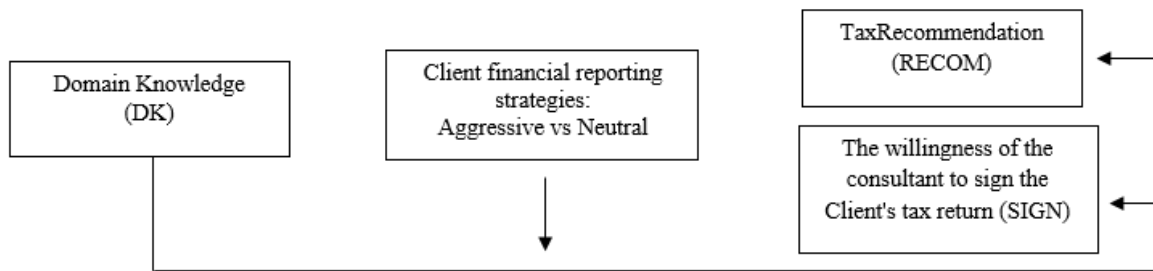
The types of knowledge that are relevant to judgment and decision making in accounting include technical knowledge [9] declarative knowledge procedural knowledge [23], tacit knowledge [24] client knowledge and general business and institutional knowledge [25]. Of the various types of knowledge, the important type of knowledge in tax settings is business knowledge, client knowledge, technical knowledge (such as knowledge of tax law and its application to a transaction) and tax institutional knowledge (knowledge of the tax decision-making environment). While these various types of knowledge have different effects on judgment and tax decision making by professionals, the prior researcher has focused more on technical knowledge. Ownership of this type of knowledge has been shown to have a positive influence on identifying tax issues [9] testing different features in tax cases [26] , reporting position recommendations [9] information search under accountability requests [9] and keyword selection [23]

This research does not focus on certain types of knowledge, but rather pay attention to the measurement of knowledge that is more precise and valid. Some researches have found that knowledge makes consultant decisions more aggressive and more conservative. Another study found no relationship between knowledge and decision[27] states that the inconsistency of previous research findings is caused by the use of one of the sums of experience and familiarity with regulatory requirements as a proxy for domain knowledge. [5] then develop knowledge proxies that include the two previous proxies in response to the inconsistencies of previous findings. This measurement is considered more valid as a measure of domain knowledge. Therefore, this study adopts proxy domain knowledge from [5] i.e procedural knowledge as a measure of tax consultant domain knowledge.

## **Hypothesis Developments**

Decision making is the tasks and characteristics of decision-makers . The literature also shows that the characteristics and preferences of the client together with the characteristics of the consultant play an important role in determining the type of advice given [28] This research framework examines the characteristics of decision-makers in the form of domain knowledge and client characteristics in the form of financial reporting strategies that they adopt. The study examines how (a) procedural knowledge and (b) the client's financial reporting strategy influence the decision of the recommendation and the tax consultant's willingness to sign the client's tax return. The following section will explain how financial reporting strategies occur and influence the relationship between the two dimensions of knowledge to two types of consultant decisions, compliance recommendations and act as a proxy for the client by being a signatory to the client's tax return. The research model can be described as follows:

**Figure 1. Theoretical Model of Hypothesis Development**



As explained earlier, this research uses procedural knowledge as a measure of domain knowledge. Procedural knowledge is knowledge about how to do a task [20]. Procedural knowledge is to know how to do something that includes motoric skills, cognitive skills and cognitive strategies. Procedural knowledge can also be interpreted as, knowledge about how someone does something, how one's performance in carrying out the steps in a specific process. Procedural knowledge includes knowledge of special skills, systematic stages of the program system (including inputs, processes, and outputs). The procedure means the stages of a process to achieve the expected results. Mastery of procedural knowledge means mastery of the process. [29] said that there are 3 (three) important characteristics of expertise, namely automatic basic skills, specific domain strategies and conceptual knowledge of a domain. The first two characteristics are important components of procedural knowledge.

The basic unit of procedural knowledge is the rules of if-then condition actions which specify that if certain conditions occur, certain actions will be taken [20]. According to [20] the sequences of actions are studied in the following way. Initially, the learner presents a sequence of actions in declarative form. Then a procedural presentation of a sequence of actions develops with experience in trying to produce a sequence of actions. The process of changing from an action guided by declarative knowledge to the sequence of actions guided by procedural knowledge is called knowledge compilation. This term implies an analogy with a computer. Knowledge compilation is a process of forming a presentation for sequences of actions that lead to smooth and appropriate actions. Knowledge compilation consists of two procedural and composition subprocesses. Proceduralization is the removal of stimulants from declarative knowledge, while the composition is the combining of several procedures into one procedure.

Procedural knowledge is built through training and experience of specific assignments in the decision domain [7]. If the experience of specific tasks increases, knowledge becomes more procedural, that is, people build production systems from action-condition responses that are stored in memory and can be used to make decisions in similar situations [20]. This cognitive pattern will help in identifying relevant information and evaluating decision criteria. Procedural knowledge represents the familiarity of tax professionals with the process of evaluating certain tax compliance issues [5]. Procedural knowledge has manifestations in understanding how to identify and evaluate variables that are relevant to tax compliance decisions. Tax professionals who have developed their knowledge procedurally tend to evaluate decision variables differently from tax professionals who are less familiar with decision domains [7].

One of the essential conditions for increasing the familiarity of tax consultants with regulatory requirements is feedback. Feedback is important in the development of all domain knowledge [20]. Process feedback obtained through specific experience will help professionals learn how to map decision information into decision criteria and improve their procedural knowledge. Process feedback will help tax professionals to learn procedures for evaluating the compatibility of client facts with taxation regulatory requirements [30]. Procedural knowledge becomes important in decision making by tax consultants because it influences how consultants are concerned with relevant technical work such as the search for authoritative evidence.

Tax professionals must have a minimum threshold of procedural knowledge to be able to make a tax compliance decision [5] Professionals receive some training, experience and feedback regarding tax compliance decisions early in their career. This statement is consistent with Waller and Felix (1984) who state that procedural knowledge was obtained through his career. As research was done by [5] this study does not focus on the presence or absence of procedural knowledge [31] but about whether tax professionals with different numbers of procedural knowledge will make different decisions.

A tax professional who obtains more procedural knowledge is more likely to recognize the condition that a tax position is more difficult to maintain [21] add that procedural knowledge helps professionals to realize what they don't know yet. Professionals with procedural knowledge have better performance in distinguishing relevant and irrelevant cues than professionals with less procedural knowledge . Studies suggest that procedural knowledge provides formulas for weighting decision cues, aggregating those cues, and sorting preferences for various decision alternatives [27] When the match between client facts and regulatory requirements is clearer, procedural knowledge has little opportunity to influence judgment. In low complexity, there is no difference in the decision between taxpayers with different amounts of procedural knowledge, while in more complex situations, tax professionals who have more procedural knowledge have less preference for recommending aggressive tax positions [5]

Procedural knowledge can also influence decisions by providing a basis for recognizing and evaluating the uncertainties inherent in a situation [32] Tax professionals with more procedural knowledge can acknowledge the uncertainty surrounding the match between client facts and decision criteria better than professionals with less procedural knowledge [9]. In the context of this research, when the financial reporting strategy chosen by the client does not cause a large tax-book difference, tax professionals with less procedural knowledge (but meeting threshold requirements for making tax decisions) will have decisions that are no different from tax professionals with more procedural knowledge. However, when the chosen strategy causes greater tax-book differences, tax consultants with more procedural knowledge are predicted to be more likely to provide less aggressive recommendations than tax consultants with less procedural knowledge.

- H1a: When the neutral strategy is adopted by the client, the amount of procedural knowledge brought by tax professionals in making compliance decision will not influence their preference for aggressive recommendations.
- H1b: When aggressive strategies are adopted by clients, tax professionals with more procedural knowledge will have a lower preference for aggressive recommendations than tax professionals with less procedural knowledge.

The similar prediction also applies to the consultant's decision to sign the client tax return, in this case when the client's reporting strategy makes the book-tax difference bigger, consultants with more procedural knowledge act more conservatively than tax consultants with less procedural knowledge. Meanwhile, if the client's financial reporting strategy results in a smaller tax book difference or prevents a significant tax book difference, the amount of procedural knowledge carried by the consultant does not have a different effect on their willingness to handle the client's tax return.

- H2a: When the neutral strategy is adopted by the client, the amount of procedural knowledge brought by tax professionals in preparing recommendation will not influence their willingness to sign the client's tax return.
- H2b: When aggressive strategies are adopted by the client, tax professionals with more procedural knowledge will have a lower willingness to sign the client tax return than tax professionals with less procedural knowledge.

## **RESEARCH METHOD**

### **Research Design**

The study was conducted with an experimental method with a 2X2 design. Procedural knowledge consists of 2 levels: unfamiliar vs. familiar and the financial reporting strategy adopted by clients regarding conformity also consists of 2 levels: aggressive vs. neutral. The client's financial reporting strategy is manipulated. This variable is divided into 2 factors: aggressive and neutral. Domain knowledge which is proxied by procedural knowledge is measured to show familiarity with client problems. The measurement of procedural knowledge adopted from the work of [5] in this case, participants were asked to rate their familiarity with cases used on a scale of 1 (unfamiliar) to 7 (very familiar). The size of this domain of knowledge is measured on a scale of 7 to then be used as a binary measure by partitioning it on the median value. The dependent variable recommendation is measured by the strength of the recommendation to deduct or not to a fee in the range 0-10, as well as the willingness of consultants to sign the client tax return.

### **Experimental Task**

The study takes the setting of restatement of financial statements by clients as technical earnings management. There are two earnings management techniques tested in this study, namely increasing book income through the restatement of financial statements that have direct consequences with current year's taxable income and earnings management that seeks to raise profits in accounting while maintaining a small difference in accounting-tax is and this choice does not result in additional taxes for the current period.

In this study, the strategies tested were aggressive and neutral because the two strategies had not been properly identified beforehand so there was no testing of them. As stated by [16] ex-ante, people might expect those company managers who want to manipulate earnings will simultaneously want to avoid reporting earnings on the company's tax return (SPT), but the conditions are not so always. Some companies are willing to accept the consequences of profit manipulation for financial reporting purposes by reporting it in the tax return and making additional tax payments. Besides, an aggressive pervasive strategy is likely to be rejected by consultants because it is difficult to do so and contains a high probability of being a tax findings. Transactions that are treated with an aggressive pervasive strategy will result in a positive tax-book difference, and this condition carries a greater probability of being audited [33]. This argument is supported by [34] which states that companies can take tax reporting positions that can reduce CTP (Cash To Paid), but this strategy is vulnerable to being challenged by tax authorities. Since this research leads to judgment and decision making by a tax consultant, it is reasonable to only cover both types of strategies in testing, although it is also possible that many clients choose to use aggressive pervasive strategies. Cases and other research instruments were computerized. Randomization of the subject will be carried out through a design contained in the experimental program used. Participants in this study are experienced students as counselors for taxpayers.

### **Hypothesis Testing**

Hypothesis testing is done using a Two-Way Multivariate Analysis of Variance (MANOVA). Because the hypothesis does not predict the main effects of each independent variable, but only focuses on the effects of interactions and simple effects, then further testing is done using SPSS syntax for ANOVA.

## **RESULT AND DISCUSSION**

### **Research subject**

The subject was students in the Tax course at the Center for Accounting Development, Faculty of Economics, Universitas Andalas, who surrogate for the tax consultant. The experiment was attended by 67 participants. Based on the manipulation check, 4 (four) subjects did not pass the test so that the

final subject of this study was 63 people. The four subjects that did not pass the manipulation check each came from cells 1, 3, and 4 so that the number of subjects for each cell was between 15-16 people. Subjects consisted of 22 male (35%) and 41 female(65%). The participants spent 30 minutes conducting this experiment.

### Descriptive Statistics and Hypothesis Testing Results

One assumption in the Manova/Mancova test is that the covariance matrix of the dependent variable is similar. This assumption was tested with Box's Test of Equality of Covariance Matrices. The test results show this assumption is supported (Box's M test = 10,441;  $F = 1,089$  and  $p = 0,367$ ). Another assumption is that each dependent variable has the same variance for all groups. Leven's test is used to test this assumption. The test results support this assumption for the recommended dependent tax recommendation with values  $F = 0,396$  and  $p = 0,757$ , but cannot fulfilled for the dependent variable the willingness to sign client tax return ( $F = 4,301$ ;  $p = 0,008$ ). According to Ghazali (2001), the test can still be performed as far as the group has the same sample size (proportionally). Descriptive statistics and Manova models are presented in Table 1-3 below:

**Table 1. Mean (Standard Deviation) Tax Recommendation**

Client Reporting Strategy	Domain Knowledge		
	High	Low	Total
Neutral	8,312 (0,704) n= 16	6,937 (0,920) n= 16	7,625 (1,720) n = 32
Aggressive	4,812 (0,750) n= 16	7,200 (0,676) n = 15	5,967 (1,401) N= 31
Total Couolumn	6,562 (1,191) n= 32	7,064 (0,813) n= 31	6,809 (0,266) n= 63

**Table 2. Mean (Standard Deviation) Tax Recommendation**

Client Reporting Strategy	Domain Knowledge		
	High	Low	Total
Neutral	8,062 (0,573) n= 16	6,500 (0,966) n= 16	7,281 (0,1,113) n = 32
Aggressive	4,687 (0,620) n= 16	4,667 (1,046) n = 15	4,677 (0,832) n = 31
Total Couolumn	6,375 (1,358) n= 32	5, 613 (1,809) n= 31	6,000 (1,636) n= 63

**Tabel 3. MANOVA Model**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	Recom	2924,238	1	2924,238	4899,682	,000
	Sign	2250,519	1	2250,519	3343,898	,000
Client Reporting Strategy	Recom	41,238	1	41,238	69,097	,000
	Sign	106,728	1	106,728	158,580	,000
Domain Knowledge	Recom	4,033	1	4,033	6,758	,012
	Sign	9,863	1	9,863	14,655	,000
Client Reporting Strategy* Domain Knowledge	Recom	55,697	1	55,697	93,323	,000
	Sign	9,351	1	9,351	13,894	,000

As can be seen from Table 1, Table 2 and Table 3, it can be concluded that there is a significant influence of client reporting strategy on tax recommendation ( $F= 69,097$ ,  $p 0,000$ ) and willingness to sign client tax return ( $F=158,580$ , $p=0,000$ ). Similar result is shown by the influence of domain knowledge on tax recommendation ( $F=6,758$ ,  $p=0,012$ ) and willingness to sign client tax return ( $F=14,655$ , $p= 0,000$ ). As mention previously, this study didn't aim to investigate the main effect of independent variables on the dependent variable but test the simple effect of independent variables domain knowledge on both dependent variables (tax recommendation and willingness to sign the client tax return. The most important requirement to conduct a simple effect test is the interaction effect between independent variables should be significant. As can be seen in Table 3, this requirement is fulfilled. It shows that there are significant interaction effect between client reporting strategy and domain knowledge on tax recommendation ( $F=93,323$ ,  $p=0,000$ ) and willingness to sign client tax return ( $F=13,893$ , $p= 0,000$ ).

Hypothesis 1a predicts that when a neutral strategy is adopted by the client, the amount of procedural knowledge carried by tax professionals in making recommendations on compliance decisions will not influence their preference for aggressive recommendations. Meanwhile, H1b predicts that when aggressive strategies are adopted by clients, tax professionals with more procedural knowledge will have a lower preference for aggressive recommendations than tax professionals with less procedural knowledge. The results of testing the simple effects are shown in Table 4 below:

**Table 4. Univariate test for reporting strategy\*domian knowledge**

Time		Sum of Squares	Df	Mean Square	F	Sig.
0	Contrast	,533	1	,533	,894	,348
	Error	35,212	59	,597		
1	Contrast	98,000	1	98,000	164,203	,000
	Error	35,212	59	,597		

As can be seen from Table 4, there are no differences in tax recommendation between tax consultant who posses higher domain knowledge and lower domain knowledge in a neutral reporting strategy ( $F 0,894$ ;  $p = 0,348$ ). This resultsuggests support for H1a. Table 4.6 also provides the result of simple effect test in aggressive reporting strategy condition. It shows that there is a significant difference in tax recommendation between tax consultant who posses higher domain knowledge and lower domain knowledge( $F = 164,203$ ;  $p = 0.000$ ). This result indicates support for hypothesis H1b.

Then, H2a predicts that if the neutral strategy is adopted by the client, the amount of procedural knowledge brought by tax professionals in making recommendations on compliance decisions will not influence their willingness to sign the client's tax return. Meanwhile, H2b predict that when an aggressive strategy is adopted by the client, tax professionals with more procedural knowledge will have a lower willingness to sign the client tax return than tax professionals with less procedural knowledge.

**Table 5. Univariate test for reporting strategy\*domain knowledge**

Time		Sum of Squares	Df	Mean Square	F	Sig.
0	Contrast	26,022	1	26,022	38,664	,000
	Error	39,708	59	39,708		
1	Contrast	91,125	1	91,125	135,397	,000
	Error	39,708	59	39,708		

As can be seen from Table 5, there are significant differences in willingness to sign tax return between tax consultant who posses higher domain knowledge and lower domain knowledge in a neutral reporting strategy ( $F = 38,664$ ;  $p = 0,000$ ). This result suggests rejection for H2a. Table 4.7 also provides the result of simple effect test in aggressive strategy condition. It shows that there is a significant difference in tax recommendation between tax consultant who posses higher domain knowledge and lower domain knowledge in an aggressive reporting strategy ( $F = 135,397$ ;  $p = 0.000$ ). This result indicates support for H2b.

This study has 2 objectives. The first, examining the contingent effect of domain knowledge in the relationship between client financial reporting strategies (aggressive vs neutral) and tax recommendations suggested by consultants, second testing the contingent influence of domain knowledge in the relationship between client financial reporting strategies ( aggressive vs. neutral) and the consultant's willingness to sign the client tax return. Testing the influence of domain knowledge is carried out to answer the call for a deeper understanding of the role of knowledge in different client situations. The explanation explains that there are 2 dependent variables, which are tested in this study, namely tax recommendations and the willingness of consultants as tax authorities (the signatory of the client's tax return). Previous research stated that the recommendations and willingness of consultants to sign the client tax return are two different types of actions.

Based on the tests conducted, empirical support is obtained that domain knowledge has a contingent effect on the relationship between the client's financial reporting strategy and the tax recommendations suggested by the consultant. In this regard, domain knowledge provides a differential effect on the tax consultant's recommendations when the client adopts an aggressive tax reporting strategy. This means that the knowledge possessed by the consultant will determine the judgment made by the consultant. This finding implies that domain knowledge has a significant role in a variety of client conditions and characteristics.

Assert that Procedural knowledge has manifestations in understanding how to identify and evaluate variables that are relevant to tax compliance decisions. It suggests that tax professionals who have developed procedural knowledge tend to evaluate decision variables differently from tax professionals who are less familiar with the decision domain. A tax professional who obtains more procedural knowledge is more likely to recognize the condition that a tax position is more difficult to maintain [21] This study supports the findings of [5] which showed that as task complexity increased, professionals with more procedural knowledge preferred recommendations that were less aggressive and had greater confidence in their outcome expectations.

Relating to hypothesis 1a, [5] showed that when the match between client facts and regulatory requirements is clearer, procedural knowledge has little opportunity to influence judgment. This study found that there is no difference in tax recommendation when clint adopt a neutral reporting strategy.



This study is consistent with [5] who found that in low complexity, there is no difference in the decision between taxpayers with different amounts of procedural knowledge, while in more complex situations, tax professionals who have more procedural knowledge have less preference for recommending aggressive tax positions.

The parallel prediction also applies to the consultant's decision to sign the client tax return, in this case when the client's reporting strategy makes the book-tax difference bigger, consultants with more procedural knowledge act more conservatively than tax consultants with less procedural knowledge. Meanwhile, if the client's financial reporting strategy results in a smaller tax book difference or prevents a significant tax book difference, the amount of procedural knowledge brought by the consultant does not have a different effect on their willingness to sign the client's tax return. This study found that there is no significant difference in the tax consultant willingness to sign client tax return for both reporting strategy situation (neutral and aggressive). As can be seen from Table 2, it can be justified that, there is a low willingness to sign tax return in both conditions. This finding implies that tax consultant is more prudent and careful to take a choice decision as a tax representative, in particular when their client adopts aggressive tax reporting strategy.

## CONCLUSION

Some researchers have previously suggested that tax recommendations and willingness to sign client tax returns as separate and distinct decisions [35]. A tax consultant can recommend an aggressive tax position without having to sign the client tax return, or sign a client tax return that contains an aggressive tax position that is not recommended by the consultant [1]. This study examines the influence of domain knowledge on tax recommendations and the willingness to sign client tax returns in situations of different client reporting strategies (neutral vs. aggressive). The results show that when the client adopts a neutral reporting strategy, there is no significant difference in the recommendations given between consultants with less domain knowledge and consultants who possess more domain knowledge. The similar results were found for the tax consultant's willingness to sign the client tax return. Meanwhile, when clients adopt an aggressive reporting strategy, tax consultant domain knowledge plays an important role in making judgment consultants (in the form of tax recommendations), in this case, consultants with more domain knowledge provide more conservative tax recommendations than tax consultants with lesser domain knowledge. However, different results were found with the consultant's willingness to sign the client tax return.

This finding implies that domain knowledge is critical in both tax judgment and decision making. As stated by [5] possessing of domain knowledge plays a crucial role in dealing with various client situations when consultants make judgments or decisions. The results support previous researcher [1] who assert that judgment and choice are two different decision-making type. These findings suggest that domain knowledge is critical for tax consultants to solve a variety of client condition. These findings imply the importance of domain knowledge in tax professional work environment. Thus, tax professionals need to be more concern about their domain knowledge when providing tax services.

Several limitations can be identified in this study. First, this study did not consider the effect of tax consultants' risk preference. Second, it also ignores the effect of experience concerning tax which probably affects tax decision. Future research needs to consider these two important factors.

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# THE ROLE OF INVESTMENTS ON PHARMACEUTICAL COMPANY PERFORMANCE THAT WAS MEDIATED WITH ADVERTISING, RAW MATERIAL, TRAINING AND NUMBER OF LABORS

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## Abstract

In maintaining business continuity, the company always faced with company performance target that relies on the ability and quality of its resources. However, not many studies have evaluated the characteristics and composition of the company's resources that form a business model, so that it can produce an excellent performance to survive in the industry. Pharmaceutical companies are no exception. Investment in the form of research and equipment is one of the main supporting factors in the pharmaceutical business. In this study, researchers want to test which resources have the most dominant influence on the performance of companies in the pharmaceutical industry. The variables studied were investment, raw materials, advertising, training, and the number of workers on company performance. Resource-Based View Theory is the fundamental theory in this research. This research conducted a quantitative analysis using longitudinal data from 5 pharmaceutical companies that are listed on the Indonesia Stock Exchange. Data was tested using SPSS and Warp PLS for Path Analysis. The results showed that advertising, followed by training, and raw material have the most dominant influence on the performance of companies in the pharmaceutical industry, whereas investment on machinery does not have a significant effect. Based on the effect size value, training placed the first position followed by raw material and advertising. This finding is in the opposite to the common perception that pharmaceutical companies must prioritize to the exploration of raw materials to be able to cure diseases and support health, and at the same time drive the company's performance. Understanding the role of resources in the company becomes a critical part, not only in the industry but also in strengthening the ASEAN Economic Community (AEC). In the ASEAN investment perspective, the identification of strategic resources could lead to gaining a locational advantage for cooperation in AEC.

**Keywords:** Advertising, Investment, Pharmaceutical, Raw Material, Resources, Worker.

## INTRODUCTION

The development of resource-based theory continues to be the observation of many researchers including industrialists who use the results of this research to develop their companies. Resource Based Theory which is rooted in P. Selznick [1] and E. Penrose [2] remains a research base that can always be new, because the complexity of the situation in the company and the growing competition in the industry. While the development of management strategies, the continuing trend today is the integration of several fields of science in order to obtain new management construct that are more appropriate for each industry or geographic setting. ASEAN population amounts to 30% of the total 2 billion population in East Asia and the Pacific. In the perspective of the health industry, with this large number of populations, the market potential in the health sector is huge. Total healthcare spending from 6 ASEAN countries, six nations (Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam), reached \$ 420 billion in 2017. This value will grow by 70% in the next two decades [3]. The value of Indonesia's pharmaceutical market has reached US \$ 4.7 billion, or 27 percent of the total market in ASEAN [4]. Pharmaceutical companies in Indonesia also grew from 210 pharmaceutical companies in 2015 to 227 pharmaceutical companies in 2017 [5]. This data shows an

increase in the production capacity of the pharmaceutical industry. With this increase and a large number of pharmaceutical companies, this has led to intense competition between companies. Pharmaceutical companies are very dependent on their ability to produce drugs that can treat illnesses or reduce health problems. Good raw materials and processed appropriately become operational targets of drug manufacturing in pharmaceutical companies.

Therefore, the company must reach a good performance in order to survive in this industry. The performance of a company can be influenced by several factors which can be categorized into 2, namely external factors and internal factors. The increasing number of competitors drive the company to strengthen its internal factors in order to deliver a good performance. One of the internal factors that can affect company performance was the resources owned by the company. The resources in a company are man, money, materials, methods, machines, and markets. These resources determine the company's growth and sustainability. Penrose [2] stated the importance of the continuous growth of the company. Management is responsible for the effectiveness of operations that support the growth of the company. Eliminating waste, improving product quality, and making the operation simpler are among the corporate actions that must be taken by the company to improve the bottom line. This statement is in line with a resource-based view concept [6]. In fact, not all resources will be a strategic source, or it could become the source of competitive advantage. In such a dynamic environment, evaluation of the resources that could boost performance has not been done so much by researchers,, they both has the same concept that competition absorb the company resources, but yet not many organizations are allocated their resources perfectly [7], [8], [9].

According to Penrose [2] in a company, there are two types of resources, namely physical resources and human resources. A company's physical resources consist of tangible things such as factories, equipment, land, and natural resources, raw materials, semi-finished goods, and even stocks of unsold goods. Whereas the human resources available in a company are unskilled and skilled workers, administrative, financial, legal, technical, and managerial staff. Every organization everywhere recognizes the importance of human resource management so that the process of human resource management ensures that it recruits competent people who have the appropriate capabilities and are allocated to the right place, right job, right task and right function [10]. This process plays an important role in increasing the productivity of an organization. Competent employees can provide fierce competition with competitors, so recruitment and selection of employees need to be handled with a proper strategy. This company also needs skilled labor. Workers at the shop floor, who are handling equipment, evaluating raw materials, and managing drug dosage in the laboratory, ensuring all drug manufacturing reach the highest level of quality are the precious resources for a pharmaceutical company. The selection and investment of equipment also determine operational performance.

The better the selection of tools or the more appropriate investment of plant equipment will encourage the achievement of efficiency and productivity of plant operations. Based on the relationship of the variables mentioned above to the company's performance, the research would like to research the Effect of Investment, Advertising, Raw Materials, Training, and the Number of Workers on Company Performance on Pharmaceutical Companies listed on the Indonesia Stock Exchange. Companies listed on the Stock Exchange are selected because the company's data is available on the exchange's website or the company's website. The selection of the pharmaceutical industry was carried out because this research is part of industrial research that has been carried out in the last few years within our team. The purpose of this study is to determine which sources that promote sales and become strategic resources by evaluating the effect of investment to advertising, investment to raw materials, investment to training, investment to number of workforce, raw materials to advertising, raw materials to training, number of workers to training, advertising to company performance, raw materials to company performance, training to company performance, number of workers to company performance, and investment to company performance in the pharmaceutical industry. By finding out which of these resources, we clarify with industrial expert to reconfirm the finding to ensure the selection of resources that have the most dominant influence on company performance in the pharmaceutical industry.

The essential thought behind this concept is that the Company performance can be influenced by a certain resource. For example: Improving performance through employee development practices, for example, through training and mentoring. The higher employee development practices will lead to higher levels of organizational performance, also showing that employee development is positively related to organizational performance. Capital investment can also affect company performance or according to Chen et al. [11], [12], promoting R&D and marketing capacity can be a strategy for dealing with a competitive environment. The results of this research indicate that these resources have a positive impact on company performance. With this great variety of conditions above, we again ask which resources can be the main source of performance drivers of pharmaceutical companies? How is the relationship with other resources? Are these resources having a strategic function in the long run? This question is the critical question for this research. By revealing all of these questions, the result of this research could help the company in managing the business or could help the investors in selecting their target companies, in pharmaceutical industry.

## **RESEARCH METHOD**

This research used quantitative research methods. The unit of analysis in this study was a pharmaceutical company. The time horizon in this study was a 5-year longitudinal time series. The data source was secondary data that had been obtained from annual reports of companies in the pharmaceutical industry that was listed on the Indonesia Stock Exchange. The detail of the secondary data that had been obtained was: 1. Investment cost data for the past five years (2014 - 2018), 2. Raw material cost data for the past five years (2014 - 2018). 3. Data on advertising costs over the past five years (2014 - 2018). 4. Training cost data for the past five years (2014 - 2018). 5. Total employee data for the past five years (2014 - 2018). 6. Data on income or net sales for the past five years (2014 - 2018). The object of research in this study was pharmaceutical companies that were listed on the Indonesia Stock Exchange (IDX) during 2014 - 2018.

The sampling method used was purposive sampling. The criteria used in selecting the sample of this study were as follows: 1. Sample companies that was listed in IDX during 2014 - 2018. 2. The company has annual report data that includes investment costs (INVEST), advertising or promotion costs (IKLAN), costs of raw materials used (BHNBAKU), training costs (PELATIH), total employees (JMLTNGKE), and income or net sales (PERFORMA). Each company had five years of data. The data collection was done by collecting secondary data, from the company's annual report listed on the company's official website and also through the PT. Indonesia Stock Exchange's website. There were six variables in this research: investment (INVEST), advertising (IKLAN), materials used (BHNBAKU), training (PELATIH), employees (JMLTNGKE), and income (PERFORMA).

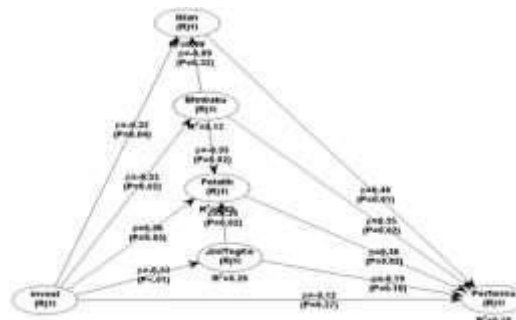
The data were collected and tested using a classic test. The classic tests were the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The next step, the data were analyzed using IBM SPSS Statistics 22 and Warp PLS. The calculation and evaluation had been conducted to determine the influence of variables, to find out which independent variables have the most dominant influence on the dependent variable..

## **RESULT AND DISCUSSION**

There were five companies out of 12 companies listed on the Indonesia Stock Exchange that met the criteria for purposive sampling. All of these companies are still in operation until today. The data that had been collected, were coming from annual report and audited report for the year 2014 until 2018. The data had been tested first. The normality test was carried out using a non-parametric test with 1 K-S sample. The test results of each variable reached the calculation above 0.05, (INVEST) 0.200, (BHNBAKU) 0.200, (TRAINER) 0.200, (IKLAN) 0.153, (JMLTNGKE) 0.200, and (PERFORMA) 0.200, so the data can be concluded was normal. The next step was a multicollinearity test. If the data obtained from analysis results are  $> 0.10$  or  $VIF < 10$ , then, this data certainly does not occur multicollinearity. Based on results, all variables having tolerance values above 0.10 and VIF below (INVEST) VIF 1.285, (BHNBAKU) VIF 1.013, (TRAINER) VIF 1.1.21, (IKLAN) VIF 1.078, and (JMLTNGKE) VIF 1.268. Based on the number of all the tolerance values and VIF of these variables, it could be concluded that there was no multicollinearity in this data.

The autocorrelation test results showed that the  $dL$  and  $dU$  values at  $T = 25$  and  $k = 5$  are  $dL = 0.953$  and  $dU = 1.886$  at  $d$  value was 2.781. Value  $(4-d)$  was 1.219. Based on the detection of positive autocorrelation, the results showed that  $d > dU$  that was,  $2.781 > 1.886$  or there was no positive autocorrelation. For the detection of negative autocorrelation, the results showed that  $dL < (4 - d) < dU$  or,  $0.953 < 1.219 < 1.886$ , then it can be concluded that there was no negative autocorrelation. In summary, the autocorrelation test had no definitive conclusion. There was no positive autocorrelation nor negative autocorrelation. The last test was heteroscedasticity to see the level of significance. If the correlation between the independent variables and the residual value was significantly more than 0.05, then heteroscedasticity does not occur. After testing, it was found that all significance values between the independent variables and residual values were more than 0.05. Then, it can be concluded that heteroscedasticity does not occur. The next step was calculating data in Warp PLS. The result was in Figure 1.

**Figure 1. Research Model**



In general, this research model could translate the structure of these variables by 58% while 42% still depended on other things outside these variables. Based on the path analysis above, the advertising (IKLAN), the raw material (BHNBAKU), and training (PELATIH) are the three variables had the most substantial level of significance compared to other variables. These three variables had a direct influence on company performance. Also, from the path analysis above, there was no strong indirect path. The highest coefficient path was the path from advertising (IKLAN) to company performance (PERFORMA).

**Table 1. Effect Size for Path Coefficients**

	invest	Bhnbaku	Pelatih	iklan	JmITngK	Perform
Bhnbaku	0.122					
Pelatih	0.079	0.108			0.061	
iklan	0.111	0.019				
JmITngK	0.259					
Performa	0.013	0.172	0.197	0.146	0.048	

Based on the effect size, most of the paths that have the highest coefficient have medium high effect size value [13]. It was higher than medium threshold, 0.15. The effect size can be categorized as low if the value was lower than 0.02, medium if it was around 0.15 or high 0.35 or higher. The size of effect size represents the scale of effect on exogenous latent variable on an endogenous latent variable. The effect size in Table 1 showed that for the path (BHNBAKU) to (PERFORMA) was 0.172, (PELATIH) to (PERFORMA) was 0.197 and (IKLAN) to (PERFORMA) was 0.146. So, the highest effect size from these three paths was the effect size from training (PELATIH) to (PERFORMA) company performance. But, the highest value in path coefficient was from advertising (IKLAN) to (PERFORMA) company performance. These both number, effect size and path coefficient are cross validation. Effect size predict whether the effect of path coefficient was small, medium or large.

If we look into the research model, there were basic concepts in company operations. This concept underlies the hypothesis in this research. Each factory or company always allocated funds or budget to buy equipment to produce medicines in large quantities. With the increase in the number of equipment, the number of workers will also increase. Increased equipment will encourage increased

training and raw materials requirement. If the variation increases, and this was most likely if the equipment increases, the amount of advertising also increases. Any addition of new raw materials will encourage training to handle these new raw materials. Excellent raw materials will undoubtedly be useful if advertised so that customers will know. The increase in the number of new workers will provide the consequences of requesting additional scheduling for employee training. So, these resources will contribute to the performance. If all components run smoothly, it will drive the company's performance to achieve the company's target. There were four main findings from this study. The first finding was the implications of Advertising on Company Performance. Advertising variable had a significant effect on company performance with the highest path coefficient that is equal to 0.4.

This result proved that in the pharmaceutical industry, advertising has a strong influence as a factor in sales performance as well as company performance. By using advertising or any form of promotion or publication, the medical doctor and the patient will know the existence and availability of the medicine. For non-prescription medicine this action is importance to support the pharmaceutical performance. The second is the training to the worker. In research was indicated by a path coefficient of 0.365. It can be said that in the pharmaceutical industry, training to worker is an essential factor that increase productivity, capability and competency of the worker. The outcome of the worker will support and improve company performance. The third finding is the Raw Materials has a significant effect on Company Performance. The path coefficient of raw material is 0.352. By improving the quality, the raw materials, it can help companies to improve the medicine quality and to achieve the company target. These results somewhat provide a different perspective.

Pharmaceutical companies supposed to focus on raw materials and proper processing so the quality of medicine can be improved and cured the patient or improve their health. Right raw materials are expected to provide faster and more accurate healing effect. However, the philosophical meaning that can be drawn from the results of this analysis is, that advertising have a significant impact so many customers know it and take advantage of the existence of this medicine. If we analyse further, the raw material occupies the third position, the difference in the coefficient with advertising is not extensive, which is only 0.048. This small gap means that the existence of raw materials is still considered necessary. Workers who occupy the second position are the same important as advertising in the number 1 position. It is the workers who process drugs, who research medicines that they made, mixes drugs to ensure their composition is correct and able to heal the patient. The fourth finding is the number of worker and the machine. The increase number of worker and machinery will not give the significant impact to the performance.

The essence of small is better, easy to swallow, and the machine very effective in producing the number of capsules or tablets are something that the company and the patient want. So the investment on machinery should be carefully taken, as well as the recruitment of new employee. Another aspect of calculation is effect size. The effect size provides another dimension of knowledge. The Effect size predict whether the effect of path coefficient was small, medium or large. The highest effect size is training (PELATIH) to company performance (PERFORMA). It is  $0.197 > 0.15$ , followed by raw material (BHNBAKU) to company performance (0.172), (PERFORMA) and advertising (IKLAN) to company performance (PERFORMA) (0.146). Two other variables, namely the number of workers and investment do not provide a meaningful effect size because the values are low or close to 0.02 for investment (INVEST) to company performance (PERFORMA) (0.013) and the number of workers (JMLTNGK) to company performance (PERFORMA) (0.048). Referring to these 2 rating concepts, path coefficient and effect size, this study suggests that training for employees needs to be considered, followed by raw material and the last one is advertising.

## CONCLUSION

R2 score on the company's performance variable reaches 58%, which means that all research conducted on this research can be adequately accessed by 58%. While the other 42% is determined by other things, such as leadership, motivation, incentives, work environment, culture, or physical environment. This research will undoubtedly add new insights as well as provide new research opportunities. In both results, the path of coefficient and effect size actually the numbers are quite



close to each other. Although there is a priority, those three aspects are essential. For pharmaceutical industry players and investors in the pharmaceutical industry: Investing in long-term training or developing human capital will have a long-term effect. Training can be done by allocating time as part of work assignments through proper scheduling.

Workers must continue to be trained to produce quality medicines that are always prepared and followed by research from the laboratory. If the results from the laboratory are correct and maximum, large quantities of production with consistent results must also be achieved well, so that the product always follows the standards, is always consistent and the quality is reduced. Therefore, the allocation of funds in the development of raw materials is the second factor that must be considered. With good quality raw materials, it can produce superior products too. Raw materials that are scarce or difficult to obtain if owned by a company can also be an added value for the company because the company can have a high selling value, but also can make the company survive in industrial competition with product differentiation. The last is the allocation of funds in Advertising. Advertising is a window for doctors and potential medicine users. Therefore, managing advertising is an essential factor.

The development of strategic management science has begun to strengthen towards integration with other sciences. The development of strategic management science has begun to strengthen towards integration with other sciences. Strategies not only look at one scope but also broadly evaluate contextually, process, and performance. The main target is to continue to grow and have a strong market foundation and achieve competitive advantage repeatedly and sustainably. Therefore, research in a long period and broad scope will be the future trend. The development of technology, especially in the field of social media, is an essential source of information on the development of strategies that have never been done before and are incorporated into one framework. Knowing information through customers, which is feedback, developing it into a dynamic strategy is something that is a challenge for further development.

This research can be developed further. Several suggestions can be used as a reference for future research: 1. The amount of observation time is extended to more than five years. 2. The number of companies included in the study is increased. 3. Expanding on other resources or other organizational components such as leadership, motivation, teamwork, heterogeneous labor quality, incentives, work environment, culture, or physical environment. Better exploration of how the actual composition of the budget for these three variables is also an aspect of research that can be further developed. With the development of this research, the use of the budget could be lower, but the synergy that must be done between the three must be higher. With this kind of research, the company's leaders and investors will increasingly recognize the character of resources in the company and arrange it according to priorities and the magnitude of its effect on the company. In the future, leaders and investors will be more globally oriented.

The company's strategy is built on internal resources, but it has regional standards and variations that are needed by the region. The company's operations and corporate strategy must have an international orientation and mindset, likewise, with companies in ASEAN. Evaluation and research in Indonesian pharmaceutical companies are expected to be able to provide an overview for future ASEAN counterparts so that they can participate in the company through ownership investment, business networking, and business cooperation, to develop the ASEAN economy. Strategic Management will continue to develop. This knowledge will cross corporate boundaries that were then developed into international and national borders that were once only one country into regions and even the world. Strategic management provides the foundation for international business development which is structured in an operational framework and is well synergized between companies as their cell. With the development of technology that is increasingly connected between producers and customers, between regulators and companies, between sources of funds and borrowers, the company's strategy can not only remain unchanged but must further expand itself and its corporate environment to the limits of the world. Strategic Management will converge according to the needs of businesses connected throughout the world.

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# MICRO AND SMALL BUSINESS DEVELOPMENT THROUGH INNOVATION AND BUSINESS RISK ADJUSTMENT TOWARD DIGITAL BUSINESS WITH ICT ADOPTION

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## Abstract

Technology ICT is highly developed and affect all levels of the business, including micro and small businesses. However, the digital divide problem is still a significant concern among the ASEAN countries. Small medium enterprises was represent the majority of the business in ASEAN countries that only few of them intensively using ICT as the backbone of their business. The government realized that the benefits of internet technology could not reach the whole people, including the micro and small business. This research wants to evaluate the Micro And Small Business Development through Innovation And Business Risk Adjustment Toward Digital Business with ICT Adoption. The internet access, the speed of acceptance, technology adoption, business exploration, individual motivation, and attitude toward the risk or benefit, is among the variable. This research evaluates those factors, using micro and small enterprises as the research object, and looking at the effect of attitude toward business risk to usage behavior, the impact on the perceived of use and perceived usefulness to their innovation capacity. This paper also showed a new perspective on the technology acceptance model. Based on this paper result, the attitude in taking risks to use technology in developing a business is having a significant influence on small businesses. Culture and the family also influence the owner in making his or her risky decision. This research used quantitative analysis with the TAM model and interviewed 104 traditional small-scale business owners who have limited capital, with low income and run the business on their own. Giving sufficient knowledge to Micro And Small Businesses on the use of ICT will motivate and overcome in making a risky decision and offer an alternative solution to develop their business and reduce the gap of digital divide among business players in ASEAN countries.

**Keywords:** Attitude, Business Risk, Digital Divide, Innovation, SME.

## INTRODUCTION

The internet rapidly expands the network of the computer to billions of computer and smart devices connections in various function, interconnected activities, and needs. The development of this technology can provide new opportunities for all parties who can use it to encourage the optimization of operational activities, increase the potential for creation through comparison and adaptation of information available on the internet and many more potential that can be developed. The benefits of this technology do not just come just like that, but the existence of technology needs to be supported by the availability of infrastructure, accessibility to the technological devices needed, and the availability of costs required to pay for this service. In this internet technology ecosystem, if there is a difference in the level of accessibility and the level of adoption, it will cause connection gaps in the adoption of digital transformation. In ASEAN, access costs are a gap contributor to the use of this technology. Singapore has the lowest high-speed Internet cost at US \$ 0.05 per megabit (Mbit) per month, followed by Thailand (US \$ 0.42); Indonesia (US \$ 1.39); Vietnam (US \$ 2.41); the Philippines (US \$ 2.69) and Malaysia (US \$ 3.16). The quality and capabilities of micro and small entrepreneurs also vary in allocating funds for these services.

There are 63 million small medium enterprises (SMEs) in 8 ASEAN countries (Indonesia, Malaysia, Thailand, Myanmar, Laos, Philippines, Cambodia, Vietnam, Brunei, Singapore). The question to them now is: Is the adoption gap happening now whether it can have an impact on SMEs? Can they adapt

to ICT technology? Are they able to use this ICT technology? Can they develop their business using ICT? What is their attitude towards the risks of using ICVT in developing their business? What should they do to optimize the use of ICT? From the last survey conducted by APJII (Indonesian Internet Service Provider Association), in Indonesia in 2017 there were 143.26 million internet users or 54.7% of the total population of Indonesia. The growth is quite high from year to year. From 1998 to 2017, the CAGR reached 36.9%. 72.41% majority of internet users are still in the urban area. The utilization also varies, from communication, buying goods or services, doing business and create employment. The level of penetration in the lower social-economic is only 21.72% while the lower middle social-economic level is in the range of 58.55% [1]. Indonesia's business ecosystem is currently still dominated by Micro Small by businesses. There are 26 million small micro-enterprises that absorb almost 59 million employees or almost three-quarter of Indonesian worker [2].

Small and Medium Enterprises (SMEs) are a form of business that is seen from the scale of the business equivalent to home industry, and small businesses only have some employees between 1-19 people. This SME has proven to be one form of business that can survive the economic crisis that has occurred in Indonesia. Small and Medium Enterprises is one of the fields that makes a significant contribution to spurring Indonesia's economic growth. Business development in a small enterprise, it seems that the business management concept will not be separated from the principles of entrepreneurship, because in small companies, their development efforts are very limited by their resources and ability to manage risks. However, what is interesting is that in previous studies there were differences in views and fundamental results of research, especially in taking risky actions [3]. On the other hand, the evaluation of the effect of this attitude on the intension to use in the TAM business framework (technology acceptance model) in small businesses continues to be explored by researchers, because of the large research potential and not too many who do it. This TAM concept was raised because of its potential for businesses that were able to develop access and network to third parties, the business environment and customers. Small businesses need an improvement in their business capabilities, knowledge and business networks that are very important in business.

Most of the small business problems are caused by the lack of access to resources, access to business partner, trade assistance and trade information. With this large number of people, ICT technology has been expected to help these business activities. For this reason, this research will analyze how technology can help small businesses through the adoption of the TAM model and evaluate the influence of the owner attitude toward business risk and challenge in adopting the ICT in developing their business value. David introduced the TAM concept in 1986, which offers a theory as a foundation for learning and understanding user behavior in receiving and using technology. In 1989 Davis published the results of his research by the name of TAM theory with an emphasis on the perception of ease of use and usefulness that has a relationship to predict attitudes in using information systems [5]. The TAM model developed from psychological theory, that explains the behavior of computer users, which is based on belief, attitude, intention, and the relationship of user behavior. Two primary factors influence user behavior, namely: 1. Perception of Ease of Use (Perceived Ease of Use) that eases in using a system. Ease perceptions explain the reason a user uses a system with all forms of conditions and levels of literacy. 2. Perception of Usefulness (Perceived Usefulness) explains the level of trust and understanding of someone that this system can help their business or activities. If these two perceptions give positive results, the probability of the person using this system will be substantial. The output of this stage is the intention to use.

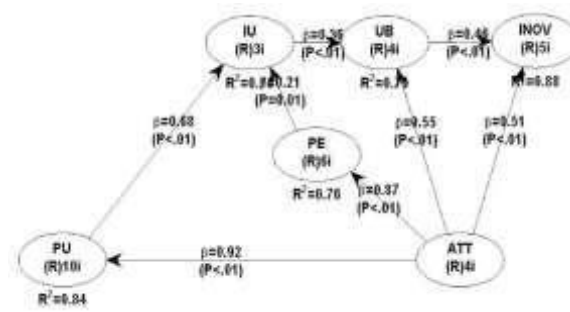
Furthermore, if the internal to use of a system is positive then the person psychologically will tend to move towards use behavior (behavior intention to use) that encourage him to use this technology and make it an actual system usage. Bem, 1972 [6] introduce the self-perception theory that suggested people will reveal attitude without considering their cognition process. This condition included the attitude toward risk. Risk Attitude controls our personality, and mindset of someone to determine whether someone will take a risky step or avoid it or deal with it with careful consideration and calculation. Knowledge about risk continues to grow in line with the increasingly diverse situation, and condition of a person to the type of problem faced, the level of complexity of the problem, the environment that affects it and the time and resources that are available in solving this problem. Attitude to risk can be categorized into several concepts. In general, there are three types of risk attitude, namely, risk-averse or risk avoidance, risk tolerance / neutral and risk seeking or risk takers.

This attitude will determine a person's behavior whether he will avoid risk, tolerate risk or indeed take any risks that will appear later on. As an output, this risk attitude will moderate the further consequences for any actions taken or not. This research wants to re-visit the concept of TAM, whether the attitude toward risk could create barrier or become a motivator in initiating trial action to use the internet technology and the applications as a starting of action. Perceive ease of use can be translated or represented by having good feeling toward the action. Perceive of usefulness can be demonstrated as an acceptance of thought that the action is right or positive. Interestingly, if people have a strong attitude toward an object, it will influence thoughts and feelings as well. Attitude has the accumulation of belief and experience. It is a result of multiple evaluation of issues, objects, people. In business development, especially for entrepreneurs, every business decision making must be related to the ability to manage risk. This ability is closely related to the courage of individuals in making risky decisions. This individual courage is motivated by his personal attitude that grows and develops from what he believes to be true, and underpins previous decisions. The output of the previous decision is a result that can be accepted by himself and those who become his supporters or even family or close people. What has become our observation in the field is that almost all micro businesses originate from family businesses. This family business is passed down from generation to generation. This business has been tested for years and is an asset of the family. Lots of secrets are kept in running this business, especially food recipes, drugs or operational tricks that are effective and have the greatest benefit. Not to mention the culture that requires the next generation to respect their ancestors. Changes made are considered not respecting previous generations or ancestors, especially with regard to the existence of other parties who are the main objects of this business. This kind of business has been maintained for generations and has become a strength for this business. The question is whether in the current era business cannot change to make it more acceptable and easier to access. So the main target of the revisit of TAM is evaluating the attitude variable toward the Perception of Ease of Use (Perceived Ease of Use) and Perception of Usefulness (Perceived Usefulness).

## **RESEARCH METHOD**

This study used quantitative research, cross-sectional data. In addition, interviews were also conducted to get more insight stories from this business and its relation to the use of technology. The object of research were small business clusters. that was doing business by using carts, bicycles, goods carried, and using pedicabs, including traditional entrepreneurs, hawkers merchant around the Kemanggisan area of West Jakarta Indonesia. 5% is the error rate. SPSS 22 and Warp PLS software ver 6.0 was used to perform statistical calculations of the data analyzed. The questionnaire was used Likert scale. The sampling technique used was purposive sampling, which focused on individual entrepreneurs. Defining the notion of small businesses was a people's economic activity that met the criteria as: 1. the businesses that had a net worth of at most Rp 200 million, not including land and building of business premises, 2. Businesses that had annual sales of at most Rp. 1 billion, 3. A stand-alone business, not a company or branch of a company that was owned, controlled or affiliated, directly or indirectly with a medium or large-scale business, 4. A business entity owned by an individual, a business entity that was not a legal entity, including a cooperative [8]. This study obtained 104 respondents from a population of 141 small entrepreneurs, dominated by traders who use carts as many as 62 people (59%), then followed by traders using bicycles as many as 33 people (32%), then traders used yoke as many as 5 people ( 5%), then the last 4 traders used Becak (4%). Respondents who trade with a mobile capability were 65 people (62%) while 39 people (38%) other traders tend to settle even though using a bicycle or a cart. With this research, we tried to find out the digital inclusion issues for business and the welfare of small entrepreneurs in the Kemanggisan area of West Jakarta. 6 variables was chosen in this study. Those were: Perceived of usefulness (PU), Perceived Ease of Use (PE), Intention to Use (IU), Usage Behavior (UB), Attitude toward Risk (ATT), and Innovation (INOV). The research model is in Figure 1.

**Figure 1. Research Model**



**RESULT AND DISCUSSION**

The questionnaire was tested using 2 tests, the reliability test and validity test. The result was that all variables were reliable, and all indicators were valid. Several classic tests such as Normality, Autocorrelation and Multicollinearity, had been done. For the normality test, we used the One-Sample Kolmogorov - Smirnov Test measurement method which the result was 0.945 or above 0.05. This means that this data was normal. While in the multicollinearity test, the VIF value was <10 (PU 6.772, PE = 5.279, IU = 4.030, ATT = 7.068, UB = 5.661) so the multicollinearity did not occur. Based on the results of this evaluation, our data was processed using WARP PLS to evaluate the effect size of this business model. The result is in Figure 1 and Table 1:

**Table 1. Effect Size for Path Coefficients**

	PU	PE	IU	UB	ATT	INOV
PU					0.841	
PE					0.759	
IU	0.580	0.167				
UB			0.305		0.481	
ATT						
INOV				0.415	0.465	

Based on the effect size for path coefficients, most of the paths have high value, or above 0.35 except PE to IU (0.167), IU to UB (0.305) [9]. While the rest of the path between PU to IU (0.58), ATT to PU (0.841), ATT to PE (0.759), ATT to UB (0.481), UB to INOV (0.415) and ATT to INOV (0.465)), the values were higher than 0.35. Based on the value was indicated that the path were influential. This condition was in line with R2 in mediating variables and the dependent variable that had high value. The R2 value of PU (84%), IU (75%), PE (76%), UB (79%) and INOV (88%) were quite high. All the paths had a significant impact since all the P value was close to zero. So the research model could describe optimally all the behaviors of all variables that were connected in the model. The attitudes (ATT) had a significant influence on the Perceive of Usefulness (PU) with  $\beta = 0.92$  and it had a significant impact also on Perceive Ease of Use (PE) with  $\beta = 0.87$ . One interesting note is that the PE had not an impact on the intention to use (IU) with  $\beta = 0.21$ . Nevertheless, since IU has high R2(0.75), this condition cannot be neglected. ATT influences on UB (0.55) and INOV (0.51). Although these influences are lower than ATT to PU or PE, yet the possibilities in changing the decision on user behavior or innovation are quite significant. In summary, ATT toward individual preference or risk have an impact in the Perceive Ease of Use and Perceive of Usefulness model like in the TAM model.

Micro and small businesses that can access the internet and use computers are still very few. Although the cost of internet access is getting cheaper, internet usage is very dependent on understanding the benefits of using ICT technology, especially when Indonesia is currently developing 4.0. Referring to the results of the research there is an important note that becomes the focus on the objectives of micro business development, especially on the company's interest in product development through the use of ICT. During these observations and discussions with entrepreneurs, the desire to work on the family micro-business is more focused on volume and not on variation. Even though if we look at the spirit

of entrepreneurship, product variations can become a cornerstone to encourage competitive advantage. However, the development of product variations requires creativity. On the other hand, for the presenters, creativity in their view is a risk that must be faced. The main issue is maintaining business while maintaining tradition. On the other hand, product development requires cash flow in financing product development. The more creations that are carried out the costs that must be done will be the greater the costs required in financing. If at this time digital technology in the business has not been utilized optimally, then market participants have not mastered it well so that in the future products from abroad may dominate the Indonesian market [2].

Today's marketing ecosystem has relied heavily on online systems so that the reach of the marketing area is expansive. Small entrepreneurs need to be encouraged to do an online system. With the development of the digital world, the marketing area should not be limited. This is a golden opportunity for small entrepreneurs to develop their product distribution range, product variety, product segmentation, and product positioning. However, it should be noted, that to realize this, the support of information infrastructure is very important. Currently, around 33.78 percent of villages in Indonesia cannot capture internet signals properly even 8 percent of them have not been touched by the internet network [2]. The challenges for small business that they should develop its product through the creative usage of information that widely available on the internet. This research shows this opportunity. However, in the flipside, if the attitude is negative or risks averse. It will also reduce their opportunity in developing the business. With the limitation of capital sufficiency, small business will minimize its action to reduce risk. In fact, at the macro level, incubation was influenced by the industry, industrial stakeholder, the institutional and the cultural context [10]. Perceived benefit is clear for small business. The perceived cost of internet access could probably no impact since the government wants to promote economic growth through e-commerce [11].

Other journal stated that cost of creative development and implementation might gain higher innovation performance [12]. In other journals, the ability to adopt knowledge in the early stages of using ICT greatly determines the quality of ICT implementation in developing its business [13]. Therefore, in the application of ICT assistance from the government or larger companies is the key that is also important in the success of raising business performance, small and medium entrepreneurs [13].

## **CONCLUSION**

The use of the internet for small enterprises is strongly influenced by the attitude of the owners. The SME and Micro Business owners determine the direction of the business including its development. The level of risk that will and can be taken by the company also depends on the ability of the owner to arrange, accept and anticipate the risks that will be faced or accepted. In different research, any business activities in small business that is related to cash flow, company size, entering new markets or new areas of business, and entrusting staff with responsibilities, are creating difficulties to the owner [3], unless the owners improve their managerial competencies and networking. They carry out their business activities based on pattern activities and ways of business that have been carried out for generations or taught by parents to their children. Very rarely do they make a variety of variations or very basic changes. Therefore, if this attitude arises, it will be difficult for businesses to carry out activities that are very different from previous activities. Unless the owner of the company begins to open up and develop his business gradually at the level of risk he can face. The role of the government is also important in fostering these small entrepreneurs so that they can gradually grow and also start providing incentive assistance or support so that the risks they face become less burdensome for these small companies.

Related to the results of this research and understanding the situation of small entrepreneurs reinforces a new perspective on TAM Theory. This means, with this research framework, the ability to change the attitude of business actors will lead to enormous changes in developing business through innovation by motivating people or companies to adapt, experience and build the perception of ease of use and usefulness toward creativity. Many small businesses reluctant to take risk especially that relates to cash flow, company size, entering new markets or new areas of business, and entrusting

staff with responsibilities [3]. This barrier holds up the owner of small business to make decision and to make an innovation, including trying a new application that will be implemented in their business. This is the flipside argument to renew TAM for micro business. Based on this research, attitude influence the perceive ease of use and usefulness. If the attitude is negative, then use of ICT for innovation process is very unlikely to be continued. TAM models have been updated by several researchers several times, including becoming TAM 2 by Venkatesh & Davis [14], and becoming UTAUT (unified theory of acceptance and use of technology) in 2003.

Further development of this theory can be combined with the theory of entrepreneurship, leadership, and marketing. Especially if pushed further towards international business. The variable operational dimension will be increasingly expanded and expanded, especially in Southeast Asian countries that have a similar vision and business culture. ICT technology that naturally drives business internationalization should provide an attraction for all entrepreneurs to grow and develop. TAM theory explores perceptions towards evaluating behavior in using applications. This TAM's new perspective on this research will encourage an effort to innovate business or business creativity through the use of technology. This research is still focused on small, micro and medium business. In the future, this new concept can be evaluated if the object changes into a regular company or even a parent company. Other potentials are also evaluated between technology-based companies and non-technology-based companies that utilize technology for operational purposes only. So this area is still providing opportunities for other researchers to improve the framework. Some components of Perceived risk are a functional risk, time risk, privacy risk, psychological risk, social risk and financial risk [15] which can also be investigated further by researchers in the next study. Because technology will change people, owner, customer, although they do not always like to be changed.

Introducing a small business forum in each country is one of the key things opening the communication and perception of risk. Communication between small entrepreneurs will provide opportunities for sharing experiences on the risks and benefits between them. Increased knowledge will make them more open to new initiatives, from a simple concept or business model or to the complex initiatives. Cooperation between entrepreneurs will also open to all SME. It will minimize risk, because the risk is shared. SMEs must continue to be encouraged to use information communication technology. The benefits derived from this technology need to continue to be shared between entrepreneurs and from educational institutions conducting research on this matter. SMEs in ASEAN must move forward and actively respond to this problem. Key finding of research is expected to contribute to the development of the Technology Acceptance Model theory (TAM).

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# DATA MINING APPROACH FOR PREDICTION OF RICE PRODUCTION USING BACKPROPAGATION ARTIFICIAL NEURAL NETWORK METHOD

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## Abstract

As an agricultural country, Indonesia is one of the major producers of rice. Up to this days, the regional government of Indonesia conducted calculations of rice production using trend prediction methods that produce predictions with low accuracy. Therefore, an effective solution was proposed to calculate the amount of rice production needed in the planning process and government activities. This research was conducted to create a system that can predict rice production using Artificial Neural Networks (ANN) on Data Mining. The stages of the research carried out were data collection, pre-processing, prediction by methods, and testing according to the design of prediction models, namely epoch parameters, momentum, learning levels, and hidden layers to produce high accuracy.

**Keywords:** Artificial Neural Network, Backpropagation, Prediction.

## INTRODUCTION

As an agricultural country, Indonesia is one of the world's highest producers of rice, with an average rice production reaching 68.68 million or contributing 9.43% to world rice production. With Indonesia's population reaching 255.46 million people with a growth rate of 1.31% and the level of rice consumption reaching 124.89 kg/capita/year, it requires a large amount of food. Therefore, increasing rice production is now a priority to overcome supply shortages [1]. There are several factors that determine the amount of rice production which are rice planting area [2], rice harvest area, and rice productivity [3]. Planting area is the area of plants that are truly planted as new plants, both planting that is normal and planting is done to replace plants that are cleared / destroyed due to pest attacks or other causes (replanting). The harvest area is the area of plants collected after the plant is of sufficient age [4]. Rice productivity is a reflection of the level of application of farming cultivation technology, namely the use of seeds, labor, ownership, and fertilization [5].

Rice production is one of the main focuses as a staple food crop in sustaining the economy of the people of Indonesia, therefore the regional government must strive to make decisions to formulate their plans in the form of appropriate, effective and efficient programs and activities for future, which relates to factors increasing rice production, in each regencies in meeting the needs of the population, which numbers continue to grow from year to year. To estimate the amount of rice production, one of the right solutions was to predict rice production in the future. However, the prediction method applied for prediction of rice production had a low level of accuracy.

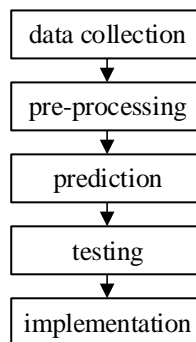
Based on several methods that have been carried out in various studies, the method that was used in this study was the Artificial Neural Network (ANN) method. ANN can solve the problem of Support Vector Machines (SVM) and K-Nearest Neighbour (KNN), which was able to conduct large data training, had the ability to tolerate errors and can produce good predictions [5][6]. However, ANN has the disadvantage of being difficult to know how many neurons and layers are needed, and experiencing slowdown during learning [7]. ANN is a new technology that provides a variety of

solutions to complex problems [8], one of them is in agriculture. ANN can predict effectively so that the method was used in this study. The Backpropagation algorithm is one of the most popular, effective, and easy to learn procedures in complex multilayer networks to optimize ANN training [9]. Based on the background described above, a study was conducted to predict rice production using Artificial Neural Network Backpropagation.

## RESEARCH METHOD

The following stages of research will explain the flow of research consisting of data collection, pre-processing, prediction, testing, implementation (Figure.1).

**Figure 1. Stages of Research**



### Data Collection

The primary data source from this study was in the form of data from the West Sumatera provincial government regarding the amount of rice production and the factors that affect the amount of rice production, namely the target of rice planting area, target of rice harvest area and target of rice productivity from 2013-2017 and production target data rice from 2013-2018.

### Pre-Processing Data

At this stage, the data were grouped into 2 types of data, namely training data and testing data. This stage also aimed to prepare data so that it could be used in predictions. The thing to do was to correct and improve all data so that nothing was missing until the data was valid. Next, the normalization or transformation of data, which were done because the hidden layer used the sigmoid binary or logsig activation function for hidden layers and purelin for the output layer. The process of normalization or transformation had the purpose of simplifying the calculations and getting more accurate predictions.

### Prediction Process

Testing data and training data were as input and target data variables. And for the output (result) was the prediction of rice production in 2018. Furthermore, to design the ANN Backpropagation method architecture that produced optimal predictions, the determination or inputting of the number of parameters were used, such as the number of hidden layers, learning rate, the maximum iteration (epoch), and momentum using the trial and error process. After determining the type of data and parameters, predictions would be made using the ANN Backpropagation method, the prediction results that would be evaluated for error values using Mean Absolute Percentage Error (MAPE) would then be obtained and the accuracy of the predictions would be obtained.

## Testing

This stage was done by examining the results of the research conducted by looking at the level of accuracy and error in the system. Tests were carried out on each training data and testing data. The testing aimed to determine the work system of input, process and output, whether it was in accordance with the expected goals.

## Implementation

At this stage, the results of the prediction of backpropagation ANN were applied in order to make it easier for users to operate the models that have been built and made the system look attractive.

## RESULT AND DISCUSSION

### Data source

In making predictions, sufficient data and information are needed. In Table 1 the following show the data used.

**Table 1. Target of Rice Production 2013**

Area	X1	X2	X3	Y
1	50.887	46.218	5,11	236.266
2	26.631	27.126	4,67	126.678
3	47.123	47.530	4,85	230.521
4	55.553	55.287	5,44	300.706
5	43.525	43.742	5,75	251.517
6	50.806	52.045	5,08	264.389
7	61.360	60.655	5,56	337.242
8	29.521	26.788	5,00	133.941
9	18.339	18.689	4,52	84.530
10	15.670	15.230	4,60	70.058
11	57.483	57.494	5,00	287.470
12	7.315	7.258	5,55	40.282
13	836	808	5,84	4.715
14	1.675	1.782	5,18	9.231
15	13.511	13.323	5,64	75.168
16	2.296	2.196	5,90	12.956
17	2.841	2.785	5,01	13.953
18	119	296	3,50	1.036
19	6.063	6.179	5,10	31.513

Where X1 is target of rice planting area (Ha), X2 is target of rice harvest area (Ha), X3 is target of rice productivity (Ton/Ha), and Y is target of rice production (Ton).

### Pre-Processing

In determining the proportion of training and testing data used in ANN Backpropagation architecture there was no clear amount, but the distribution of 70% of training data and 30% for data testing was obtained. Then the proportion of training data and data testing distribution used in this study is 70% training data, which is 66 data each variable and 30% testing data, which is 29 data per variable.

After the data was divided into two parts, then it would be examined so that nothing was missing until the data was valid and could be used to predict rice production. In this study, the binary sigmoid activation function used had a value range of 0 to 1, so each input data was normalized or transformed [10].

## Designing Backpropagation Neural Network Model Architecture

ANN Backpropagation used multilayer networks and supervised learning methods. Multilayers were divided into 3 layers, including a) input layer, b) hidden layer, and c) output layer. Table 2 are details of the design of the prediction model which consists of several parameters used.

**Table 2. Design of The Prediction Model**

Parameter	Total	Information
Input Layer	3 Neuron	Target of Area for Rice Planting; Target of Rice Harvest Area; Target of Rice Productivity
Hidden Layer	Trial and error	3 Neuron
Output Layer	1 neuron	Rice production
Initial Weight	Trial and error	BB: 0.05 BA: 0.08 Random number: 0.05-0.08
Learning Rate	Trial and error	0.1-0.5
Momentum	Trial and error	0.5-0.9
Epoch	Trial and error	100-200 (with interval: 50)
Activation Function	2	Logsig and Purelin

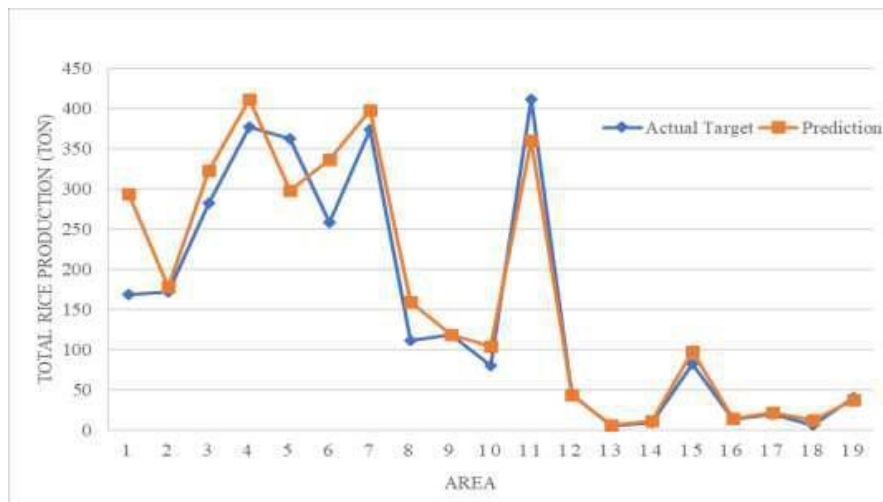
## Testing

Application testing was done by running the program and performing a prediction process according to the input values of each parameter found in the prediction model Table II, which was 75 times, to get high accuracy and low error values. So that the accuracy of the system would depend on the results obtained.

## Post-Processing Data

After the prediction process, the output value or prediction results would be obtained, where the initial data as input data has been carried out the process of normalization or transformation. Therefore, for the newly generated predictive data it was necessary to do a denormalization process. This process was called post-processing, which was the process where the output value that produced a value with an average of zero, then, this process returned the value according to the initial data or the original data. The output value generated in the simulation process was the value of the data that was normalized at the initial step [11]. After the entire prediction process was done, predictive data will be copied, moved, and processed to carry out the denormalization process. The comparison of actual target of rice production an prediction show in Figure 2.

**Figure 2. Chart of Actual and Prediction Comparison**



In the ANN method, there are several algorithms that have been used by researchers, one of which is Backpropagation. The Backpropagation algorithm is one of the most popular, effective, and easy to learn procedures in complex multilayer networks to optimize ANN training. Backpropagation performs supervised learning, and usually the method is used in multi-layer networks consisting of several hidden-layers that aim to minimize errors in the network that produces output. The training function of learning rate variable (traingdx) was used to accelerate Backpropagation training, which was a combination of learning rate and momentum parameters. Then, with the joining learning rate and momentum, the results were relatively more accurate.

## CONCLUSION

Stages of this research consisted of data collection, pre-processing, prediction, testing, and implementation. The application of rice production prediction made has been able to predict rice production for 2018 by conducting 75 tests of the required parameters. This research can still be developed by adding data or input data variables in making predictions. Other prediction methods can be used in further research to find out the comparison of the performance of each method to get predictive results.

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# LAMPUNG PROVINCE E-COMMERCE POTENTIAL IN FACING IMT-GT 2020

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## Abstract

The Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) cooperation has been formed since 1993, but significantly developed since January 12, 2007. In Indonesia, that are part of the IMT-GT cooperation are Aceh, Bangka-Belitung, Bengkulu, Jambi, Lampung, South Sumatra, Riau, Kepulauan Riau, North Sumatra and West Sumatra. It is understood that the IMT-GT area is the island of Sumatra, with the potential of natural resources, but has weaknesses in infrastructure facilities. IMT-GT is an opportunity for Lampung Province to develop its region through bilateral and multilateral para-diplomacy as well as to have competitiveness and not be left behind in the era of free trade and the ASEAN Community. As the IMT-GT focus focuses on the private sector, complementary and comparative advantages need to be identified. One other issue that is currently being an interesting issue is the Digital Economy which is interpreted as economic and business activities based on internet-based markets, or as it is commonly known as e-commerce. This study uses a qualitative approach in identifying the e-commerce potential of Lampung Province supported by library research method and holding Focus Group Discussion (FGD) with Local Planning Agency (Bappeda) and other related agencies.

**Keywords:** E-commerce, Potential, IMT-GT, Lampung.

## INTRODUCTION

ASEAN regional cooperation has various types of subregional cooperation in various fields aimed to smooth the realization of ASEAN Connectivity. Synchronization of countries in the region is implemented into these subregional collaborations. One of the regional subregional collaborations that is projected to encourage the establishment of ASEAN Connectivity is the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)

IMT-GT covers 32 provinces, with a total population of 70 million people 10 provinces in Indonesia, 8 states in Malaysia, and 14 provinces in Thailand [1]. The focus of the IMT-GT is to promote economic growth that specializes in the private sector and emphasizes the complementary and comparative advantages of its member countries [2].

IMT-GT is a tool that can be used to optimize the potential of the area involved. The IMT-GT platform must continue to be optimized by all relevant provinces so that at the moment of IMT-GT's vision 2036, can completed. The ideals of IMT-GT is to become a region that integrated, innovative, inclusive and sustainable in 2036 must be prepared soon and thoroughly. Innovative regional economic integration in the form of joint strategy to promote growth aimed for the future generations. IMT-GT is also intended to encourage the community to contribute and take advantage of the region's socioeconomic development (IMT-GT Vision). In addition, the most important part of this collaboration is a dream to make a borderless, progressive, prosperity and peace, and can improve the quality of its people.

IMT-GT is also a response from the development of dynamic regional economic trends. The focus of IMT-GT's attention is on the rise of the consumer class, the development of class cities and the need to increase productivity by capturing huge profits from global flows in trade and investment by promoting competitive trade areas. If the IMT-GT is successfully implemented as stated in its blueprint, then the area that is the focus will be an advanced economic region in 2036 later.



Speaking of platforms, of course there is potential to be maximized through that platform. This paper will focus on the regional potential of Lampung Province, but we also need to look at the overall potential of the IMT-GT region. Lampung, with all the potential it has, is expected to be able to utilize the IMT-GT platform so that it can realize the vision of IMT-GT 2036. For this reason, a study is needed to assist researchers in identifying the various potentials that Lampung has, so that it can be optimally utilized. The hope is that the mapping can be used to focus the efforts made by various parties related to optimizing the potential of the Lampung province.

The focus areas of the IMT-GT collaboration are infrastructure and transportation, trade and investment, tourism, halal products and services, agriculture, and human resource development. The distribution of focus areas of cooperation can be seen in the table below:

**Tabel 1. Cooperation Area IMT-GT**

Area	Leader Country
Infrastruktur and transportation	Thailand
Trade and investment	Thailand
Tourism	Indonesia
Halal produk and services	Indonesia
Agricultur and agronomy and environmnet based industry	Malaysia
The development of human resource	Malaysia

From the table above it can be seen that the distribution of work focus is shared equally by the three member countries and has been adjusted to the characteristics of each country. Indonesia is leading in the tourism sector and developing halal products and services. But keep in mind that leading a work area does not mean to be neglected in other fields. Especially in Industry 4.0 which has a very broad scope, even without limits because it is supported by mass digitalization in all fields.

The special attention of IMT-GT on the private sector is certainly not free from the desire to improve the standard of living of the local community, which is expected to impact on the strengthening of the regional economy. The private sector can contribute to economic growth, due to the large potential contained in the sector, and most have not been explored to the fullest. Sumatra Island has a population of 50.37 million people, and 8.3 million of them are in Lampung province. A large number and has a bargaining value and potential which, if utilized properly, will provide benefits to the people of Lampung who are the target of this cooperation.

This paper focuses on the use of e-commerce in optimizing regional potential, because data on the potential of e-commerce in Indonesia and Lampung is very potential. The projected growth rate of e-commerce in Indonesia alone reaches US\$ 30 billion. If local products and potentials can use the IMT-GT platform and e-commerce, the IMT-GT program areas will succeed in realizing the ideals of IMT-GT and grow to become an economic power of ASEAN.

Success really requires planning and recognition of your potential and weaknesses. Lampung, as explained above indeed has a very large regional potential, but it still cannot be utilized optimally. Development carried out by local and national governments still cannot boost significant economic growth. In order to fulfill the ideals of the IMT-GT that can touch the private sector, a study that identifies local potential is very relevant today. The results of this study are expected to be a reference

by the government in optimizing efforts to develop the local potential of Lampung province. It also can be used as a reference for various parties who want to carry out further research in the field of developing the strategic potential of Lampung province.

## **RESEARCH METHOD**

This study uses a qualitative approach that can help identify potential and process data both primary and secondary in identifying the strategic potential and problems of Lampung Province, not only by collecting primary and secondary data both in the literature or in field research, but also holding an Focus Group Discussion (FGD) and some interviews with Local Planning Agency (Bappeda) and other related agencies. The interview can find out the potential directly, because the interview is conducted with Bappeda who does have authority in the area of regional development. All data were analyzed using qualitative and quantitative methods. While the FGD can provide an explanation of problem solving and collaboration between agencies in Lampung Province.

## **LITERATURE REVIEW AND RESULT**

Research that discusses the economic potential of the implementation of the IMT-GT has been done by many academics and practitioners. However, not too many studies specifically devoted to the potential of e-commerce, especially the potential of e-commerce in the area of Lampung Province.

Ani Rostiyati in a study entitled *The Potency of Tourism in Lampung and Ints Development* identified several tourism potentials that are owned by Lampung Province. Rostiyati uses SWOT analysis (strengths, weaknesses, opportunities, threats) to see the strategies used in tourism development. From the results of the SWOT analysis, Rostiyati found Lampung tourist attraction objects, namely: natural / sea tourism objects, cultural attractions; and historical attractions [3].

The research conducted by Rostiyati only examined Lampung's tourism potential with an analysis of its advantages and disadvantages, without looking at the benefits of these potentials in the IMT-GT platform. In addition, what distinguishes Rostiyati's research from this research is the concept of e-commerce. In this study the concept of e-conference is used as the object of discussion.

The second study is the research of Sandi Nur Ikfal Raharjo, et al, entitled *The Role of IMT-GT Cooperation in The ASEAN Connectivity Development*. Using qualitative methods that are descriptive correlative, it was found that IMT-GT contributed nearly 50% to the Malaysian economy, supporting the vision the world's maritime axis for Indonesia, as well as encouraging the progress of the relatively underserved South Thailand region [4].

An important difference from Raharjo et al's research with this research is that Raharjo et al did not specifically study Lampung Province and the concept of e-commerce. Raharjo focused on the discussion of the IMT-GT as a collaboration used to welcome ASEAN Connectivity. While in this study Lampung Provisnsi and e-commerce are the main studies. Research.

Based on the literature review above, a vacancy can be seen in the study of the implementation of the IMT-GT and regional potential. The research that has been done is still not discussing the local potentials of the regions which are the areas of IMT-GT implementation. In fact, to be able to maximize the benefits of implementing the IMT-GT, a region must know what potential they can exploit. That way, each member country can optimize the potentials that have been identified.

The concept of e-commerce is also considered necessary to be used as an analytical tool because IMT-GT's focus on increasing the role of the private or individual sector can be enormous potential for IMT-GT member contris, especially Lampung Province.

## **International Cooperation**

The use of international cooperation theory is based on the relevance of increasing forms of multilateralism relations in the pattern of relations between countries. The argument is that no country can meet its own needs, especially in the era of rapid technological development. Cooperation with other countries is a form of interdependence based on the state's obligation to meet the needs of its citizens. The need to meet these needs created the birth of various international cooperation in various aspects, including the economy. Forms of economic cooperation between world countries strengthen global interdependence.

The desire to improve the welfare and standard of living of citizens is the main goal of most work in the economic field. Every collaboration must be based on mutual trust, respect and respect for fellow members. That way the cooperation can run optimally and each member country gets the maximum benefit.

International cooperation, as mentioned earlier arises from the different circumstances and needs of the country. Each country also has advantages and potentials that are different from one another. It makes a country will need the advantages and potential of other countries. In this context, cooperation between countries is very important and relevant in international relations. Therefore, international cooperations is still relevant and need to maximized. Dependency between member countries must be maintained by fostering a strong mutual trust. So that cooperation between countries can success.

K.J Holsti defines international cooperation into five namely [5]:

1. Assumptions of two or more interests, values or goals when meeting each other can produce something to promote and fulfill
2. The assumption is that when a country cooperates, the policies decided by other countries will help the country to achieve its interests and values.
3. Agreements and differences between two or more countries in order to take advantage of similarities or conflicts between interests.
4. Official and unofficial rules regarding future transactions carried out to carry out the agreement.
5. Transactions between countries to fulfill their agreement.

Keohane states that relations between Western countries are characterized by complex interdependencies. When interdependence is high, countries will form international institutions that function to face common problems. International cooperation can advance the country within the boundaries of the treaty territory, provide information and resources, as well as reduce costs (distribution, economic costs, etc.). International cooperation can be either formal or informal institutions [6].

Koesnadi Kartasmita stated that international cooperation was the impact of the interdependence of countries. International cooperation can not be avoided by all countries, because essentially no one can fulfill their own needs. In addition, human life is also increasingly complex and has an impact on the complexity problems of international community [7].

The most important discussion of a collaboration lies not in identifying goals or objectives, or ways to achieve them. The most important thing from a collaboration is the result of that collaboration. Is the goal or objective of forming international cooperation, namely to improve shared prosperity can be achieved? The question is also trying to find the answer in this study. Is the IMT-GT collaboration able to improve the welfare of its member countries, and how a country / region can recognize its local potential.

## **e-Commerce**

E-commerce is a process of buying, selling, and or exchanging goods, services and information through a computer network including the internet network. Entrepreneurial activity becomes an

indicator for the population of a country in seeing the level of economic independence and prosperity. Entering the digital era, buying and selling activities do not only go through the manual stages and require both parties, sellers and buyers, to meet, but can be done remotely using the internet. The term e-commerce can be seen from four different perspectives, namely [8]:

1. A communication perspective, which is the supply of goods, services, information or payments through computer networks or other electronic devices.
2. Business process perspective, namely the application of technology with the aim of automating business transactions and steps in carrying out work.
3. Service perspective, a tool that can meet the needs of a company, consumers, and management with the aim of minimizing service costs, improving quality, and speed of customer service.
4. Online perspective, e-commerce allows the process of selling and purchasing products and information via the internet and other online services.

The difference is clearly seen in traditional commerce and e-commerce activities, starting from the actors involved, the mechanism that is carried out in both, and even the components involved. Following are some of the components involved in implementing e-commerce:

1. Customers, internet users who can be defined as potential target markets to receive product, service or information offers from sellers.
2. Sellers, those who offer products, services or information to customers, both individuals and organizations, can be done directly or take advantage of the marketplace.
3. Products, the most striking difference between traditional commerce and e-commerce is the product being sold. E-commerce can also sell digital products.
4. Infrastructure, the condition of market infrastructure consisting of hardware, software, and network systems.
5. Front end, is a web application that has the ability to interact with users directly, such as seller portals, electronic catalogs, shopping carts, search engines and payment gateways.
6. Back end, applications that indirectly support front end applications. All activities related to ordering goods, inventory management, payment processing, packaging, and shipping.
7. Intermediary, is a third party that bridges producers and consumers. Online intermediaries help buyers and sellers meet, provide infrastructure, and help sellers and buyers complete the transaction process. It doesn't have to be a company or organization, individuals like brokers and distributors can also be intermediaries.
8. Other business partners, parties other than intermediaries who collaborate with producers.
9. Support services, security guarantor to the knowledge provider level

## **Tourism Potential**

The tourism sector is one sector that has an important role in a country. This industry has a big impact on progress with increasing state revenues. In addition, this sector will also give birth to jobs for the community at tourist spots. So that the economic level at tourist spots. So that the economic level of society will increase.

Lampung is a province that has great potential in the field of tourism. This province has a coastline of about 1,105 km. There are 2 bays in Lampung, namely Semaka Bay and Lampung Bay with around 132 islands that are directly facing the Sunda Strait ALKI. Some islands are included in Lampung Province including Condong Island, Legundi Island, Tegal Island, Sebuku Island, Kelagian Island, Sitiga Island, Sebesi Island, Puhawang Island, Tangkil Island, Krakatau Island, Tanjung Putus Island, Balak Island, Loh Island, Pulau Lunik, Tabuan Island and Banana Island [9].

The role of the Lampung Provincial Government in supporting tourism development refers to Regional Regulation No.6 of 2012 concerning the Regional Tourism Development Master Plan (RIPPDA) [6]. Since 2014, the Tourism Office has determined seven Strategic Tourism Leading

Areas namely, Bandarlampung City, Krui and Tanjung Setia, Way Kambas National Park, Kiluan Bay, Mount Krakatau and Sebesi Island, Bakauheni and Siger Tower, and Bukit Barisan National Park. At present, local tourists currently dominate, of 3,467,715 tourist arrivals in 2013, around 97%

of these are local tourists, the rest are foreign tourists. On average, Lampung is visited by around 3000 foreign tourists every month [9]. This figure is still very far from Bali which was visited by 3.41 million foreign tourists in the January-November 2014 period [10].

The ineffectiveness of facilities that support the tourism industry is one of the serious development problems in Lampung Province. Coordination between related parties, namely the local government, travel agents, tourism supporting businesses, tourism destinations, and the community, still needs to be developed. This condition explains that this industry still faces several development challenges. In fact, if this sector is developed to the maximum, it will certainly contribute greatly to improving the economic level at the regional and national levels.

The economic growth potential of Lampung Province and Indonesia will be realized if the Lampung tourism industry is run optimally. So that innovative efforts are needed in marketing this potential through digital marketing that can reach prospective domestic tourists, Lampung and Indonesia, as well as foreign countries namely ASEAN and the world.

### **Potential Commodities (Coffee and Cassava)**

Lampung Province has the potential of natural resources that are very diverse, prospective, and reliable, ranging from agriculture, plantations, fisheries, livestock, mining, tourism, to forestry. Lampung Province has a strategic position because its area is located at the southern tip of Sumatra Island, which is the gateway to Sumatra Island from Java Island, with an area of Lampung Province is 34,623.80 Km<sup>2</sup>[4]. With the most extensive area on the island of Sumatra, Lampung is one of the three main coffee-producing regions in Indonesia with 21%, the first being South Sumatra with 22% and third is Bengkulu with 9% [11].

The main cassava producing regions in Indonesia are Lampung, East Java, West Java, Central Java and Banten. Of the four regions, Lampung is still the largest cassava producer in Indonesia, accounting for 20% of total national production [12].

### **Indonesian and ASEAN e-Commerce Market Potential**

Indonesian and ASEAN e-Commerce Market Potential Internet users in Indonesia are the largest among other ASEAN member countries. Based on the figure below, Indonesian internet users in 2017 reached 57.1% of the total population. The sharp increase occurred in 2018, active internet users in Indonesia reached the number 64.8% or around 171.17 million people [13].

Internet users in Indonesia reached 88.1 million, plus 79 million social media users with a total population of approximately 259.1 million [13]. Indonesia's large population can be a big potential as well. Besides having the largest area in ASEAN, Indonesia is also the largest market. The potential development of the Indonesian market for e-commerce activities is reaching more than 25% per year.

The Indonesian e-commerce market is projected to grow even bigger in 2020, which is a bonus projected growth of internet users in 2020 of 57 million people [14].

ASEAN, for industrial countries, is also a big market. When compared, ASEAN 6 (Indonesia, Thailand, Malaysia, the Philippines, Singapore and Vietnam) ranks first with China at 25% of e-commerce growth compared to the United States, EU 5 (the five largest European Union countries), and Japan [14].

The ASEAN market is classified as the largest in the world when it sees the potential for population growth and population growth of internet technology users. Active internet users will greatly affect the sale of products through digital sales. E-Commerce which is a big innovation in the world economic system has its own place in improving the country's economy, without having to meet face to face between actors. Indonesia's e-commerce market potential is large, with 70% more active Indonesian internet users, Lampung can take advantage of these opportunities or even lose. Marketing

of Lampung local products, some of which occupy the highest production position in Indonesia, can easily dominate the market. With the mastery of local products in the digital market and tourism in Lampung with great potential will certainly bring far greater economic benefits.

## CONCLUSION

After describing the potential possessed by Lampung Province, namely tourism, coffee and cassava as well as great e-commerce potential. This study also found that the Lampung government needed to give special attention to improving the competitiveness of the community in facing ASEAN Connectivity 2036. One of them was through optimizing the benefits of the IMT-GT to improve the living standards of Lampung people. Lampung tourism potential, for example, despite having a lot of objects that can be used as tourist attractions, but the infrastructure is not yet supportive. Lampung's original commodity products such as cassava and coffee have also not been maximally utilized. The government needs to encourage and initiate local farmers to develop their crops so they can reach a wider market. Another potential is e-commerce which has the potential to benefit billions of US dollars. The large number of Indonesian internet users is a huge market potential and in fact has not received much attention from the Lampung government.

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# THE INFLUENCE OF THE PROVISION OF PEOPLE'S BUSINESS CREDIT (KUR) ON THE INCOME OF UMKM ENTREPRENEURS IN SOLOK SELATAN DISTRICT

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## Abstract

The adoption of the ASEAN Economic Community (AEC) increasingly competitive business competition in Indonesia, then business people must do various ways in order to develop and maintain business development. In Indonesia, MSMEs are the largest business group in supporting the economic sector and contributing to reducing unemployment and poverty levels. One obstacle to the development of MSMEs is the availability of capital or financing for business development. The granting of People's Business Credit (KUR) by the government through the banking sector is thought to influence the development of MSMEs that can be measured by increasing its income. This study aims to see how the influence of KUR granting on MSME income in the South Solok Regency. Data collection using questionnaires with 97 respondents of MSME owners . Data analysis using simple linear regression analysis,. Based on the results of statistical data processing through a partial t test, the significant value of people's business credit (KUR) of 0,000 <0.05, it can be concluded that the people's business credit (KUR) has a significant effect on MSME income in South Solok Regency. In facing business competition in the era of the ASEAN Economic Community, the Regional Government needs to improve the facilitation of UMKM empowerment through business financing through KUR that has been programmed by the Government so far.

**Keywords:** KUR, Income, UMKM.

## INTRODUCTION

In the beginning, MEA (Asean Economic Community) became a new chapter in the business world in Indonesia, including Micro, Small and Medium Enterprises (MSMEs) entrepreneurs. MEA opened the door for export and import of commodities and human resources among ASEAN countries. For that reason, the government obliged to increase the competitiveness of SMEs, which has proven to be a major supporter of the Indonesian economy after the 1998 monetary crisis, because it can reduce unemployment and poverty in Indonesia. Even this MSME can contribute significantly to the Indonesian economy, such as reducing the problem of poverty and unemployment [1], [2].

From several previous studies [3], [4], it was found that one of the factors inhibiting the development of MSMEs in Indonesia is the limited capital for business development. Therefore, much needed support in empowering MSMEs with capital problems through banking and non-banking institutions and how to gain market access [5]. This is the background of the People's Business Credit policy from the Government since November 2007.

One of the banking institutions that is quite instrumental in KUR disbursement is Bank Rakyat Indonesia (BRI). BRI is a state-owned national bank that is easily accessible by the public to the countryside. In 2017, Bank Rakyat Indonesia has succeeded in lending 16.4% credit or amounting to Rp.653.1 trillion, which can be compared to lending in 2016 amounting to Rp.561.1 trillion. While recorded in Bank Rakyat Indonesia has channeled loans worth Rp.471 trillion or as much as 72.1% of the total loans received by Bank BRI, so that the increase in lending occurred due to lending by banks



to the MSME sector [6]. Allegedly, the existence of this KUR distribution can increase income in the MSME sector, even can provide space for businesses that have limited access to capital. So that the existence of a credit distribution program is very helpful in obtaining venture capital.

Some previous studies show the relationship between the provision of credit affect the performance of MSMEs. According to Magrieshellah and Heriyanto [7], in the results of research conducted at PT. Bank Rakyat Indonesia Branch Dwikora Branch A. Rivai experienced an increase in monthly net income by an average of about 10% - 44% with this can be stated that the KUR that has been distributed to debtors has a positive impact on MSMEs and can help smooth the customer's economy and can help the people who experience lack of venture capital. According to Mahmudah [4], credit has a positive effect on income, because the loan value of KUR <5% or significant at 5% so that if KUR loan capital is getting better, the income of Micro and Small Enterprises (SMEs) will also increase. The coefficient of determination (R2) is 0.496. This means that 49.6% of Micro and Small Business (MSE) income is influenced by the amount of KUR loan capital, while the rest is influenced by other variables. According to Saragih [8] in the results of the study showed that own capital and People's Business Credit (KUR) positively correlated with the income of Toba Samosir MSME entrepreneurs. Meanwhile according to [2] in the results of the study showed that the People's Business Credit (KUR) has a positive effect on the income of people who have Small and Medium Enterprises (SMEs).

Next is the development of the number of MSMEs developed through KUR in West Sumatra Province as shown in Table 1.

**Table 1. Number of MSMEs Fostered through KUR Programs / Activities In West Sumatra Province in 2011 until 2017**

No.	Years of Distribution	Distribution Bank	UMKM that are fostered	Type of Entrepreneurship
1	2011 S/D JAN 2017	BRI KANWIL PADANG	126.570	Various Business, Snacks, Rendang, Sweet Potato Crackers, Coconut Oil, Various Crafts, Embroidery, Knitting, Weaving, Songket, Bamboo, Coconut Shell, Culinary, Souvenir, Fishermen, Business Services, etc.
2	2011 S/D JAN 2017	BNI KANWIL PADANG	1.311	
3	2011 S/D NOP 2016	BANK MANDIRI	419	
4	2011 S/D JANUARI 2017	BANK NAGARI	802	
5	2011 S/D JULI 2015	BANK SYARIAH	1.402	
6	2011 S/D OKTOBER 2016	BANK BUKOPIN	154	
7	2011 S/D JULI 2015	BTN CABANG PADANG	885	
8	2011 S/D JULI 2015	BNI SYARIAH	802	
	JUMLAH		133.617	

Source: [9]

Table 1 illustrates that there are several government banks that distribute KUR to MSMEs, where BRI as the largest KUR distributor can be seen from the number of MSMEs developed. This is influenced by the willingness of BRI sauah units to reach the rural level. Likewise, the realization of KUR in the year 2017, BRI is the biggest supplier and is followed by Bank Nagari as shown in Table 2.

**Table 2. Report of Realization of Distribution of KUR in West Sumatra Province in 2017**

No	Bank	Plafon	Realisation	Total of debiturs	description
1	BRI Kanwil Padang	1,765,385,146,045	1,499,557,813,265	84,177	2011 s/d November 2017
2	BNI Kanwil Padang	405,309,954,919	255,223,892,043	1,874	2011 s/d September 2017
3	Bank Mandiri	221,562,900,000	198,558,514,805	3,353	2013 s/d Agustus 2017
4	Bank Nagari	2,015,507,000,000	15,170,000,000	54,020	2011 s/d 31 Desember 2017
	<b>TOTAL</b>	<b>4,407,765,000,964</b>	<b>1,968,510,220,113</b>	<b>143.624</b>	

Source: [9]

South Solok Regency as one of the Regencies in West Sumatra Province is sufficient to pay attention to the empowerment of MSMEs, one of which is through the distribution of KUR by Government Banks and several empowerment programs conducted by the Department of Industry, Trade, Cooperatives and SMEs of West Sumatra Province and South Solok Regency. The following is the profile of MSME actors in South Solok Regency as shown in Table 3.

**Table 3. Number of MSMEs in South Solok Regency in 2017**

No	Town	Micro	Small	Medium	Total
1	Pakan Rabaa Utara	102	13	8	123
2	Pakan Rabaa Timur	90	10	1	100
3	Pakan Rabaa Tengah	267	20	2	289
4	Pakan Rabaa	253	21	0	274
	Total of KPGD sub district	712	64	36	786
5	Pasir Talang	192	12	2	206
6	Pasir Talang Barat	136	9	2	147
7	Pasir Talang Timur	48	1	-	49
8	Pasir Talang Selatan	197	36	7	240
9	Sako Pasia Talang	108	2	-	110
10	Sako Utara Pasia Talang	30	-	-	30
11	Sako Selatan Pasia Talang	209	1	-	210
12	Pasar Muara Labuh	159	13	2	174
13	Koto Baru	212	5	1	218
14	Pulakek Koto Baru	119	4	-	123
15	Bomas kurang 2	141	3	-	144
	Total of Sungai Pagu sub district	1551	86	14	1651
16	Alam Pauh Duo	55	28	3	86
17	Pauh Duo Nan Batigo	27	1	-	28
18	Kapau Alam Pauh Duo	12	2	-	14

19	Luak Kapau Alam Pauh Duo	10	3	-	13
	<b>Total of Pauh Duo sub district</b>	<b>104</b>	<b>34</b>	<b>3</b>	<b>141</b>
20	Lubuk Gadang	442	30	56	528
21	Lubuk Gadang Timur	120	25	2	147
22	Lubuk Gadang Selatan	176	30	4	210
23	Lubuk Gadang Utara	107	1	1	109
	<b>Total of Sangir sub district</b>	<b>845</b>	<b>86</b>	<b>63</b>	<b>994</b>
24	Lubuk Malako	40	7	7	54
25	Bidar Alam	30	3	-	33
26	Padang Air Dingin	16	2	1	19
27	Padang Limau Sundai	14	1	-	15
28	Padang Gantiang	10	-	-	10
	<b>Total of Sangir Jujuan sub district</b>	<b>110</b>	<b>13</b>	<b>8</b>	<b>131</b>
29	Abai	16	2	-	18
30	Dusun Tengah	18	4	-	22
31	Ranah Pantai Cermin	8	1	-	9
32	Sitapus	5	3	1	9
33	Lubuk Ulang Aling				
34	Lubuk Ulang Aling Selatan				
35	Lubuk Ulang Aling Tengah				
	<b>Total of Sangir Bt. Hari sub district</b>	<b>47</b>	<b>10</b>	<b>1</b>	<b>58</b>
36	Sungai Kunyit	68	8	3	79
37	Sungai Kunyit Barat	22	6	-	28
38	Talao	24	7	-	31
39	Talunan Maju	5	-	1	6
	<b>Total of SBJ sub district</b>	<b>119</b>	<b>21</b>	<b>4</b>	<b>144</b>
	<b>Total of Solok Selatan Districts</b>	<b>3488</b>	<b>314</b>	<b>129</b>	<b>3905</b>

Source: [10]

The data in Table 3 shows that the largest percentage of MSME entrepreneurs are micro businesses, namely 3,488 or 89.32% and 10.68% are small and medium enterprises. This means that, based on criteria determined by statutory provisions, the amount of capital owned is the wrong size in classifying MSMEs. This data also shows that there is a limited capital of business capital of MSMEs in South Solok Regency. Judging from the distribution of sub-districts, the majority of MSMEs are located in two Subdistricts namely Sungai Pagu (39.71%), Sangir Subdistrict (21.64%) and in Koto Parik Gadang Diateh Subdistrict (18.23%), the remaining 20.42% were in the other four subdistricts namely Pauh Duo Subdistrict, Sangir Jujuan, Sangir Balai Janggo and Sangir Batang Hari. The three districts that have the largest MSMEs are also districts that have urban characteristics, where the service sector has developed in addition to the agricultural sector.

In South Solok Regency in 2017 Bank Nagari has distributed KUR of Rp. 10 billion with the aim of strengthening the community's economy. Whereas in 2018 Bank Nagari targets the distribution of KUR as much as Rp. 60 billion and realized until mid-July 2018 in the amount of Rp. 10 billion. The percentage of KUR distribution in South Solok Regency increased in 2019. Bank Nagari until mid-June was realized at Rp. 15 billion, and will be targeted to realize KUR to the public in the amount of Rp.35 billion. KUR distribution is expected to have a good impact on the welfare of the community in South Solok Regency [11].

Therefore, the purpose of this study is to find out how the influence of People's Business Credit (KUR) on the income of entrepreneurs in an effort to empower MSMEs in South Solok Regency.

## RESEARCH METHOD

This research method is to use a quantitative research method that uses a survey approach with the aim to test the hypothesis that has been previously established [12]. The analysis is carried out to test the effect of capital credit for business credit (KUR) on the income of MSME entrepreneurs, where the variable (X) is the People's Business Credit and the variable (Y) income. Population is the SMEs registered at the Disperindagkop UMKM in Solok Selatan Regency. Sampling uses the Slovin formula [13] with a total sample of 97 MSMEs. The main instrument in data collection is a questionnaire that has been done in advance the test of validity and reliability.

The source of the data used in the study is primary data which is obtained through a survey method using a questionnaire that has been distributed to respondents. Primary data intended in research is data that has been obtained that is by jumping directly on the research object to obtain information. This research method was carried out using a questionnaire in which the statements were measured using a 1 to 5 liker scale, from strongly disagreeing to strongly agreeing. In Table 4, the Variable, Operational Definition and Indicator are each variable in this study.

**Table 4. Operational Definitions and Indicators of Research Variables**

Variable	Operational Defenition	Indicator
<b>People's Business Credit (KUR)(Y)</b>	People's Business Credit (KUR) is credit / financing to Cooperative Micro Small and Medium Enterprises (MSMEs) in the form of providing working capital and investment supported by guarantee facilities for productive businesses [14].	<ul style="list-style-type: none"> <li>• trust</li> <li>• ability</li> <li>• capital</li> <li>• Assurance</li> <li>• Economic condition</li> </ul>
<b>UMKM Entrepreneur Income (Y)</b>	Revenue is the inflow of assets (assets) arising from the delivery of goods or services carried out by or a certain period [15].	<ul style="list-style-type: none"> <li>• Net asset inflows as a result of the sale of goods and</li> <li>• servicesAust out the goods and services of the company to customers</li> <li>• The company's production as a result of solely the creation of goods and services from the company during a certain period.</li> </ul>

Before the data are analyzed, normality test is done first. Data analysis is done in two ways, namely descriptive analysis and hypothesis testing using the t test and the coefficient of determination (R<sup>2</sup>). The coefficient of determination (R<sup>2</sup>) reflects how much the variation of the dependent variable Y can be explained by the independent variable X. The value of the coefficient of determination is between zero and one. Then Simple Linear Regression Analysis Test to determine the regression model that describes the relationship between the independent variable with the dependent variable .

## RESULT AND DISCUSSION

Respondents in the study by sex consisted of 45.4% men, 54.6% women. Then based on the level of education, namely elementary school (24.7%), junior high school (19.6%), senior high school

(45.4%), diploma (7.2%), undergraduate and postgraduate (3.1%). This illustrates that the majority of MSME practitioners have high school education and below. Judging from the general age (98.07%) is in the productive age which is under 50 years of age, and only 1.03% is over 50 years old. Business experience of 92.79% under 6 years and 7.21% over 6 years. This is in line with the age of the SMEs.

Linearity test is used to see whether it is correct or not the specification of the model used in this study. Is the function used in a study should be linear, squared or public. By linearity test information will be obtained whether the research model should be linear, quadratic or public [2]. To be able to determine whether or not there is a linear relationship or predictor variable with the dependent variable can be seen by comparing the significant value of the Deviation From Linearity, with a significant level used which if a significant value is greater than a significant level then a linear relationship occurs from the independent variable dependent variable.

**Table 5. Linearity Test Results - ANOVA Table**

			Sum of Squares	df	Mean Square	F	Sig.
Y *	Between	(Combined)	504,403	23	21,931	1,405	,138
X	Groups	Linearity	202,334	1	202,334	12,967	,001
		Deviation from Linearity	302,068	22	13,730	,880	,619
Within Groups			1139,082	73	15,604		
Total			1643,485	96			

Based on Table 5 (ANOVA Table) obtained a deviation from linearity value of 0.619 > 0.05, there is a linear relationship between the provision of People's Business Credit (KUR) to the income of entrepreneurs in an effort to empower MSMEs in South Solok Regency.

Furthermore, the results of testing the hypothesis through a partial t test to test the effect of KUR loan capital partially on MSME income. As for a hypothesis test, there is a criterion in partial testing that is said to be significant if the measurement results obtained meet the requirements with the predetermined provisions, namely the significance value  $\alpha = 5\%$ . if the significance value of the t test is calculated from a large study of  $> 0.05$ , then the independent variable (Kredit Usaha Rakyat) has no partial or individual effect on the dependent variable (income). However, if the significance value of the t test  $\leq 0.05$  then it can be concluded that the independent variable (People's Business Credit) partially or individually influences the dependent variables (income) examined in this study [16].

**Table 6. T Statistics Test Results Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,543	2,155		6,286	,000
	X	,220	,060	,351	3,652	,000

a. Dependent Variable: Y

Based on Table 6 (output table) obtained a significance value of 0,000 < 0.05 then reject H0 accept Ha, the granting of People's Business Credit (KUR) significantly influence the income of entrepreneurs in efforts to empower MSMEs in South Solok Regency.

Then the coefficient of determination (R<sup>2</sup>) where this test aims to determine the proportion or percentage of total variation in the dependent variable explained by the independent variable [16]. As stated in Table 7.

**Table 7. Test results for the coefficient of determination Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,351 <sup>a</sup>	,123	,114	3,895

a. Predictors: (Constant), X

b. Dependent Variable: Y

R square value of 0.123 means that the ability of the KUR variable explains the variation in entrepreneur income in an effort to empower MSMEs in South Solok Regency by 12.3 percent. The rest is explained by other variables not examined.

To see the relationship model between the two variables is done through the Simple Linear Regression Analysis Test, which is a simple regression regression model. Simple linear regression analysis is shown by a simple linear equation which shows the relationship between two variables namely the independent variable (X) with variables dependent (Y). This analysis is usually used to determine the direction of the relationship between the independent variable with the dependent variable whether it has a positive or negative relationship and to predict the value of the dependent variable if the value of the independent variable has increased or decreased [16].

**Table 8. Simple Linear Regression Analysis Results Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,543	2,155		6,286	,000
	X	,220	,060	,351	3,652	,000

a. Dependent Variable: Y

Based on the above output obtained a simple linear regression equation model in this study as follows:

$$Y = 13,543 + 0,220 X$$

The above model can be explained as follows:

The constant value of 13.543 then if the influence of the independent variable (KUR) is zero (0), then the respondent's perception of entrepreneur income in the effort to empower MSMEs in South Solok Regency is 13.543.

Regression coefficient value of 0.220, then giving KUR has a positive effect on entrepreneur income in an effort to empower MSMEs in South Solok Regency. each increase in respondents' perceptions of KUR by 1 unit, then respondents' perceptions of entrepreneur income in an effort to empower MSMEs in South Solok Regency will increase by 0.220 units.

The results of this study support previous research proposed [7] where the results showed that the people's business credit (KUR) had a significant effect on income. This is also in line with research conducted by [4] where the results of the study show that the people's business credit (KUR) has a positive and significant effect on income. Likewise with research conducted by [8] the results of the

study stated that the people's business credit (KUR) had a significant effect on income. And research conducted by [2] also supports this research, the results of the study indicate that the People's Business Credit (KUR) significantly influences the income of people who have Small and Medium Enterprises (UKM) in South Solok Regency.

Related to government efforts in empowering MSMEs and referring to the provisions of Law Number 10 of 1998 concerning Credit Banking is the provision of money or bills that can be likened to it, based on an agreement or agreement to borrow and borrow between banks and other parties that require borrowers to pay off their debts after a certain period of time with the provision of interest [17]. In this case the bank must provide low interest so that entrepreneurs do not feel charged with high bank loan interest. In providing credit the bank holds the 5C principles of character, capacity, capital, collateral and condition. The easier the requirements provided by the bank, many MSME entrepreneurs will apply for credit to obtain additional capital so as to increase production. The more production that is produced it will increase the income of MSME entrepreneurs. This will certainly also have an impact on economic development in general in South Solok Regency.

Based on interviews with several respondents, it was also revealed that the main problem faced in disbursing KUR was eliminating public perceptions that borrowing capital from the bank had difficult requirements and very large interest rates, so they were reluctant and felt unable to return credit. In overcoming this problem the government has tried to promote this KUR so that people are interested in applying for credit to banks so that the business they run can survive and grow. The purpose of this loan is to facilitate MSME entrepreneurs in developing their businesses.

In general, currently the KUR program is starting to be in great demand by the community because of the easy and light requirements so that MSME entrepreneurs can develop their businesses and be able to compete with other entrepreneurs. In facing the global competition of MSME entrepreneurs, including the ASEANUMKM Economic Community, they must be able to produce quality products and have high selling power so that the income generated is also high. Revenue is the result achieved, the higher the income, the higher the company's ability to develop the business.

## **CONCLUSION**

Based on the results of the processing of statistical data that can be concluded conclusions through a partial t test, the significant value of people's business credit (KUR) of 0,000 <0.05, it can be concluded that the people's business credit (KUR) has a significant effect on income.

Suggestions that can be submitted by researchers to increase MSME revenue in South Solok Regency are as follows:

1. For MSMEs, in increasing the income of entrepreneurs it is expected that there is courage in getting additional capital to increase production, one of the ways is by applying for people's business loans (KUR) to banks.
2. For the government and regional government, it is expected to pay more attention to MSME entrepreneurs by providing easy requirements to apply for KUR so that they can increase the income of MSME entrepreneurs, especially in South Solok Regency.
3. For further researchers, the variables studied can be added so that other variables are able to explain other factors that can increase MSME income.

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# DEVELOPMENT OF WEB AND MOBILE GIS APPLICATION OF DISASTER IN PADANG TO SUPPORT TOURISM OF WEST SUMATRA PROVINCE

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## Abstract

Facing the natural disaster that often occurs in southeast Asia, ASEAN has established the AHA Center. One of the AHA center functions is to deliver news about natural disasters which it monitors using information technology (IT). However, not all-natural disasters in one member country are monitored, only those requested by their members. Therefore, each member country also makes its information system. One of them is disaster preparedness in the Padang, West Sumatra, Indonesia. The Padang in addition to the tourism center of West Sumatra, which is known for its natural beauty and its cultural uniqueness, is also listed as one of the cities in Indonesia that often experiences natural disasters. Due to the frequent occurrence of natural disasters, especially the issue of a massive earthquake followed by a tsunami, tourists are afraid to visit the Padang. Though many unique tourist attractions that can be enjoyed by tourists. To overcome this problem, tourists who come to the Padang need to be equipped with information about which areas have been or are affected by a disaster. That information should be available at any time and can be accessed from anywhere. With that information, tourists will feel safe and have made disaster preparedness. So that tourists are no longer afraid, and they will visit the Padang. For this reason, a web and mobile Geographic Information System (GIS) application have been developed to map disaster areas in the Padang. This GIS application was developed in several stages, namely data collection, application development and testing the system. This GIS application was implemented using programming languages such as PHP, Javascript, and B4A. The database used to store disaster data was PostgreSQL/PostGIS. Google Maps was used to visualize disaster maps. This GIS application can be used by tourists and the government to view disaster information

**Keywords:** Disaster preparedness, Monitor, Natural disaster, Tourism, Web and Mobile GIS

## INTRODUCTION

The ASEAN region is the most vulnerable in the world to natural disasters such as floods, volcanic eruptions, and earthquakes [1]. Faced with that, ASEAN has agreed on coordination and cooperation in responding to natural disasters and established the ASEAN Coordinating Center for Humanitarian Assistance on Disaster Management (AHA Center) [1], [2]. With the AHA Center, IT becomes an essential part of delivering news about disasters that are monitored every day. But not all-natural disasters are monitored by the AHA Center. The AHA Center monitors only natural disasters at the request of one country. What about natural disasters that are handled alone? The state/province/city must create its disaster information system, such as the information system reported in this paper.

The Padang is the center of West Sumatra tourism, which is known for its natural beauty and cultural uniqueness [3], [4]. The beauty of nature is shown by the grace of Mandeh Beach and Ngarai Sianok. The Matrilineal System and the Rumah Gadang are unique to their culture. Aside from being a tourism center, the Padang is also listed as one of the cities in Indonesia that often experiences natural disasters. Floods, landslides, and earthquakes are natural disasters that often occur in the Padang. The location of the Padang, which is on the West coast of Sumatra and is an active two-plate collision zone, makes the Padang a town prone to disasters [5]. The Padang had experienced an

earthquake accompanied by a tsunami. Besides, the Padang also has high rainfall, causing frequent flooding [6]. According to Rindrasih [7] and Rindrasih et al. [8], the disaster must be managed thoroughly to minimize the effects of the disaster on tourism. Because of that IT assistance is needed, in this case, the disaster information system for the Padang.

Due to frequent natural disasters, especially the issue of a massive earthquake followed by a tsunami, tourists are afraid to visit the Padang. Though many unique tourist attractions that can be enjoyed by tourists. Because of that, tourists visiting the Padang need to be equipped with information about which areas have been or are struck by a disaster. With this information, tourists have made disaster preparedness and no longer need to be afraid to visit the Padang. For this reason, a web and mobile GIS have been developed which maps the disaster area in the Padang. GIS technology is chosen, because of its ability to process spatial data, while web and mobile GIS (Internet-GIS) are used so that applications can be accessed anywhere and anytime [3], [9] ; Bandibas and Takarada, 2019).

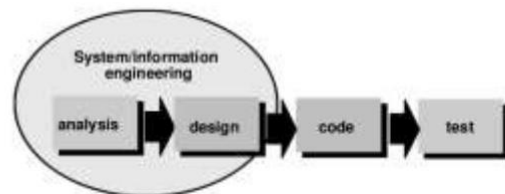
**RESEARCH METHOD**

The research method used in this research was research and development. Data collection techniques in this study were interviewed, observation, and review of the literature. The Padang was chosen as the location of the research. Map of the Padang can be seen in Figure 1. For the development of web and mobile GIS applications, the waterfall model was used. The waterfall model describes a systematic and sequential approach to software development, starting with an analysis of user needs, then continues into the design, coding, and testing stages [10]. Figure 2 shows this model.

**Figure 1. Map of the Padang**



**Figure 2. Waterfall Model**



Source: [10]

**RESULT AND DISCUSSION**

**1. Functional System**

The user's main requirements for the system are as follows:

- a. Users can search for disaster incidents by year, month, date, district, and type of disaster. The information displayed is as follows:
  - 1. Location of the disaster;
  - 2. Detailed information on disaster events: type, date and time, place, cause, loss, details of victims, details of actions and assistance received, equipment and photos/videos.
  - 3. The route Google Maps creates from the user's position to the location of the disaster.
- b. Users can report disaster events.

**2. Data Needs**

Data needed for system development consists of:

- 1. Attribute Data  
Required attribute data includes disaster event data, type of disaster, vehicle and non-vehicle equipment used, casualties, damage, actions, and donations to disaster events.

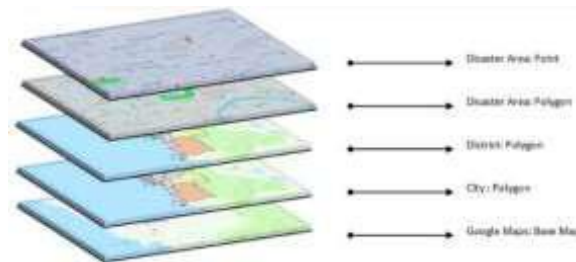
## 2. Spatial Data

The spatial data needed consists of google maps as the base map, sub-district, and area of disaster events in the form of polygons, and the location of disaster events in the form of points.

## 3. Database Design

The database used by the GIS application was PostgreSQL/PostGIS. The arrangement of the GIS layer of the Padang can be seen in Figure 3.

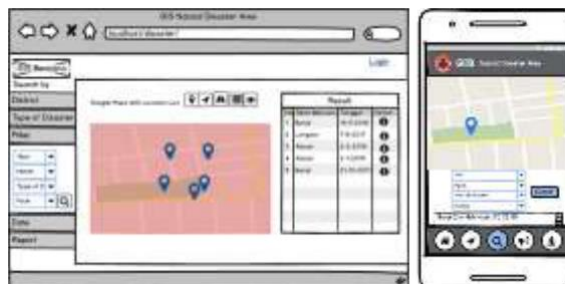
**Figure 3. The GIS layer of the Padang**



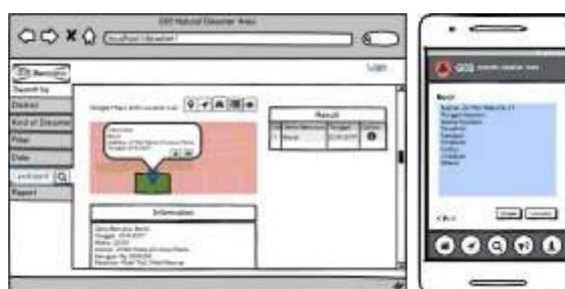
## 4. User Interface Design

The user interface is the link between the user and the system. The user interface design of this GIS application was designed using the app of Balsamiq Mockup. The user interface design of the location and Information search on disaster events can be seen in Figures 4 and 5.

**Figure 4. Disaster Location Search Design**



**Figure 5. Detailed Disaster Information Display Design**



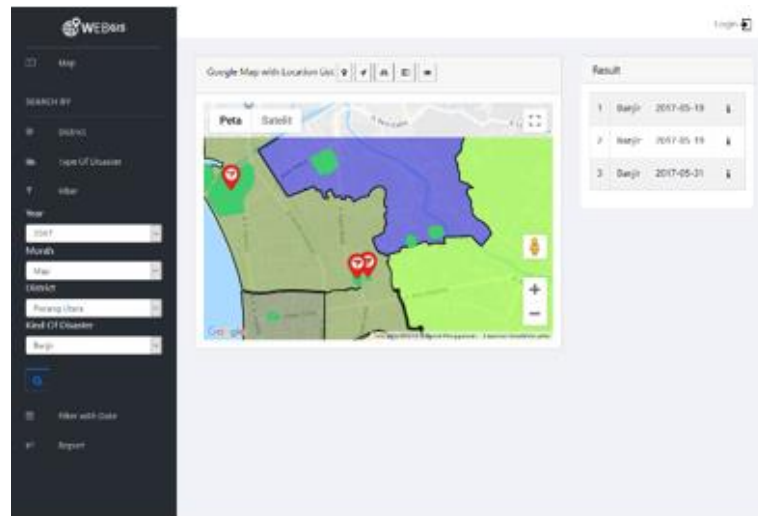
## 5. System Implementation

The GIS application implementation used the programming languages PHP, javascript, and Basic4Android. Display user interfaces in web applications used the Bootstrap front-end framework. Display user interface on the mobile app used the Designer Basic4Android feature.

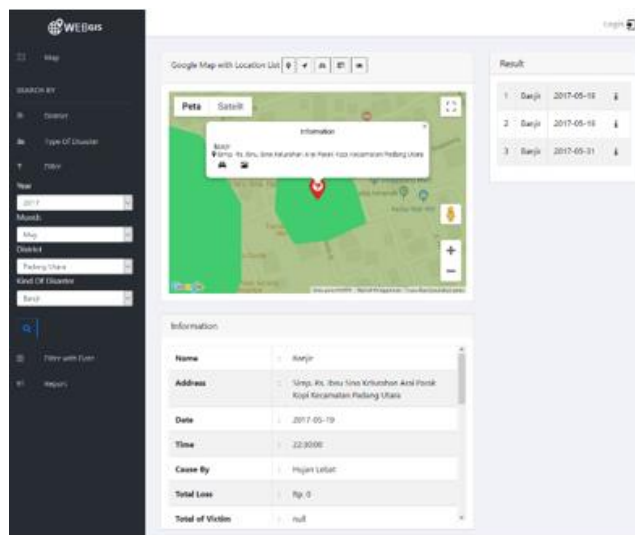
The following are the outputs generated by GIS applications based on the user's main requirements. Figures 6 and 7 are location search results and detailed disaster event information (the main requirements A1 and A2). Figure 8 is the output of the Google Maps route from the user's position to the location of the disaster (the main requirements A3). Figure 9 is the reporting of disaster

occurrence (the main requirements B). From the pictures, it can be seen that the GIS application created has fulfilled the user's main requirements.

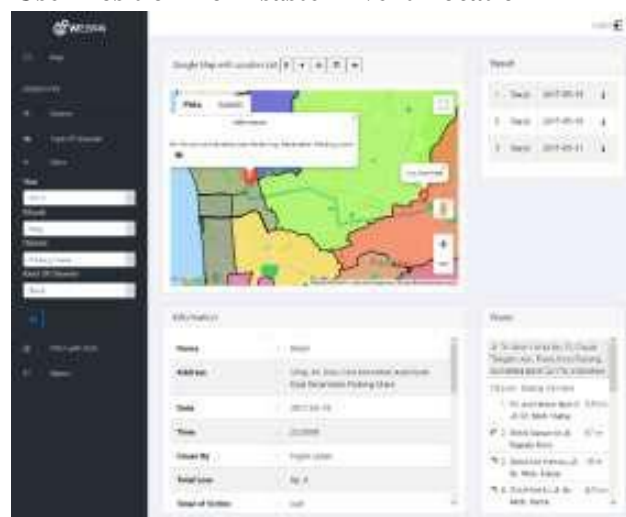
**Figure 6. Disaster Location Search**



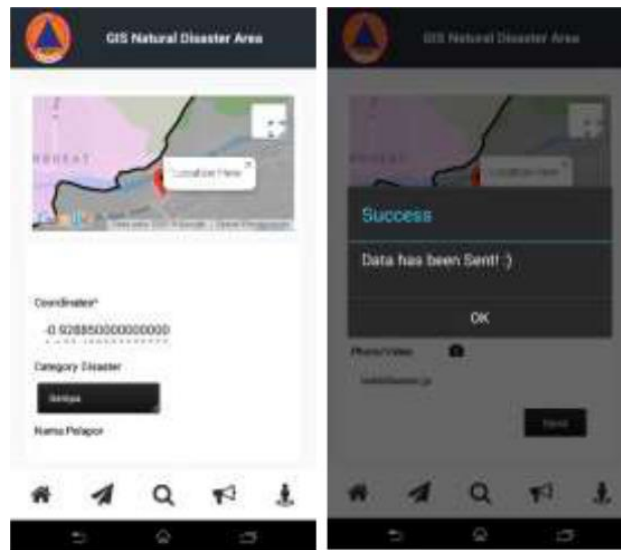
**Figure 7. Detailed Information on Disaster Events**



**Figure 8. Route From User Position To Disaster Event Location**



**Figure 9. Disaster Reporting**



## **RESULT AND DISCUSSION**

The findings of this study are database design and programs that implement the user's main requirements of disaster GIS applications in the Padang. The database created consists of two main tables that have an N: M relation, which is a disaster event and report table. Current shortcomings, the reporter is desired to be registered first. If the reporter is not registered, the truth of reports of natural disasters is not guaranteed. Apart from that, the reporter must be in the vicinity of the natural disaster. The position of this reporter is declared as the location of a natural disaster.

## **CONCLUSION**

The web and mobile GIS application of disaster in the Padang have been successfully developed. The development of this application used the waterfall model. Data collected in this study were spatial and attribute data related to disaster events in the Padang. This GIS application was developed using the PHP programming language, Javascript, and Basic4Android. This GIS application can be used by tourists and the government to view natural disaster information.

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# **THE READINESS OF PEOPLE IN BORDER AREA IN FACING THE ASEAN ECONOMIC COMMUNITY IN BERAKIT VILLAGE, TELUK SEBONG SUB-DISTRICT, BINTAN REGENCY, KEPULAUAN RIAU PROVINCE**

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## **Abstract**

Berakit Village is one of village located in administrative area of Bintan Regency which is being development center of international port for overseas visitor, in order to welcome ASEAN economic community as a free market competition of ASEAN countries, moreover Berakit Village directly adjacent to Singapore and Malaysia so the tourist may come to Berakit Village to travelled. Most of people in Berakit Village work as a traditional fisherman, so that the access opening of international port will make influence to social structure and make transformation to the people in Berakit Village. The readiness of people to deal with social change when international port get operated will make influence to social structure of people in Berakit Village. The goal of this research is to know how is the readiness of people to deal with social change caused by development of international port. The method of this research is descriptive qualitative. The sample is taken by Purposive Sampling technique. The result of this research is there are readiness of people in Berakit Village in facing the ASEAN economic community. The preparation made by people and government of Berakit Village is give facilitation to people to get English course, sewing course and to produce souvenir. This facilitation is useful to provide souvenir for the tourist and also can improve economic sector of people who work as traditional fisherman. Beside of that, social structure of the people is not affected caused by access opening of international port. This is evidenced by the people still keep up the culture and tradition that is become identity the people of Berakit Village all the time.

**Keywords:** Readiness, Social change, Travelled.

## **INTRODUCTION**

Issues dynamics of local communities in the border region in Indonesia is a theme that should receive serious attention from various parties in Indonesia, either by the public in the border regions, local authorities of borders and the central government and the Indonesian people in general as part of the international community , at least there are some arguments in favor of a statement about the importance of local communities in the border studies. First, the border region is a strategic area that became the face of a country, in this case the Republic of Indonesia (NKRI), because these areas become an entry point for foreign residents or other outside parties concerned to enter into NKRI. Second, border communities in NKRI tend to fall into the category of people who left behind various aspects of development. Third, a review of local communities in the border areas in Indonesia have not been very encouraging in terms of quantity and in terms of the impact of the study results in the form of policy action post-study [1].

Border area of a country has an important role in determining the boundaries of sovereignty as well as a reflection of the nation's forefront of Indonesia in the eyes of foreign nations. One of the allure than seen by international community is Indonesia membership in Asian Economic Community, the central and local government action towards development project in order to attract tourists come to the premises. One of that is the development of the border region that should be prioritized in national development. border area has a strategic value in supporting the success of national development, it is shown by the characteristics of the community activities that have important implications for improving the socio-economic welfare of society in the border region.

The sign of development in the border region have begun to appear both central and local government which includes the construction of facilities and infrastructure which is intended to facilitate the daily activities of the community in accessing public facilities that have been provided by the government. The government has initiated the construction of an international port to open up access to other country, this is part of the Indonesian government's commitment towards Asian Economic Community. Development that intended is efforts to promote a more prosperous community life. Development is oftenly interpreted as the progress made by the public in the field of economics [2].

The population of the Berakit village until the end of 2016 amounted to 1752 inhabitants with a distribution of 879 men and 872 women, with an average population density of 36 inhabitants / square kilometer. while the population growth rate of 0.02%. considerable number of people are expected to become an important capital for village communities to develop potential they have.

The physical development without human development will not be effective for society, because such development would likely collide with the actors who will carry out the construction of that community. The impact of social change will be felt directly by the people of the Berakit village . The result of the construction of an international port can occur positive and negative impacts, positive impact to communities is when people are able to adapt to social changes as well as changes in the structure of society as well as improving the local economy, because the Berakit Village area will be the tourist track access or the international community who come from various foreign countries. As well will open up business opportunities for the local communities. However, The negative impact that will be felt by the people in the village is that when people are unable to adapt well they will be marginalized because they do not have competitiveness with newcomers who are ready with the expertise and capital to develop businesses in the village area.

## **RESEARCH METHOD**

This type of research used in this research is qualitative descriptive approach, since the disclosure of the phenomena described in detail in accordance with the conditions that exist in the field. Silalahi [3] explained that is descriptive research aims to describe accurately the properties of the individual, the state, symptom, or a particular group among the symptoms with other symptoms. The technique used in this study is „purposiv sampling“. And research locations in Berakit Village with due consideration to Berakit Village is a village that straightly bordering with Malaysia and Singapore, is the only village that has an international port in the district of Bintan. Besides that, what's also interesting is that most of the people in Desa Berakit are looking for fishermen.

## **RESULT AND DISCUSSION**

### **1. Community Readiness Facing the Asean Economic Community in the presence of the International Port Development**

#### **a. Physically**

Physical readiness carried out by the village community is assembled in facing social changes due to the construction of an international port which is an access for the entry and exit of international community tourists who travel in Bintan Regency, because Bintan Regency is a tourist area for tourists from various foreign countries, one of the reasons the construction of an international port in the Berakit Village area is a form of regency's commitment to support the existence of the Asian economic community that is to provide the broadest access to the international community to visit the region of Bintan that enchants its natural beauty, in addition to that the distance from Berakit Village to several places Tourism in Bintan Regency is very close compared to the international ports in Tanjung Pinang City. Meanwhile, the village directly adjacent Berakit Negara Malaysia (Johor) and Singapore allows tourists will arrive for a tour. Besides, to facilitate the tourists to come to the village of rafting, Bintan regency government prepares all transportation facilities such as Sea (Ferry) and land transportation is done through cooperation with travel agents to make it easier for tourists to come to the their destination.



As the purpose of the physical readiness in this study is the readiness of enough energy and good health. Readiness power optimally Berakit village community will use its power to prepare all his ability to face the changes that will occur. While the public health need to have the maximum health to carry out activities in serving the tourists who came from overseas to Berakit village. In line with what was said by Slamito [4] that the readiness of the overall condition of a person who membuatnya ready to respond or answer in a certain way to certain situations. Adjustment of the conditions in time to take effect or tendency to giving response.

Berakit village society respond well to the construction of the port's International, so that readiness in the face of change is done by the community and the village, increase preparedness in the form of courses of sewing and handicrafts is the readiness of early stage that has been done by the village to villagers Berakit, so that when International Port access is operated, the public no longer be a spectator in the region but has become part of the social agents in their own areas.

Readiness continues to be done both by society and government district, Bintan in the construction of an international port in the form of physical development. International port has been completed in the wake, but not optimal in oprasikan, because there are some constraints faced by the local government of which is :

a. Readiness in port management

Constraints on international port operations that is built with sturdy leaves magnificent and separate issue is the problem of the management of the port, whether the local government, the transportation department or a third party who will manage. From the research results can be obtained through that port will be managed by a third party and is responsible to the district government. Most communities do not mempermasalah pelabuha whoever that manages the most important thing for people is how community economic income increases, because most of the villagers Berakit search eyed as a mediocre fisherman in the family make ends meet. Physically the public was ready to face the tourists who will come to their village.

b. Silting occurs in the entry lane ferry

After doing the observation in the study site, there is an error in the planning of the Development international port, because the area is an area that is shallow when the tide is low, there will be silting, several times in doing the dredging of the path that will be passed by Ferry, but what is done by the parties involved only in vain, because the path will be undertaken dredging area bebasiran that when the large waves it will automatically close again track the dredging done.

Both of these problems are a serious matter and should get the best solution, both from government and private parties who will manage international ports such as a third party. It is even possible in doing is providing sea tertransportasi who can anticipate when the water curved silting during low tide. People are also ready to assist the government and third parties in addressing these issues. This is a public response to the international port development as an international track the entry of foreign nationals into Berakit Village for travel.

Similar disclosed by Soemanto [5] says that readines as readiness or willingness of people to do something so that it can react in a certain way. In line with what is done by the villagers of Bakwa Berakit they've done-readiness preparedness in the face of the changes that will occur in the village. They want to take part on the presence of foreign tourists to engage directly in terms of service to guests in his village. So for that society must have excellent physical and health in order to be actively involved in welcoming the tourists from various foreign countries, namely by presenting craft that characterizes Berakit village.

**b. Mentally**

With the construction of International Port in Berakit Village society has an interest to undertake activities that are positive, kesipan-readiness continues to be done by the local people of the village government, so that when the International Ports are operationalized, the community already has mentally for the changes that will occur. In essence, the villagers are ready to anticipate the changes that will occur when the tourists from various foreign countries arrive in Berakit Village to conduct

tours, as the access closest to the tourist area of Bintan is a village Berakit which directly borders with neighboring countries, namely Singapore and Malaysia.

In any effort of developing management at least require things such as:

1. Attempts to require the introduction of a distinctive character carefully so that the approach can be used in line with the nature of society. Many disastrous development that comes from the neglect of the local community so character development is a process of intervention from outside that often lead to resistance.
2. Community development management business requires the participation of the community, because the community has a profession in various forms.
3. The existence of a defense of the marginalized status, especially over central domination in various forms that are less profitable for the local community. Communities in the wake is essentially a party that has its drawbacks, dependent and even do not have the bargaining power comparable.
4. Leveraging the resources and strength from within to the process of change. In addition to ensuring local participation as much as possible in the development process to ensure the sustainability of the development process.

In the community development process must involve in the activities held by the government as policy makers. In the process of construction of an international port in the village of rafting, Bintan regency government held socialization to society who their area is the target of international port development. With the development of society that expected to participate ,contributing, and take steps to prepare the coming of travellers from various countries.

Consequences that will affect the presence of tourists from various foreign countries, one of which is the cultural and social structure that will be affected from the presence of tourists. It is a challenge for society because it requires a strong mentality in the face of foreign cultures entered Berakit Village, if people do not have a strong mentality in the face of the culture of the outside (acculturation) then in khwatirkan will occur acculturation to the culture in Berakit Village. However, kekhwatiran it will be lost along with their mental owned Berakit Village community will maintain the local culture that is characteristic of the Berakit village. The society structure (RT & RW) The community and village apparatus, RT and RW have prepared to maintain the local culture that has become the characteristic of Desa Berakit. Otherwise, the village community will introduce the culture to tourists who come to their villages

Berakit village society which is led by the head of the village had already prepared some things to face the changes that will occur, such as the potential of the community in the form of skills for people who have a desire to develop the potential within themselves, such as sewing shirts wilt, making crafts and sebagainya, train community to be able to speak English and to prepare foods that characterizes Berakit village. Berakit Village Community will be very pleased with the presence of foreign nationals because of his village would visit people from different countries and even some people already prepared Home Stay for tourists who will arrive in Berakit Village. This is the form of mental preparation that has been done by the village community in the face of the tourists rafting while in the village. Improving the skills and potentials.

### **c. Skills**

Skills that actually expected in this research is a skill or expertise that is owned by the Berakit village society, people continue to explore their potential in order to see the potential of what is in themselves. So they will be better prepared to face the changes that will occur in Berakit Village.

If we pay attention, Berakit village society own most of the skills that attested by their skill in making souvenirs, sewing and English language courses. skills in getting the community through the village government in the form of training. It is proved that the villagers of Berakit own skills and is already prepared to face the changes that will occur. According to [6] Knowledge and Skills is equipped to act and reflect the embodiment of personality, attitudes, behaviors, and actions. Humans have potential value as capital to be involved in the development process. That potential is the potential

physical and human potential. Physical potential is the human physical form, whereas the human potential is understood as something that does not appear physically. Including the human potential intellectual capabilities include the ability and skill as a unified competence. Intellectual development will produce something innovative as a result of the process of education, training and experience, as well as interaction with the environment.

One form of the seriousness and commitment of local governments is to develop skills in society and the economy revive rural communities, to not only be a "spectator" in its own country. In terms of improving people's skills in dealing with the possibilities of social change, the village government continues to conduct training to hone skills of the community to be sensitive to the potential that is owned. Development kiosk / shop small ones reserved for the village community as a place to sell hasi Berakit craft, for people who already have the skills could use a kiosk that has been prepared by the government with a rental system.

Berakit village society especially those who are married are no longer interested in their English classes even though they were invited to attend courses, and usually they will ask their children to attend English classes, means that if the foreign tourists who come from various countries to Berakit village, the youth who will be the hook to introduce Berakit Village and culture that characterizes the village.

The lack of interest in English courses especially for the elderly, its because they think that the people's ability of thinking was no longer able to learn English, even more when they were told to memorize the grammar they really could not afford it anymore, and also the learning ability of society has decreased, so that when an English course is held they will ask their children to take the course.

#### d. Competition

Basically, the Berakit village society in working out how in accordance with the skill from every individual, so there is no competition or competing among citizens , and even fellow villager Berakit they stand and helping each other, as an example of citizens that one makes souvenirs when there asks outlets selling clothes wither, then they will show to the visitors of outlets selling clothes wither, and vice versa. This means that they are petrified in developing the economy.

Berakit village society strongly believes that, competition is always going on among them, but do not eliminate the sense of kinship fellow citizens. In this case the competition in question is a competition in selling goods that produced handicrafts. Then there are handicrafts that are sold in Desa Berakit and some that have been sold outside the Village, they said handicraft products sold outside the village area Berakit is because of the lack of buyers and at least one would buy handicraft products. Society hopes that the International Port could soon be operated so that the craft can be traded in the area of his village.

## **2. Social Change Berakit village society**

### **a. Planned Changes**

Social change is perceived as a reality, as evidenced by the presence of symptoms that often occur. This has an impact and result together in society. Therefore, the core of the social changes concerning aspects of community socio-demographic and structural aspects of social organization. Generally it can be defined as a process of shifting or changing structure / order in the community, including a more innovative mindset, attitudes, and social life to get a more dignified livelihood. Basically every society on earth in his life can definitely be experienced what is called the changes. The existence of these changes will be known when we do a comparison by examining a particular community during which we then compare with the social condition sometime in the past. The changes that occur in society, is essentially a continuous process, this means that every society is in fact going to be changes.

International port development in Berakit Village is a form of changes in the plan, because the indirectly with their international port development overseas people will come to the village to do the rafting journey, which traveled on the island of Bintan in particular.

Realized or not, the change in society was inevitable, although sometimes changes therein are not always flashy or very influential on mainstream. There are changes that are rapid and cover broad aspects, some are running very slow. These changes will be visible and can be found by someone who is willing to examine the structure and life of a community within a certain time and compared with the composition and the people's lives in the past.

Changes in society in the world is a normal phenomenon, whose influence spread quickly to other parts of society, among others thanks to modern communications. New discoveries in the field of technology, revolution, modernization and so on is going on somewhere, it can quickly be known by other people far away from the venue.

But the change that occurs between people who are one with the other communities are not always the same. This is because a society that is changing faster when compared with other society. Such changes may include changes that do not stand out or do not show any change. Also there are the changes that have broad and limited influence. In addition there are also changes the process is slow, and the changes that take place quickly.

Social change refers to the changes in a variety of patterns of action and in social institutions is the reference for the fulfillment of the needs that are considered important in the life of the community (Suparlan, 2008: 485). Social changes that occur due to the efforts made between meeting the needs of individual to individual, the individual with the group or groups with a group of process changes made by the people themselves and for their interaction with the outside community. Berakit village society more or less definitely be changes either in the conscious or unconscious. According Garna (1992: 1) social change occurred because the development process is done, both by the community itself or from outside the community.

## **b. Unplanned Changes**

Not all the changes that aim to progress always goes according to plan. Sometimes the unintended negative impacts arose and could cause new problems. If the changes were not profitable for the community, then the change is regarded as a setback. As occurs in Berakit village community, if the community does not setting things up in the face of change will be left behind and result in a negative thing, or reject the new culture that came in the area without considering the progress.

Changes in the plan will occur in the community, as an example that occurred in the village of rafting in the face of change, people have to prepare everything in welcoming tourists from foreign countries, but what happens is up to now the port bulum in oprasikan Because there are some obstacles faced by the government of Bintan, on one side, people getting disappointed that the international port should running optimally at this time, but the fact can not be operated. This is one of the changes were not planned.

One of the social changes that occurred in the social life is change is not desired or are not planned before .This change is occurs out of people expectation and can cause social consequences are not intended.

Change of course will be felt by all people in every strata of society. Changes in these communities are very reasonable, considering that humans have needs that must be fulfilled. We will know about the change after comparing the situation in few times ago to the current situation. Changes that can occur in various aspects of social life, culture, economy, politics, law and so forth.

The family is also a moral unit, which teaches its members that the cooperation and the principle of discipline is the foundation of society spirituality. In certain situations, the role of the family is more important than the government. When there is no more government, but family buildings still survive, then the chances of permanent preservation of the social order is still wide open. This is the conviction of sociologists who believe, with the destruction of the family, destruction of the human civilization is following.

### **3. Social Structure Function**

#### **a. The Intended Function by Society**

The process of coaching continuity of this structure is called the process of life, which is activities and interaction between units within the organism, so that the units keep united. Their life processes become a sign of the functioning of the structure of the organism. So the function of a unit is the role played, or contributions, by the unit for life organism as a whole. The functions that expected by Berakit village society is with the construction of international port will bring a positive impact to people's lives, although these expectations have not been realized, but that is the hope of the community. Then in the structure of the community, with the construction of the port not being disturbed, the community complement each other between the village government and the government of Bintan Regency, the point is so that the function of development can be realized properly.

If you look at the existing concept, then it can be simulated in the community of Berakit village that: Berakit Village society recognizes the existence of a social structure, which becomes the unit is an individual citizen of the Desa Berakit. They relate to each other in a pattern of relationships which are governed by the norms of social relationships such that the villagers of Berakit form a whole that integrated sistem that established social relationships among the villagers.

#### **b. Non Intended Function**

Based on the functional theory proposed by Durkheim [8], the life of a community is contains structure and work as a system. Cooperate eachother by playing their respective functions are certainly useful of these functions and values necessary for society as well as by the social structure as a whole, so as to create good outcomes and the creation of a healthy society if social system needs is fulfilled.

Otherwise, if within a system are part perform its functions or dysfunctions, then there is a malfunction in a system and unmet needs of people in a system. As well as the context of the social functions intended in this study, the benefits of the presence of international port development for the people of the Berakit village.

Berakit Village Society is part of social groups that have the purpose of jointly creating comfy conditions. When society in a clear and shared objectives on the basis of their similarity they can be said as a community. Berakit village society born of the relations between individuals (humans) based on the similarities of common interest. Anwar and Adang [9] in his book states that the group or the group is a collection of individuals who interact with each other, usually just to do the work, to improve the relationship between individuals, or it could be for both.

### **CONCLUSION**

The results of the study as its already mentioned above, found that in the first dimension is the readiness of society in the face of social change with the construction of an international port, the public is already prepared for it physically, mentally and competition skills. This is the stock owned by the public when the international community came to the Berakit village for travel. While on the changing dimensions of the majority of the villagers rafting communities are already planning the changes that will occur and no changes in the plan is the ability of outside society. While on the social dimension of the structural function is the function Berakit village community that is expected is the presence of the International Port development really beneficial to people's lives in Berakit village, whereas that was not the expected function when mixed foreign cultures mingled with local culture.

As for recommendation that given based on with the findings in the research location is:

1. Bintan Regency government should immediately operate the magnificent built international port, of course, those who are already using quite a large budget;
2. The village government should optimize training to the community in order to face the coming of international society in Berakit Village;

3. To the people of Berakit village , continue to prepare themselves to be more optimal when the international port is operated.

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# DEVELOPING WEBGIS FOR BUILDINGS IN NAGARI KOTO GADANG, AGAM REGENCY, WEST SUMATRA PROVINCE

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## Abstract

Some ASEAN countries, such as Malaysia and Thailand, have taken the initiative to use information technology (IT) to develop villages to realize Smart Village. Likewise, in Indonesia, one village in the province of West Sumatra, Indonesia, namely Nagari Koto Gadang, has begun to use IT in developing its community. This village is located in a strategic area that has the potential to change land use in the future. In the planning and development of a region's spatial layout, it is necessary to collect data on buildings contained in the area. Building data collection in Nagari Koto Gadang is still done using paper notes so that it is vulnerable to duplication or data input errors. Information regarding buildings in Nagari Koto Gadang can only be obtained at the village office during working hours by manually searching excel data. This information should be accessible anywhere and anytime. Therefore, we need a Web Geographic Information System (WebGIS) that can record and map buildings in Nagari Koto Gadang. The building consists of office buildings, health services, schools, mosques, Micro, Small and Medium Enterprises (MSMEs) and residents' settlement. With this WebGIS of buildings, the Nagari Koto Gadang government can display information on the availability or use of land that is useful for village planning and structuring. The WebGIS development of the Nagari Koto Gadang building consists of several stages, namely data collection, application development, and system testing. WebGIS of this building was implemented using PHP and JavaScript. The database used to store data was PostgreSQL/PostGIS. WebGIS of Nagari Koto Gadang building can be used to view, and search for information about office buildings, residential houses, and other buildings in Nagari Koto Gadang. The test results show that the functional of WebGIS of the building is following the needs of the government of Nagari Koto Gadang.

**Keywords:** Building, Building map, Smart Village, Village Planning and Structuring, WebGIS

## INTRODUCTION

Starting with the provision of access to electricity, several ASEAN countries (Malaysia and Thailand), have taken the initiative to use IT to develop villages to realize Smart Villages, such as the Long Lamai, e-Bario projects, and the Phu Kradueng National Park [1], [2],[3]. Utilization of IT, in this case, the internet can improve the welfare of rural communities, such as supporting Homestay tourism and opening market access to the results of the handicraft industry. Likewise, in Indonesia, one village in the province of West Sumatra, Indonesia, namely Nagari Koto Gadang has begun to use WebGIS technology for the data collection on buildings in their village.

The Nagari Koto Gadang is located in a strategic area directly adjacent to Bukittinggi City and has the potential for changes in land use in the future [4]. In the planning and development of a region's spatial layout, data collection of buildings is needed in that area. The results of data collection of buildings can be utilized by local governments and the community, such as knowing local government assets, discovering the facts of ownership, use, utilization, building history, including suitability between building use and regional spatial layout plans [5].

Rapid development growth requires accuracy in the process of building's data collection and recapitulation. If the data collection process and recapitulation are still done manually, it is possible to make mistakes, and it takes a long time to produce a report. The era of computerization has opened new insights and paradigms in the process of processing and disseminating information quickly. That era is also related to the use of GIS and other technologies in obtaining, recording, and collecting spatial data [6].

The technology of GIS can connect various data at a certain point on the earth, combine them, analyze, and map the results. The primary data that is processed by GIS is spatial data, which is geographically oriented data and is a location that has a certain coordinate system as the basis for its reference. So the GIS application can answer several questions such as location, conditions, trends, patterns, and modeling. GIS can display information to the public and also the government, such as how many educational facilities or health facilities there are in the village by mapping the location of existing facilities [7]. GIS technology can also be used in village planning and structuring by utilizing information about the site of infrastructure and land use information. Existing data can be included in the area map.

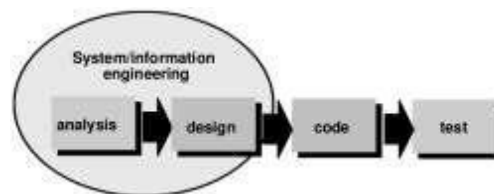
The data collection of buildings in Nagari Koto Gadang is still done manually. The village head assigns the surveyor to survey buildings in Nagari Koto Gadang, then records the building information by carrying out a questionnaire and storing survey data in the form of excel. Survey data in the form of Excel are very vulnerable to duplication or data input errors. Besides that, information regarding buildings in Nagari Koto Gadang can only be obtained at the village office during working hours and by manually searching excel data.

To overcome the problems that exist in the Nagari Koto Gadang, a WebGIS application has been built that can record and map existing buildings, namely office buildings, health services, worship, MSMEs, residential houses, and buildings of education. WebGIS is a GIS that runs on the internet that can be accessed anytime and anywhere [8], [9]. The WebGIS application which was built accelerates the work of the Nagari Koto Gadang government in data collection on building assets and displays information in the form of search results for various types of buildings with multiple criteria. This paper reports on the development of the WebGIS application.

## Research Method

The model used in the development of this WebGIS application was the waterfall model. A waterfall model is a systematic approach to software development that starts at the level of analysis, design, coding, and testing [10]. This model can be seen in Figure 1.

**Figure 1. Waterfall Model**



Source: [10]

## RESULT AND DISCUSSION

### 1. The Nagari Koto Gadang

The Nagari Koto Gadang is located on a hilly plateau between Mount Merapi, Mount Singgalang, and Kapanehan Hill with altitudes reaching 920 - 950 meters above sea level with average temperatures ranging from 20°C while at night reaching 10°C [11]. This village consists of three jorong, namely Jorong Sutijo, Jorong Koto Gadang, and Jorong Gantiang. The location of Nagari Koto Gadang can be seen in Figure 2.



**Figure 2. Map of The Nagari Koto Gadang**



## 2. System Analysis

### User Needs

There are seven primary needs of users, namely location and information search a) office buildings, health service buildings, c) houses of worship, d) MSME buildings, e) residential houses, f) educational buildings and g) to see the route to the selected building/house. Search for buildings based on specific criteria.

### Data Needs

Data needed includes spatial and attributes data of office buildings, health service buildings, houses of worship, MSME buildings, residential houses, educational buildings, Jorong maps, and Nagari maps.

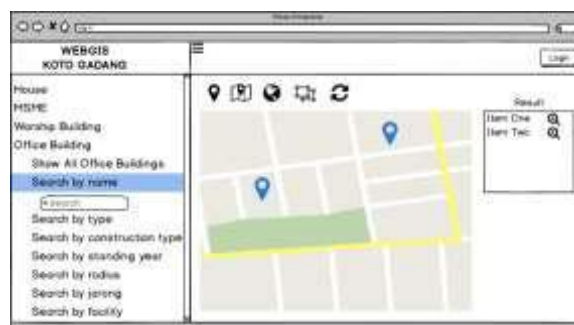
### System Design

The results of the system design can be seen in Figure 3 of the GIS layer in Nagari Koto Gadang and figure 4 and 5 of the user interface design.

**Figure 3. GIS Layer of Nagari Koto Gadang**



**Figure 4. Building Search User Interface Design**



**Figure 5. Design of User Interface Route Towards Building**



### **Coding and System Testing**

WebGIS application was built using PHP and Javascript. The user interface display was created using the CSS Bootstrap framework. The database used was PostgreSQL with PostGIS extension. The base map used in this application was Google Maps. This application used PostGIS functions and services from the Google Maps API to support spatial operations.

The following pictures show that the primary needs of users have been met by the WebGIS application that was built. Figure 6 shows the search for office buildings. Figure 7 shows the search for houses of worship at a radius of 200 m from the user's position. Figure 8 shows detailed information of the chosen house of worship (Masjid of Nurul Iman), while Figure 9 is the route to the house of worship.

**Figure 6. Search for Office Buildings**



**Figure 7. Search for Houses of Worship around the User's Position**



**Figure 8. Detailed Information and Photos of House of Worship**



**Figure 9. Route Towards Selected House of Worship**



A database and programs to produce outputs that meet the functional needs of the data collection and mapping system of buildings in the Nagari Koto Gadang are the findings of this study. The database created consisting of 6 building tables that do not have a specific relationship, only have a coincidental relation whereas the relation between the 6 tables with the nagari and jorong tables is in the form of relation Contain. Relationships between tables are obtained through the spatial operations of the spatial functions that exist in PostGIS for the spatial data of polygon type buildings. By using these spatial functions, the search for buildings with various criteria is carried out.

## CONCLUSION

The WebGIS application for mapping the building of Nagari Koto Gadang has been successfully built. This WebGIS development used the waterfall method, which consists of the analysis, design, coding, and testing stages. Data collected in this study were spatial and attribute data related to office buildings, health service buildings, houses of worship, MSME buildings, residential houses, and educational buildings. The results of testing using black-box testing indicate that all functionalities are running according to user needs. For further research, a mobile GIS application needs to be built to access building data in the Nagari Koto Gadang by using a mobile phone.

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# ORGANOLEPTIC AND CRISPNESS OF PURPLE SWEET POTATO, SOYBEAN FLOUR, AND REDKIDNEY BEAN FLOUR FLAKES

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## Abstract

Flakes is ready-to eat breakfast cereal which consumed with milk additions. This research will develop product flakes from composites of purple sweet potato, soybean flour, and red kidney bean flour. Sweet potato high of carbohydrates, water, and dietary fiber, but it protein content is relatively low. So it needs to be composited with soybean and red kidney bean which high in protein. Flakes made from purple sweet potato, soybean flour and red kidney bean flour are one of value-added diversified product of purple sweet potato, soybean, and red kidney bean and also can increase the economic value of them. The purpose of this research was to investigate the effect of purple sweet potato, soybean flour and red kidney bean flour formulation on organoleptic and crispness in milk. This research used completely randomized design consisting of four treatment formulation of purple sweet potato: soybean flour: red kidney bean flour, i.e: 60:30:10 (F1), 60:10:30 (F2), 70:20:10 (F3), and 70:10:20 (F4). Each treatment formulation was repeated 3 times and analyzed by ANOVA. Organoleptic used hedonic test with 25 untrained panelists which randomly taken from lecturers, staff, and students in Faculty of Health Science. Observations included crispness in milk and panelists preferences on color, aroma, flavor, texture, and overall appearance. The result showed that the most favorite color was F1, the most favorite aroma was F1, the most favorite flavor was F3, the most favorite texture was F3, and the most favorite of overall appearance was F3. Crispness in milk for F1 was 7.94 minutes, F2 was 10.96 minutes, F3 was 5.90 minutes and F4 was 7.25 minutes. In conclusion, flakes with formulation purple sweet potato: soybean flour: red kidney bean flour 70:20:10 (F3) was the most preferred by panelists and crispness in milk.

**Keywords:** Flakes, Purple Sweet Potato, Soybean, Red Kidney Bean.

## INTRODUCTION

Food security is the availability of food and the ability to access it. Food security is a strategic issue for ASEAN countries, but its achievements still far from year to year [1]. Food security is a special challenge in the Southeast Asia region. Many factors such as growing population, deteriorating environmental conditions, exposure to climate changes, and rapid urbanization. Two complementary visions of food security governance exist in Southeast Asia. First, national food security governance treated as a part of a broader framework aimed at fighting poverty [2].

Crisis of food revealed the ambiguity of national policies in achieving regional food security. While some countries benefited from rising rice prices by selling surplus on the global market, e.g. Thailand and Vietnam, others such as the Philippines faced a rapid deterioration of their food security. Then, the National Food Security Governance has reached its limits based on in the face of growing dependence on food imports, demographic pressure and exposure to climate change [2]. Second, supplements the national approach by addressing issues which cannot be effectively dealt with at the national level.

Regional governance does not substitute national governance, but can constitutes an area where regional priorities can be addressed. Closer cooperation at the regional level can contribute positively to food availability, it access and stability by accelerating trade, creating food reserves, or in general accelerating economic growth through closer integration [2].

Member countries of ASEAN can be grouped into three sub-groups, it based on of which exhibits a distinct pattern with respect to food security issues. The first group is Singapore and Brunei. The second group consists of Malaysia, Thailand, Philippines, Indonesia, and Vietnam. The third group is composed of Cambodia, Laos, and Myanmar because economies in transition that require special attention [3].

Food security is related to food security policies. Policies governing of food and food security in Indonesia, such as Act Of The Republic Of Indonesia Number 7 Of 1996 on Food, Law Number 18 of 2012, Government Regulation No 68 of 2002, Government Regulation No 17 of 2015, and so on.

One of the efforts to achieve and improve food security is through a food diversification program [4]. Food diversification is a natural way to reduce exposure of sudden changes to available necessary food and a change to costs of households for the food in general [5].

Diversification of agricultural has been considered one of ways to promote the agricultural development. The diversification is the adjustment of farming, which combines various or complimentary agricultural activities and moves agricultural resources to higher returns of their allocation [6].

Local food diversification can allows people to organize the patterns of consumption that are not dependent on one source of food source and also can increase the local food consumption so it can substitute or complementary food of rice to be the main menu so as to improve the household food security that will lead to the improvement in national food security. Food consumption diversification also can encourage the farmers to utilize the land with farm crops and other tubers. Then, if there are harvest failure or a problem of distribution to certain food types, it will not affect the people's consumption patterns [4].

One of the efforts to food diversification by developing local agricultural products into products that can increase the economic value of these agricultural products and increase the variety of food that can be consumed by the community. One of the products that can be developed is product flakes.

Flakes products are generally consumed in the morning as breakfast because of its easy preparation and does not require a long time. The use of purple sweet potato paste, soybean flour, and red bean flour aims to increase the economic value because the utilization of both into a product food is still minimal, despite the benefits of the two ingredients that are useful for the body. Purple sweet potato is a source of carbohydrates while soybeans and kidney beans are a source of protein, vitamins, and minerals [7].

Purple sweet potato is one commodity with a level of productivity which is high in Indonesia. It is just the high level of productivity is not offset by the level of consumption. Generally the use of purple sweet potatoes only limited to processed simple, even though sweet potatoes purple is rich in fiber, antioxidants, vitamins and minerals [8].

## **RESEARCH METHOD**

This research was conducted at the Laboratory University of Health Sciences culinary University of Singaperbangsa Karawang from June to July 2019. This research used completely randomized design consisting of four treatment formulation of purple sweet potato: soybean flour: red kidney bean flour, i.e: 60:30:10 (F1), 60:10:30 (F2), 70:20:10 (F3), and 70:10:20 (F4). Each treatment formulation was repeated 3 times and analyzed by ANOVA.

Organoleptic used hedonic test with 25 untrained panelists which randomly taken from lecturers, staff, and students in Faculty of Health Science. Observations included crispness in milk and panelists preferences on color, aroma, flavor, texture, and overall appearance. Ingredients used include purple sweet potato, soybean flour, red bean flour, tapioca flour, sugar flour, salt, and milk. He research used was an experimental study.

## RESULT AND DISCUSSION

The result of organoleptic and crispness test was important as the developed product must not only has satisfying nutritional value but also has high acceptability [9].

Organoleptic test was carried out on 25 panelists not trained with background health science faculty student. Organoleptic test is carried out involving three senses namely the senses smell for aroma, sense of taste for taste and texture and sense of sight to judge color. Organoleptic test performed is a hedonic test. Hedonic test carried out with the aim of knowing the degree of preference for various formulations without flakes comparing the samples against the parameters of color, aroma, taste, and overall flakes [10]. The results obtained as shown in Table 1.

**Table 3. Hedonic Test**

Sample	Organoleptic Test				
	Hedonic Test				
	Color	Aroma	Flavour	Texture	Overall
F1	3.16	3.04	3.68	1.88	2.4
F2	3	2.8	2.52	1.96	2.44
F3	2.84	3.2	3.72	2.96	3.44
F4	2.44	2.84	2.68	2.4	2.68

From Table 1 it appears that the formulation most favored by panelists is F3 especially for aroma, flavor, texture, and overall appearance of flakes.

Flakes with the best formulation are who has a deep soak time milk that is longer than the other [11]. From Table 2, it can be seen that the flakes that lose their crispness most quickly in milk are F3 and the longest losing its crispness in milk is F1.

**Table 2. Crispness Test**

Sample	Crispness (minute)
F1	7.94
F2	10.96
F3	5.90
F4	7.25

Color is a sensation because of the stimulation of a beam of light radiation that falls into the senses of the eye or retina eye. Based on organoleptic testing the color parameters can be seen that by the amount purple sweet potato flour is getting higher apparently reduce the sensory quality of product. This might be caused by color products that tend to be darker the result of the Maillard's Reaction during the process roasting. His is the same as research conducted by Malinda and Fehulisa [11, 12].

In the food industry testing of aroma is considered important because it can quickly provide product evaluation results about whether or not the product is accepted. Aroma of flake after heating become lost [12]. The most preferred aroma flakes are F3 and the flakes that most dislike the aroma is F2.

In general, taste is a factor the final panelist in determining whether the food is acceptable or not [12]. The best taste according to panelists was F3 and the least preferred was F2. The results showed that increasing the percentage of red kidney beans flour could reduce reception from panelists. This is due to the distinctive aroma of red beans that may not be liked by panelists. This result different from the results of the Fehulisa research [11]. She said that an increase in the percentage of soybeans and purple sweet potatoes can reduce the taste level of the resulting flakes.

The best texture of the flakes according to panelists is F3 and the least preferred is F1. Assessment of texture such as the form of hardness, elasticity, and crispness. Product crispness is judged by ease to bite up to the product broken and soaked in milk. On the product crispness holds an important role in the reception of panelists. Because flake products are identical to something crispy [12]. Good t flakes texture is crispy. More and more levels of red bean flour in cookies, the texture of the cookies will be harder [13]

Overall parameters is a panelist's assessment of flakes as a whole based on judgment previously which included color, aroma, taste, and texture. The overall most preferred flakes are F3 and the least preferred overall of flakes are F1. From this assessment it can be seen which sample has sensory quality best overall [12].

With comparative flakes are commercial flakes, the best crispness in milk is F1 because the loss of crispiness is the closest to commercial flakes. These results that shown at Table 2 are in line with the results of research conducted by Fehulisa that the lower the percentage of sweet potato flour Purple sweet potatoes are added then the faster the time is gone crisp flakes in milk. Thing this is due to increased levels of crude fiber which in the flakes [11]. Fiber has the ability to absorb water quickly so that causes flakes faster lost its crispness inside milk.

## CONCLUSION

Food diversification is one of the efforts to achieve food security. Many local agricultural products that can be diversified for a few dollars are purple sweet potato, soybeans, and kidney beans by developing them into flakes. So that they can increase the value of local agricultural products. Based on the results of the research on organoleptic and crispness test, can be concluded that the best sample is F3.

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# THE COMPARATIVE ANALYSIS OF COMPANY PERFORMANCE BEFORE AND AFTER THE ADOPTION OF IT GOVERNANCE (CASE STUDY ON MANUFACTURING AND MINING LISTED COMPANIES IN IDX)

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## Abstract

This research aim to investigate whether there is a difference on company performance before and after in the adoption of IT Governance in manufacturing and mining companies. The sample consists of 12 manufacturing companies and mining companies listed in IDX. This research analysis was carried out using paired sample t-test to examine the impact before adoption and after adoption of IT Governance. The result shows that there is no significance different in company performance between pre adoption and post adoption of IT Governance in manufacture and mining companies. The result contribute to the managers and boards of companies in making appropriate choices about considering to adopt IT governance.

**Keywords:** Information Technology, IT Governance, Financial performance, Manufacturing companies, Mining companies.

## INTRODUCTION

Information Technology (IT) is stereotyped as a tool to create an automatic processes that existed in that organization but the more importantly, IT is the driver of change in the organization which can directed to productivity gains [1]. Due to the use of IT, the organizations need to ensure that it is managed appropriately. The decision of enterprise IT investment and project are decided by the management and board because of the use of IT system. However, just having an IT system and expecting the IT system to provide strategic value will not be enough for the company. Therefore the company needs the IT Governance as a part of the corporate governance to confirm that the IT investment can truly provide value to the company and in order to guarantee the utilization of IT implementation. The governance mechanism of IT system will be related to the performance and risk management of the IT system by the way that would create value to the organization and assure the alignment between IT and business objective [2].

The importance of IT Governance have shown by the study of Ko & Fink, which stated that the governance activities of IT focus on alignment, integration, and relationship in the organization that will improve the working relationship and also the understanding between IT and the whole business. As the result, the company will get financial benefits, such as increased return from sales, profits, and others, also can balance the risk taking and the risk managing by eliminating duplication, bottlenecks, and so on.

The benefits of the adoption of IT Governance to the company performance also supported by the several studies, for example in 2012, Mithas, Tafti, Bardhan, & Goh found that IT investment has a positive impact on revenue growth and profitability [4]. It stated that regarding to the investment of IT, compare to the discretionary expenses such as advertising and R&D, the IT investment has major return in both the revenue growth and profitability of the company. The other study, Lazic reported that a firm's business performance is related to the IT Governance, it gives super-additive values which will create sustainable competitive advantage to the firm [5]. In addition, recent study by Borja,

Kim, Yoon, & Hwang, has also declared that the effective IT Governance is positively affect the product innovations and the level of process, which will impact to the performance of the company [6]. So, Borja, Kim, Yoon, & Hwang, suggest organization to start adopting IT Governance practices so they can considered the advantages that will be added by IT which lead the organizations in the long term [6].

Study such as conducted by Lunardi also revealed that the Brazilian companies that adopted IT Governance clearly show the improvement in their financial performance, especially in the measurement of their profitability (such as ROA, ROE, and profit margin) [7]. It stated that the Brazilian companies which ranked in the top 55 world's biggest companies according to Forbes in 2012, has promoted the IT Governance in their institutional report as the good implementation practices of IT management. But apparently by the productivity measures, this study did not find any evidence that the IT Governance adopters had improve their relative performance regarding operating profits and the relation between expenses and revenues, but the asset turnover. Also by the market measures it resulted that there is no statistically significant difference after the adoption of IT Governance. Additionally, based on the analysis of efficacy measure, such as sales growth, it did not find any significant gains.

Due to this contradictory, this study is motivated to give further evidence to see the impact of IT Governance to the company's performance in manufacturing and mining companies. Also by the evident need for further studies into the impact of IT Governance to the company performance of the manufacturing and mining companies in Indonesia. Moreover, not many manufacturing and mining companies that adopt IT governance, judging from the benefits that can be given by the adoption of IT Governance. While in Indonesia information technology has been highly developed by facing the digital industry era, but companies must also know how to utilize and manage the information technology so that the industry grows and has competitiveness. Beside that also because of the big amount of money that need to be invested in the acquisition of the IT and for maintain it, also the company need to invest in plenty of cost to do the consultation, training, and also for specific software to adopt the IT governance. This study therefore set out to investigate whether there is a difference on company performance in the adoption of IT Governance in manufacturing and mining companies.

## **RESEARCH METHOD**

This study is the event-study methodology where it will compare a group of firms that have experienced a particular event with the comparable group of firms that have not experienced that event based on their performance. In this study the particular event is the adoption of IT Governance models. Data for this study were collected using secondary data obtained through the data from the official website of the manufacturing and mining companies that listed in Indonesia Stock Exchange. The samples of this study are manufacturing and mining companies listed in Indonesia Stock Exchange (IDX) that has adopted IT Governance with minimum of three years as the criteria. The steps to get the sample are (1) list the manufacturing and mining company that listed in IDX, (2) check the annual report year by year, and (3) find the keyword of "IT Governance" or "Information Technology Governance". The measurement of company performance in the adoption of IT Governance in manufacturing and mining companies are using eight variables, Return on Assets (ROA), Return on Equity (ROE), Profit Margin (PM), to measure the profitability, Assets Turnover (AT), Operating Margin (OM), Operating Expense to Sales (OS), to measure the productivity, and Sales Growth (SG), Shares Repurchase (SR) to measure the market measurement. The data processor that is used is the SPSS 23 as a tool to analyze the data. To test the hypothesis used the descriptive analysis, normality test, and the paired sample t-test.

The researcher found several limitation when conducting the research which is not all of the companies that adopt IT Governance stated the information regarding the year of adoption of IT Governance in their annual report. Another limitation is some of the companies just adopted the IT Governance for one or two years so the data is not completed to be used as the research sample. The researcher needs the company that already adopt the IT Governance for at least three years. Another limitation is the samples that are being used in this research is limited, due to the small amount of companies that already adopt the IT Governance, so it cannot be generalized.

## RESULT AND DISCUSSION

**Table 1. Wilcoxon Signed Ranks Test Result for Manufacturing and Mining Companies**

<i>Variables</i>	<i>Asymp. Sig. (2-tailed)</i>
ROA	0.093
ROE	0.220
PM	0.838
AT	0.000
OM	0.912
OS	0.650
SG	0.102
SR	0.027

The result of the hypothesis testing indicates that only two out of the eight indicators of financial performance of manufacturing and mining companies are significantly different between pre-adoption and post adoption of IT Governance. The result of this study, unfortunately, didn't support the hypothesis 1 which stated that "there is a difference on company performance between pre adoption and post adoption of IT Governance in manufacturing and mining company". The result of this research is different with previous research that has been done by Lunardi which found that there is significant improvement in the performance of companies that had adopted IT Governance in the year following adoption, especially on profitability measures. Lunardi found the significance improvement in the measurement of ROA, ROE, PM, and AT [7]. The difference of result of this research may occur because this study uses different samples and may be because of the data that is not normally distributed might affect to the hypothesis testing of the data. Other things that might affect the result is because the research sample is small, so it might not describe as the whole. It also may happen because the level of maturity of the adoption of IT Governance in each company might be different.

## CONCLUSION

This research investigated whether there is significant difference on company performance between pre and post adoption of IT Governance in manufacture and mining companies. Based on the research that has been done, this study found that there is no significance different in company performance between pre adoption and post adoption of IT Governance in manufacture and mining companies. There are only two out of eight indicators that have significance different in the financial performance between pre and post adoption of IT Governance in manufacture and mining companies. These two measurements are asset turnover and share repurchase, while for the measurement of ROA, ROE, profit margin, operating margin, operating expenses to sales, and sales growth there is no significant difference between pre adoption and post adoption of IT Governance in manufacture and mining companies. This may happen because this study used different sample with the previous research and because the data that is not normally distributed might affect the hypothesis testing of the data. It also may happen because the level of maturity of the adoption of IT Governance for every company might be different.

This study have some implications that can be used to investigated whether there is significant difference on company performance between pre and post adoption of IT Governance in manufacture and mining companies. All of the hypothesis in this research can be outputted in several implications: (1) Investor will find this study useful as a consideration to make better IT investment decision by looking at the impact of adopting IT Governance. (2) This study expected to give new insight for others company that have not adopt IT Governance to consider about adopting IT governance. (3) This research present benefits to the development of science in the field of IT Governance. It can be used as the source of scientific study by students. This research also expected to be developed related to IT Governance more broadly. (4) This research is expected to be useful for the future researcher. It will be used as reference regarding to the research of IT Governance and also give insight for future researcher.

For the next researcher who is interested in conducting similar research, it can be suggested to take longer research periods, since the impact of IT Governance is typically the long-term effect so the longer the period may gain more significant impact. The next researcher might do research in another sectors of business to examine the impact of IT Governance in another business sectors. Future researcher can expand the research samples more than this research has used because the possibility of more company adopt the IT Governance.

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# ASEAN COOPERATION ON ENVIRONMENTALLY SUSTAINABLE CITIES: IMPLICATIONS FOR DEVELOPMENT IN PALEMBANG (SOUTH SUMATERA)

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## Abstract

This paper analyzed how local entities through the activity of city diplomacy could strengthened the environmentally sustainable integrated region. For the ASEAN regional level, the commitment to environmentally sustainable development is illustrated in the ASEAN Cooperation on Environmentally Sustainable Cities where local government is placed as the main actor and one of seven strategic plan priorities under the characteristic sustainable of cooperation within the ASEAN Cooperation on Environment, which is also under the ASEAN Socio-Culture Community blueprint 2025. This Cooperation aims to create the most liveable cities/urban areas, with the key indicators are clean water, clean land, and clean air and Palembang as a proper example of the development. This study used a qualitative research method that is exploratory and descriptive, where the depth and context of the data are important. Data from this study consisted of secondary data and primary data obtained from resource person who are relevant and reliable. The author concludes that ASEAN ESC Model Cities Program as one of the instruments, has upgraded the local capacity building of Palembang in terms of funding, human resources and innovation. Bottom up initiative on the pilot project of solid waste management in Palembang, as a form of the environmental city diplomacy plays a prominent role, keeping in mind that urban problems are getting more complex to be overcome through a state-centric mechanism.

**Keywords:** City Diplomacy, ASEAN, Environmentally Sustainable City, Urban Environmental Problems

## INTRODUCTION

The long-term project of sustainable urban development cannot be separated from the phenomenon of urbanization. In the year 2030, it is estimated that 60% of the world population are in urban areas, compared to the early 19th century industrial revolution with only 3%. From this acceleration, more than 90% occurred in the developing world [1]. ASEAN generally has an increase in population throughout the region. Based on the Fifth ASEAN State of the Environment Report, collectively, the number of the ASEAN Member State population, increased from 544.4 million people in 2004, to 628.9 million in the year 2015 [2]. This increase occurred as a result of the commercialization function of land in urban areas. Total ASEAN population living in urban areas as much as 47% of the total population and in predictions reached 63% in 2050. Singapore, Brunei Darussalam and Malaysia are the three highest urbanized countries with over 75% of the total population living in the city area. Thailand, which at first most of the population lived in rural areas, now 50% of the total population inhabits urban areas.

While in Indonesia, the results of the last population census in 2010 showed that the proportion of urban population was 49.7%. As the impact of the districts / city's expansion, Indonesia now has 93 autonomous cities and one Special Capital Region. While previous cities experienced a fairly high increase in population due to urbanization. In 1950, only Jakarta (capital city) had a population of over one million. Thirty years later, in 1980 there were three new cities that had a population of over one million, namely Surabaya, Bandung and Medan. Then in 1990, Semarang, Palembang and Ujung Pandang (Makassar) had a population of over one million [3].

This phenomenon of 'urban sprawl' has a number of serious implications, among which is very massive environmental degradation. This condition causes access to basic infrastructure facilities and services based on the availability of natural resources to be very competitive. Sheng stated that the rapid urbanization of the cities in the ASEAN region has resulted in a number of negative impacts, namely increasing inequality in access to basic social services such as water, sanitation, housing, education and health care, and increasing environmental problems, including air and water pollution, and challenges to cope with the growing amounts of solid waste [4]. In the Global Performances Index, issued by Yale University, the status of ASEAN countries' performance in prioritizing environmental sustainability is still low on a world scale [5]. Until 2018, none of the Asian countries ranked the 10th best in environmental management, the highest position was occupied by Japan (20) and followed by Taiwan (23). Indonesia itself ranks 133th out of 180 world countries and is the bottom 4 in ASEAN and even defeated by Vietnam and Thailand.

Environmentally sustainable city development is important to be a priority agenda of the local government because the impact of development is directly related to the survival of local communities. The strategic role of the city government as a local entity to build international cooperation is also strengthened because it is difficult to distinguish between international and local issue areas. As emphasized by Giddens, there are 3 directions in the process of globalization: upward, downward and sideward [6]. The upward process means that globalization has the ability to eliminate the old conception of state boundaries, towards a liberal and cosmopolitan world. Along with that process, globalization also has the downward compressive power that motivates local entities to redefine their functions and roles after the disappearance of the traditional concept of the state. Further, in the sideward stages present cooperation built by local entities through transnational pathways. Through this concept accurately describes The City Government has an important role in influencing the international relations of a country and usually includes a variety of cooperation around urban issues.

It was further emphasized by several experts who called the activity as a form of "city diplomacy" according to Koo-Hong Chan, mentions that "city diplomacy" as "trans-municipal" (horizontal relations between "sovereignty) free" cities that work through peer to peer ties between municipal officials in solving specific problems or common challenges [7]. According to La Porte, when defining public diplomacy activities, there are two conditions that must be met as "city diplomacy" activities: Actors who take collaborative initiatives must at least be institutionalized and have clear political objectives [8]. In other words, the actor must consciously have 'a desire to have a permanent influence on policies, procedures and international relations'.

Palembang is the capital of South Sumatera Province and at the same time as the second largest metropolitan city on the island of Sumatra with a total population projected in 2020 reaching 1,714,981 and an area of 358.55 km<sup>2</sup>, and the center of socio-economic activities in the South Sumatra region. Palembang is one of participating cities or the member of ASEAN Initiative on Environmentally Sustainable Cities (AIESC). Based on this background, this research intends to:

1. Exploring ASEAN Strategies and Instruments in utilizing city diplomacy activities as a tool to achieve the Integrated Sustainable Region.
2. Examining the project and development of local government of Palembang in the framework of ASEAN environmentally sustainable cities (ESC).

## **RESEARCH METHOD**

In line with these objectives, this study used qualitative research methods that were exploratory and descriptive in nature, where the depth and context of the data were important. The reason for using this method was because researchers want to gain in-depth knowledge of the instruments and strategies developed by ASEAN to activate the role of cities / local in the development of environmentally sustainable cities as part of the regional integration process and describe the role of The Palembang city (environmental city diplomacy practices) and the implementation of ESC project, it was limited to a period of time (year 2013-2017). This limitation was made because international

grants and funded for ESC development programs -through the open national selection system of Indonesia- were intensively awarded to Palembang proposal and running the program of solid waste management during this period.

Data from this study consisted of secondary data through literature study and analysis of documents and primary data obtained from resource person who are relevant and reliable. In-depth interview data are processed into interview transcripts, while document data will be selected and presented in the research report. Researchers will read all data and analyze data through data reduction and data display. The final stage, then draws conclusions. The method used in testing the validity of the data is the triangulation method. The answers to the subjects will be cross-checked with the answers of other sources as well as existing documents.

In addition, it is carried out by peer examination through discussion. This is intended to provide a good initial opportunity to start exploring and testing hypotheses that arise from the minds of researchers and dismantle or open up researchers' thoughts.

## **RESULT AND DISCUSSION**

### **a. ASEAN Strategies and Instruments**

The regional commitment of the ASEAN Region to environmentally sustainable development is reflected in the ASEAN Socio-Culture Community blueprint 2025. Initially inspired by the Singapore Declaration on Climate Change, Energy and the Environment which was later adopted at the third East Asia Summit in November 2007 in Singapore. Then a year later, the Inaugural EAS Environment Ministers Meeting (EMM) was held where the Ministers of Environment of all ASEAN countries held a meeting in the same country and agreed that the Environmentally Sustainable Cities (ESC) should be a priority for ASEAN countries as a joint step to create an environment sustainable. It emphasizes more on strengthening the local capacity to implement strategies in formulating bottom up environmentally sustainable cities programs towards "liveable cities," if previously the 2009-2015 blueprint period was still intensified the cooperation and works through regional and national coordination but today, exclusively became a separate sub component in the ASCC blueprint in 2025. Furthermore, the author has found and selected instruments based on consideration of data access and ease of analysis. The platforms described as follows:

#### **1. ASEAN Initiative on Environmentally Sustainable Cities (AIESC)**

The ASEAN Initiative on Environmentally Sustainable Cities (AIESC) was passed by the Ministry of Environment of ASEAN member countries in 2005 that serves to help the cities of ASEAN member countries, especially small and rapidly grow cities to Environmental sustainability. The program covers 25 participating cities in ASEAN member countries (see Table 1).

The regional agenda focused on these cities aims to test and develop the ESC (Environmentally Sustainable Cities) key indicators to assess clean air, clean ground, and clean water. ASEAN leaders acknowledge and agree to strengthen cooperation in addressing issues related to environmental and urban governance in order to achieve sustainable development. Institutional frameworks developed to support the performance of the ASEAN Ministerial Meeting on the Environment (AMME) are ASEAN Senior Officials on the Environment (ASOEN) and The ASEAN Working Group on Environmentally Sustainable Cities (AWGESC) as Subsidiary bodies/Working groups. AMME meets once every two years, while ASOEN and its subsidiary bodies meet once every year to oversee the implementation of ASEAN Strategic Plan on Environment (ASPEN) and the ASCC Blueprint 2025 in particular to ensure that city/urban areas in ASEAN Environmentally sustainable.

The promotion of the Environmentally Sustainable Cities (ESC) was also a priority agenda for EAS environmental cooperation for the regional collaboration of ASEAN and the East Asia Summit (EAS) countries at the East Asia Summit (EAS EMM) Summit of Ministers in 2008. Furthermore, the Governments of Japan, Indonesia, Australia and Singapore held the 1st High-Level Seminar on Environmentally Sustainable Cities (HLS-ESC) on March 2-4, 2010 in Jakarta, Indonesia promoting



information exchange and encouraging concrete collaborative action on ESC among EAS countries and continued once a year.

**Table 1. The Member of AIESC (as of 17 November 2008)**

<b>Country</b>	<b>Cities</b>
Brunei Darusalam	Bandar Seri Begawan
Cambodia	Phnom Penh, Siem Reap
Indonesia	Padang, Palembang, Pekanbaru
Lao PDR	Luang Prabang, Vientiane, Xayabourie
Malaysia	Kuantan, Putrajaya, North Kuching City Hall
Myanmar	Mandalay, Yangon
Philippines	Cagayon de Oro, Iloilo, Quezon City
Singapore	Singapore
Thailand	Bangkok, Chiang Mai, Krabi, Phuket
Vietnam	Da Nang, Ha Long, Ha Noi

The mechanism of expansion of seminar participants involving countries outside ASEAN is to provide invitations to representatives from countries that are assessed successfully in implementing the SDGs to provide exposure whose purpose will be Add information and feedback in the HSL. In addition, giving invitations to organizations engaged in SDGs as well as financing SDGs to display what programs they have achieved in a country so that the program can provide additional knowledge and Cooperation with AMS (ASEAN Member State), especially for local governments can consider more comprehensive forms of city planning and capacity to raise fund, will further talk in the ASEAN model cities.

## **2. ASEAN Environmentally Sustainable Cities Award (ASEAN ESC Award)**

ASEAN has initiated the ASEAN Environmentally Sustainable City (ESC) Award program as another mechanism under ASEAN ESC. The inaugural ASEAN ESC Award Ceremony was held in Ha Noi, Vietnam on October 8, 2008, at the 11th meeting of the ASEAN Environment Ministers to give awards to ten cities/towns/districts in ASEAN who have made exemplary efforts towards environmental sustainability. ASEAN ESC Awards in determining to assess and choose which ASEAN cities deserve to be given awards have a long scheme. ASEAN ESC Awards submission system was given a selection mechanism to each country in advance to assess which cities are the best to be a representative of their country and later, nominated as the winner of the ASEAN ESC award (non-competitive basis).

In addition to determining the winner by being given a trophy such as the initial mechanism, the ASEAN Environmentally Sustainable Cities Award (ASEAN ESC Award) added Certificates of Recognition were first introduced in 2011 to be given to cities on a competitive basis, using the ASEAN Key Indicators for Clean Air, Clean Land, and Clean Water for assessment and the category of small cities with a population of 20,000-750,000 people and large cities with a population of 750,000-1.5 million people.

Until now, the ASEAN ESC Award have been given four times start from 2018 and held every three years. Palembang (representing Indonesia) has awarded as the winner of ASEAN-ESC in 2008 and continue to achieve certificate of recognition as Green and Clean Land for Big Cities of ASEAN in 2011. Although the city is the main concern in this project, the mechanism that is conducted is still

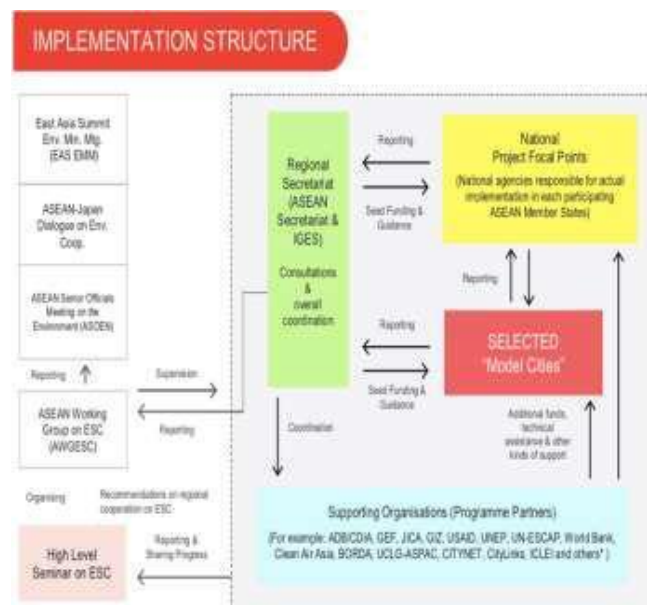
state-based. The ASEAN way is clearly reflected in the objectives of this program which are built on the basis of not only to recognize their exemplary efforts, each country is allowed to display different models, paths to urbanization and sharing the best indigenous solutions in dealing with unique local issues.

**b. ASEAN ESC Model Cities (AMC): Solid Waste Management Project and development in Palembang**

The ASEAN ESC Model Cities Program was one of five recommendations produced from the 1st High Level Seminar on Environmentally Sustainable Cities in March 2010. The meeting was proposed to be held by the Japanese Government and invited officials from the central government, local governments, international agencies, aid agencies, research institutes, and NGOs to discuss further regional cooperation on ESC through practical activities as a follow-up of recipient cities of ASEAN ESC awards in order to improve the performance of Local Capacity Building and each country will reselect the best cities to serve as ASEAN ESC Model Cities. After that ASEAN and ASEAN ESC cooperation program partners will provide initial funds, technical assistance, and other forms of support to achieve the vision and objectives of local ESC by raising the main theme of solid waste management, water and sanitation, green city, and low carbon city development.

When it first started the discussion in 2010, there were no specific criteria or frameworks for defining Model City. Until finally agreed that rather than determining a fixed set from scratch, ESC chose a bottom-up approach to encourage countries involved in choosing Model City based on characteristics, vision, priorities, and the unique purpose of Every city. Before being elected, the city must first proactively submit itself through proposal submission for the Model City. The Proposal will then be evaluated based on its long-term vision and action plan. Although the selection stage and the determination of grantees are still coordinated by the central government (national), but the target of this cooperation has given more space to the city to develop its own model and system that has four values, namely RICH (Resilient, Innovative, Caring, and Healthy) (see Figure 1 and 2).

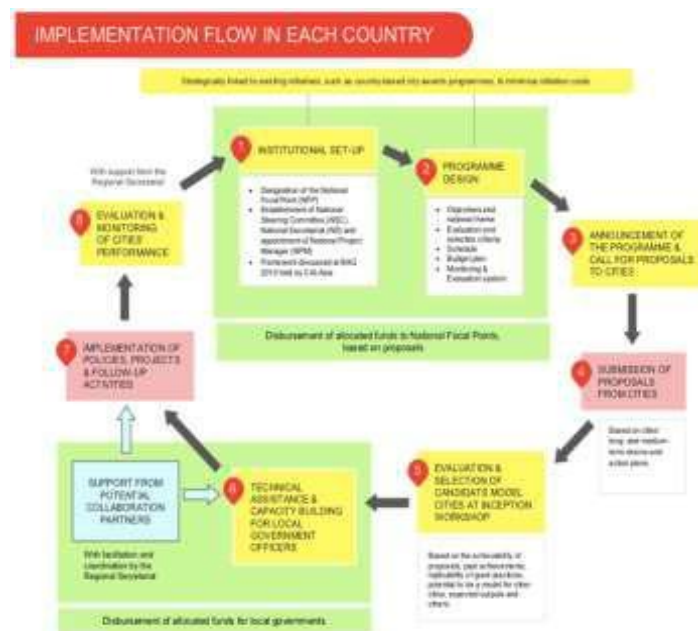
**Figure 1. Implementation Structure of the ASEAN ESC Model Cities Program**



Source: [9]

Model Cities was finally launched in 2011 with a source of financing from the Japan-ASEAN Integration Fund (JAIF) with the Japan International Cooperation Agency (JICA) as one of its donor agencies and a time-to-year 2015, supporting Organization (Programme Partners) involved, among others: ADB/CDIA, GEF, GIZ, USAID, UNEP, UN-ESCAP, BORDA, UCLG-ASPAC, CITYNET, ICLEI.

**Figure 2. Implementation Flow in Each Country**



Sources: [9]

Under the ASEAN ESC Model Cities, Palembang, the fifth largest city in Indonesia, was selected as one of the Indonesian Model City to implement the waste bank model as part of waste management activity at Community. The implementation period of Palembang project as Model City started from 2013 to 2017 through grants by Japan International Cooperation Agency (JICA). Indonesia's commitment to follow up the cooperation of ASEAN ESC, has issued several policies which are related to solid waste management. The Ministry of Environment and Forestry (KLHK) together with the Ministry of Public Works and Housing (PUPR) Indonesia has created a system relating to the reduction of waste and the way of management of waste and has been enforced in several City.

In addition, the central government also imposed LAW No. 18 of 2008 on waste management in May 2008 to promote 3R (Reduce, Reuse, Recycle). This Regulation regulates waste management by reducing the garbage (3R) and waste handling (segregation, collection, transportation, intermediate treatment, and final disposal). Furthermore, there is a regulation of the Minister of Home Affairs No. 33 year 2010 on the Waste Management guidelines as guidelines for the obligations, responsibilities and roles of local governments in the waste management which is in line with LAW No. 18 year 2008. The KLHK also issued a regulation of the Minister of Environment Regulation No. 13 of 2012 on the guidelines on the implementation of Reduce, Reuse, and Recycle through waste Bank.

Although it has been governed by national level legislation, but the parties that handle waste management at the local government level (BAPPEDA and DLHK) have limited capacity and technical ability to develop the public policy and its strategies. Therefore, increasing the capacity of the local government is also important as an additional preparation to implement the program that has been governed by the law and is the main target of JICA grant implementation is the availability of regional planning program.

The project has a Project Design Matrix (PDM) which contains the goals, objectives, and details of activities that will be implemented during the project validity period. As the project progressed, the PDM received a two-time revision in 2013 and 2015 by the Joint Coordinating Committee (JCC) consisting of Indonesian and Japanese parties before finally being approved in 2017. During this period, the training was held three times in Kitakyushu City, Japan, which was twice in 2014 as well as the last training in the year 2016. The activities aimed at this capacity building invite managerial staff and operational level staff of the central and local government institutions involved in the management of waste.

In the training which was almost largely in the form of material giving and presentation in the classroom, participants learnt the general overview of waste management mechanisms and the legal system related to waste in Japan and visited 3R projects and Related institutions in Kitakyushu City. The provision of materials in particular includes the management of waste data and the selection of appropriate waste management methods from the economic perspective, as well as the material about the composting procedures that are directly taught by Mr. Takakura as the inventor of Takakura Composting Method.

Palembang started to run the project in 2015 from the district Alang-Alang Lebar, and then penetrated to two areas namely Sematang Borang and Sukarami. Regulations have emerged that further regulate waste management plans. One of them is Palembang City regulation (*Perda*) No. 3 year 2015 on household waste management and household waste type. Some rules of the mayor are also made to provide technical details of these regional regulations. To achieve the goal of waste reduction, one of the rules made is the rule of mayor of Palembang City No. 4 year 2016 on reducing the use of plastic bags. Matters relating to waste management are also regulated in Palembang's mayor regulation No. 72 year 2018 on waste management.

Before the project began (see Table 2), Alang-Alang Lebar already had one official TPS and one unofficial trans-shipment TPS, but both are in unfeasible conditions. The transport of garbage is carried out by private parties and there are seven "Kaiser" (three-wheeled trucks) collecting garbage. About 60% of the public rent garbage carrier services in its neighborhood area while the remainder takes it independently to the TPS. There are no recycling activities organized by urban administration, but these activities are usually done by garbage collectors or private parties that transport waste to then be sold to traders. Palembang which has a limited financial and human resources resulted in a less well managed waste condition. Palembang then prioritizes proper waste management from 3R by developing a 'Communal 3R Model' which is a conventional form by relying on community volunteership under this grant.

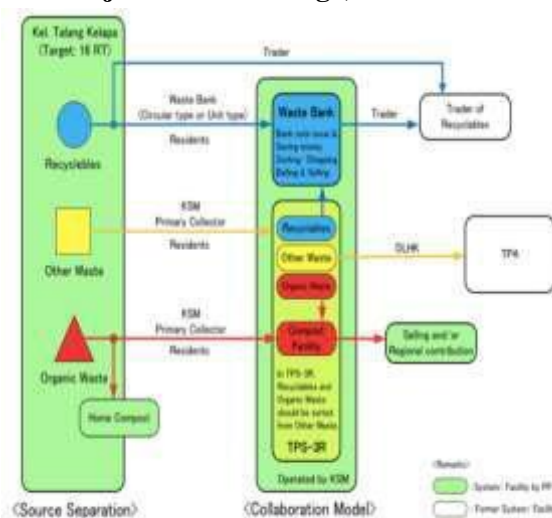
**Table 2. Present Situation on 3R and Solid Waste Management**

	<b>Palembang</b>
Population in 2014	1,589,780
Waste amount in 2014	Generation: 998 ton/day, Disposal: 600 ton/day
Unmanged waste amount	242 ton/day (24% of the generation)
Waste Bank	5 units of Waste Bank which collect few amount of recyclables
Budget related to SWM in 2012	Rp 57,0 billion (Rp 35,854/person)
SWM Fee Collection	Door to Door Collection

Source: [10]

The Model City ASEAN pilot project "Communal 3R Model" (see Figure 3) aims to expand the system of recycling activities and organic waste by integrating waste banks and TPS-3R.

**Figure 3. Waste Flow Pilot Project in Palembang (Communal 3R model)**



Source: [10]

The community is involved in waste separation activities and the operation of waste banks and TPS-3R. Therefore, the participation of the head of RT and environmental cadres of this pilot project became very important. When the project was finally implemented, there were several policies applied. Starting from the community that sorts the waste at home into three categories such as recyclable waste, organic waste, and other waste by dividing it into different garbage bags. Waste banks and TPS-3R are carried out as part of the process of waste management and encourages recycling activities. In waste banks also, recyclable waste is collected using Kaiser (open-air weighing).

In addition to waste management, there are also activities to increase public awareness conducted by environmental cadres and NGOs. Environmental cadres are essentially selected people from each sub-district proposed to be trained by DLHK. After the training, the environmental cadres return to their respective neighborhoods to carry out the plans that they wish to implement. According to the results of interviews with the Head of the Environmental Maintenance and Capacity Building Section of DLHK, Nyimas Ida Apriani, S.T., M.T., the function of this environmental cadre is as an agent that provides education to the community so people are more accustomed to and aware of the importance of protecting the environment hopefully.

Environmental cadres will invite and train communities to begin actively involved in the handling of environmental issues. For example, NGOs and environmental cadres at Alang-Alang Lebar have been organized to raise public awareness to sort waste into three categories. This activity was called "Public Awareness Patrol". The selected environmental cadre of the community will visit the target area door to door to check the garbage sorting, explaining the importance of waste sorting, as well as training the way of sorting from the beginning. NGOs are also compost in the TPS-3R made of organic waste for sale.

In the JICA report also shows the increase in public awareness of running effectively and the Community welcomes it well [10]. The number of households using the TPS-3R was significantly increased, 160 households in December 2016 became 357 households in May 2017. In addition, the amount of recyclable waste also increases stably because of the increasing number of households using the TPS-3R and active recycling activities. The existence of waste bank becomes important to manage waste. Waste bank customers are also getting longer and more. The final result is the percentage of waste generation (*timbulan sampah*) reduction shows the trend that is increasing every semester. In addition, according to interviews with the Head of Hazardous and Toxic Waste Management (B3), Indar Tri Setiantoro, ST, M.Si stated that it has increased at least 20 waste bank and the merger of 19 TPS in 18 districts of Palembang through Program TPS 3R and Waste Bank in

the city of Palembang based on the initiation of the program Vice mayor of Palembang, obliging *Camat* (head of sub-district) to directly engage in environmental empowerment, especially domestic waste management through budget that will be allocated directly to the sub-district level, and this is still in the process of drafting the master plan until the paper is written by August 2019.

While in the implications of the existence of international grant aid JICA for the city of Palembang, especially in solid waste management program, presented in interviews by the Head of Environmental Quality Monitoring, Armansyah, ST, MM, that there is an increase in the quality of human resources in the waste management, but JICA is quite strict in the program monitor and grant funding allocation, that grants cannot be allocated to the honorariums, can only be used on the machinery and equipment needed for the shelters and Waste banks (Kaiser, containers, garbage breaker, promotional banners, bags for recyclable waste) are also provided.

Giving incentives to communities and groups is important to motivate them to run the program, while the city government does not have a sufficient allocation of funds in honorariums and is heavily dependent on APBN (state budget) and international grants in running programs related to ESC, that is the reason why the city government prefers a communal system instead of the institutional 3R Model, ceded the continuity of the program entirely to the community. Furthermore, also added by Affan Prapanca, M. T (Kabid. Infrastructure planning, BAPPEDA), the nature of grants is a trigger, where Palembang has the opportunity to change the mentality of human resources in the form of learning, discipline, and enthusiasm for work. In particular, Palembang has the opportunity to develop a pilot project model that derived from the local community in accordance with community habits.

## CONCLUSION

From the explanation above, it can be seen that Palembang City Government as an institution that has clear political objectives fully committed in the practice city diplomacy to involve itself directly though in motion limited to international cooperation through policies, and generates bottom up procedures based on local community needs and model suitability with ESC, particularly in solid waste management projects under the ASEAN Model Cities Program. Besides functioning as a pilot project but also focuses on improving local capacity building in Palembang such as funding, human resources training, and conducting peer to peer communication with international agency (JICA) to detect challenges application of models and strategic recommendations that can be developed further in the future.

The ASEAN Model Cities Program is advanced in a practical or concrete collaborative realm of the initiation of ASEAN ESC. Although initially a built system is to fully surrender the implementation mechanisms to the member countries of ASEAN, with the increasing of this practical platform also the high intensity of the meeting EAS HLS can enrich common development benchmark mechanism in the effort to improve the process of environment integrated region of ASEAN.

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# THE POTENTIAL OF ASEAN IN ASEAN PLUS THREE ECONOMIC COOPERATION

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## Abstract

There are many great regional integrations in the world which initiated by developed countries. Those integration not only focus on politics but also developed as the economic integration. Some of these are seen as the great and developed regional integration because they can show their development socially, politically, and economically. Previously, ASEAN as regional integration in Southeast Asia rarely stated as great integration. But, nowadays ASEAN is stand as one best partner for economic cooperation. Many countries try to create good economic relations with ASEAN. Japan, South Korea and China are three industrialized countries that show their interest to establish economic cooperation with ASEAN. These countries have good economic relations with ASEAN. The number of trade between these countries and ASEAN increase significantly. In order to build good economic relations, these countries always establish this relations by supporting ASEAN in many ways. This research try to address the reason ASEAN become potential partner for economic cooperation for Japan, South Korea and China. This research is a qualitative research. This research use economic cooperation concept to identify the interest of these countries to ASEAN member countries as one of their best economic partners. This study finds that ASEAN is potential market for products from Japan, South Korea and China. It supports industries of these countries that is known as industrialized countries.

**Keywords:** ASEAN, APT, economic cooperation, industry, Japan, South Korea, China.

## INTRODUCTION

ASEAN (Association of Southeast Asian Nations), a regional cooperation which consists of 10 member countries, Indonesia, Malaysia, Singapore, Thailand, Brunei Darussalam, Philippine, Vietnam, Lao PDR, Myanmar and Cambodia, is well known for its prospective and diversity because it has various social and economic. These well-known values also supported by ASEAN stability in some aspects and its social, political and economic development. These conditions directly make ASEAN become a potential partner for many countries to establish a good cooperation.

China, Japan and South Korea are three countries that have definite consideration to establish cooperation with ASEAN. ASEAN Plus Three (APT) is a cooperation that consist of ASEAN member countries and China, Japan and South Korea. The cooperation process of APT was begun in 1997 when the second informal summit of ASEAN was held in Malaysia. This process was continued to the 3rd APT summit in 1999 in Manila which accordance with East Asia Cooperation. The latest APT summit was the 22nd held in Thailand focused on connecting the connectivity initiative.

Economic cooperation is one of the main areas of APT along with political-security cooperation and socio-cultural cooperation. Many economic meetings and agendas that have been done by these countries since the first process of APT cooperation. These meetings and agendas have been established in the level of Ministers, Senior Officials, Officials and Private Sectors, and Private Researcher from each APT member countries.

In recent years, APT has dominant economic cooperation development proved by the significant number of total trade between those members. Even though APT has significant growth in trade, there are still conditions that is rated as a negative side. Most of ten ASEAN member countries are still categorized as middle economic country except Singapore which is known for its well economic



strength, if compared with China, Japan and South Korea. These three countries are well known as big economies and industrialized countries not only in East Asia but also in the world. If we compare ten ASEAN members with these three countries, we will find some gaps or opposite conditions describe that China, Japan and South Korea are the countries that get more advantages on this cooperation than most of ten ASEAN member countries.

Relatively, it can be said that in APT, ASEAN member countries and three countries, China, Japan, and South Korea are stay in imbalance conditions. Even though ASEAN member countries has increasing number in trade, it still marked as low point if compared with the three countries. These conditions could possibly lead to the problems that cause the negative impact to the cooperation of APT itself.

This article aims to study the potentials of ASEAN for economy of China, Japan and South Korea. The potentials can be the main reason for China, Japan and South Korea to establish economic cooperation with ASEAN. The first part explains the potential of ASEAN in economy, while the second part will explain the various economic cooperation between ASEAN and China, Japan and South Korea. Then the third part examines the ways of China, Japan and South Korea to engage and maintain good economic relations with ASEAN member countries. The main contention of this article that ASEAN has great potential in population which means it will be a great potential market for products from China, Japan, and South Korea. Besides that, ASEAN also provides various natural resources that support industries in these three countries. However, ASEAN has to develop its own countries to face the relation with China, Japan, and South Korea because these three countries are the countries that are well known for their economic development and international trade. Also, APT still need to establish their regional stability for its sustainability.

## **RESEARCH METHOD**

This paper uses a qualitative method to explain the data obtained from various kinds of scientific writings, ASEAN websites, reports, mass media and other supplemented data. By that, the data collection technique of this paper is a literature based technique. The data of this paper will be preceded by the concept of Economic Cooperation which cover up the Economic Cooperation of ASEAN Plus Three.

## **RESULT AND DISCUSSION**

### **Economic Cooperation**

Nowadays, economic cooperation is one of the most international cooperation that created by countries even in bilateral, multilateral or regional framework. Economic cooperation is often identified as a part of International Relations that intend to create conditions in order to support the process of commercial, trade and financial integration in the international world by using actions to achieve national economic interest in middle or long term ways [1]. Moreover, economic cooperation will encourage the development of a new policies for countries in that relationship because every action and decision of countries lead to the implementation of it.

International trade is often seen as the crucial action of economic cooperation. It frequently related to the main part of economy especially when people discuss about international economic cooperation. That is one of the reasons international trade cover countries" economic cooperation and it directly discussed in the term of many economic cooperation topics.

We can see, hear and read about economic cooperation of countries in lots of news by daily magazines, television, online news, and others. Start from the international trade-export and import into the international investment and international aid. These are not only implemented by the government of the countries but also implemented intensively by the private sectors of the countries, because the government and private sectors are definitely two main actors that have an important role in economic cooperation.

Then, economic cooperation is becoming increasingly challenging in the international world and it has to be controlled in order to maintain the stability in every country or in the world, even in many cases there are still instability or conflicts that still occur and need to be solved. The world economy has become more interdependent: international trade has increased relative to production for the domestic market and international capital markets have become larger and more active.

### **The Potential of ASEAN**

In trade as an economic features, market is one of the important points that have to be built and maintained. Prosperous market and quantity can determine the result of trade since the concept of supply and demand will always play an important role in trade. One characteristic of a good market is the availability of buyers who will buy the products and services from the producers or sellers. It means that the more buyers or the biggest market the better for the producers and sellers. Population of the market is the key for this situation because more people who need the products and services lead to the good market performance.

ASEAN has great population growth year by year. It has almost doubled over the last four decades - reaching 642.1 million in 2017. This total population get significant increase in 2018 reaching 649.1 million in 2018. It makes ASEAN becomes third largest population in the world following China and India, and representing 8.7% of the world population in 2018 [2]. This number is a meaningful number in economic especially in international trade. This condition also means that there will be a great economic potential not only for the ASEAN itself but also for the trading partners. As explained before, the number of population has significant contribution to the market development which means the more population the better for the market development because without people who buy the products there will be progress in the trade system.

On the other hand, China, Japan, and South Korea are three established industrialized countries that play a dominant role in International economics. Most international brands come from these countries. Their products vary in many sectors, food and beverage, electronics, automobile, smart devices, clothing, tourism, capital, education, and many more. The rise of China as one of the economic giants always discussed and be the top topic in many economic forums and discussions. It often predict will surpass its economic rival - the United States which analyzed by their trade, GDP and other economic indicators. For years, China's goods and services dominate international market and China's products have strong demand in many countries because it is well known for low cost products that often demand for many people especially for lower middle class society.

ASEAN is a remarkable economic partner for China in many years mainly in international trade. Export and import between ASEAN and China have shown significant increase. It makes China become the largest trading partner for ASEAN followed by Japan, Europe Union and The United States in 2018 [3]. The increasing trade between ASEAN and China stay in dynamic condition. ASEAN member countries are the second largest trading partner of China in the first half of 2019, replace the position of the United States since 1997. It proves by the data that ASEAN trade with China increase in the number of 10.5 percent or 288 billion USD in the first year of 2019, as The United States trade with China decline 9 percent to 254 billion USD. Also trade between ASEAN and China hit their high trading up into 14.1 percent year-on-year, 587.87 billion USD in 2018 [4].

Still, Japan also noted for its products with eminent and high quality products. Japan products and services are still have the prominent place in ASEAN market supported by Japan values-high quality in its products and services. Japan automotive and electronic are famous in ASEAN countries such as Toyota, Honda, Nissan, and Suzuki are leading automotive brand in most ASEAN member countries. Those brands are undoubted famous and dominate in ASEAN member countries (Kotani, 2019).

South Korea has outstanding brands that famed not only in ASEAN member countries but also in most of the countries in the world. Samsung, LG, Hyundai are the three leading South Korean brands for years internationally. These three companies contribute more for South Korean economy and means to give support for the countries GDP. In 2018, Samsung is the biggest South Korean company with revenue 212 Billion USD - this numbers conclude Samsung as the biggest contributor that assist

13% of South Korean GDP. The second contributor, company, for South Korean GDP in 2018 was Hyundai with 85,26 Billion USD revenue, gave 5% contribution to its GDP and third place was LG that contributed as 3,4 % of its GDP with 54,31 Billion USD revenue [5].

Actually, Samsung leads the smartphone sales in the world along with Apple from United States. For many years, Samsung ranked first for smartphone vendors in the world. Then, it was continued by Apple in the second rank and Huawei in the third rank in 2018, even Huawei swift the position into the second rank and Apple in the third rank in the 1Q 2019 [6].

Besides Samsung with its smartphone products, Samsung and other South Korean company, LG, also produce various electronic and home devices that dominate international market and it certainly contribute to South Korean export growth. ASEAN member countries are stated as the destination countries or market of South Korean products especially for these two big companies, Samsung and LG. Even for the automotive sectors Japan dominates the ASEAN market, South Korean automotive company, Hyundai, still has significant market in ASEAN member countries.

By those points, it can be stated that ASEAN is the great potential market for products from China, Japan, and South Korea. As a market, ASEAN population are an important element for China, Japan, and South Korea because ASEAN stand as a potential buyer to buy products and services from the potential sellers-these three industrialized countries. So it can be said that in ASEAN+3 there are potential buyers and sellers. This condition may be defined as two opposite side the positive side and negative side. ASEAN as a potential market for China, Japan, and South Korea is a positive potential for these three countries because this condition automatically give contribution to the development of industrial sectors in these three industrialized countries. Good industrial sectors directly means that it can support the economic growth of these countries and it continues to the development of these countries themselves.

Then, ASEAN member countries are potential places for China, Japan and South Korea investment. Also, most of Foreign Direct Investment (FDI) in ASEAN are come from both private and government of China, Japan and South Korea which located in many sectors like, finance, infrastructure, public facilities, and others. Big companies from China, Japan, and South Korea are well known to develop their companies in ASEAN. There are some consideration of these, first, the low wages of workers in ASEAN member countries. Normally, it will be one of the main reasons for companies to expand and operate their companies in foreign countries. Second, the increase of skilled labour market in ASEAN member countries. Third, as ASEAN is one of the biggest markets in the region and market for most of the products and services of China, Japan, and South Korea's companies, it is the right way for them to build their companies in ASEAN. Build companies in ASEAN automatically will reduce the cost of distribution from China, Japan and South Korea into each ASEAN member countries, besides the business improvement of the companies.

**Table 1. Foreign Direct Investment (FDI) Inward Flows to ASEAN by China, Japan and South Korea (in US\$ million)**

Source country	2015	2016	2017	2018
China	6,571.8	9,609.6	13,700.6	9,940.1
Japan	12,962.3	14,241.9	16,149.0	20,954.5
South Korea	5,608.8	7,088.2	4,535.2	-223.0

Source: [3]

Based on the table above, Japan FDI number in ASEAN is the most significant one if compare with China and South Korea. It is related to Japan effort to operate its tens of thousands companies in ASEAN and this number get increase year by year [7]. The second place is China. China's FDI growth in many countries get increase, especially China's FDI in ASEAN member countries. The

owners of FDI are not only owned by the government of China but also China's companies. In recent years, China's FDI in ASEAN member countries have significant growth under the Belt and Road Initiative (BRI). China Government actively promote and host several international forum to gathered international cooperation which conducted by Belt and Road Initiative [8]. As a strategic economic regional integration in Southeast Asia, ASEAN become the main focus and the best partner of China to realize this initiative [9].

Further, ASEAN member countries are located in tropical region which is known for the abundance of mineral and natural resources. Those resources are located on the land and in the sea. All of those resources confirm that ASEAN member countries are home for coal, phosphates, copper, gold, iron, silver, zinc, oil and gas deposit, timber, palm oil, and more. Indonesia has great coal resources which are located in many areas in Kalimantan and gold in Papua. Brunei Darussalam also has great oil and gas deposit which support the economy of Brunei Darussalam and it is obviously become as an important potential that it has. Then, Malaysia, Indonesia, and Vietnam actively export their natural rubber to China, Japan and South Korea. Also, there are still enormous mineral and natural resources that found in ASEAN member countries that absolutely needed by industry.

On the other side, as industrialized countries, China, Japan, and South Korea need resources as the energy and raw materials to support their industries. Often discussed that China is an industrialized country, the biggest user of coal as their energy sources. Most of industries in China use coal as the main energy sources because the price of coal as the energy sources is lower than other such as oil, gas and renewable energy like solar energy or wind energy power. Moreover, Japan and South Korea also need oil and gas as energy sources to their industries, even these two countries are known more friendly than China in using environmental energy sources. China is the biggest ASEAN trading partner to export the coal. Coal still the famous energy sources for many countries. Indonesia and Vietnam as the coal-rich countries in ASEAN plan to increase their productions in 2019 toward the high demand from China [10].

In these three countries, South Korean is the most dependent country on the import of energy sources with 12% of the total import of South Korea [11]. It consist of crude petroleum, petroleum gas, coal briquettes, and others.

This structure clearly shows that ASEAN serve as the supplier of energy and raw materials for China, Japan and South Korea. It is held in the comparative form of the market when China, Japan, and South Korea need raw material and natural resources, ASEAN member countries have all of these. Also, when ASEAN member countries need manufactured products and services, China, Japan, and South Korea become good partners provide these needs.

Based on the explanation above, it can be identified that ASEAN member countries which most of them are categorized as developing countries in the world and part of Asian region, have many potentials that beneficial for industrialized countries like China, Japan, and South Korea. ASEAN Population is a big potential that wanted by these three countries where industrial and high-tech products and services produced. This condition is a remarkable condition when there is a potential market and productive producers meet together to establish a market.

### **ASEAN - Japan, China and South Korea (APT) Economic Cooperation**

Economic cooperation of ASEAN Plus Three is one of the potential cooperation in Asia or in the world. As a potential regional integration in dynamic region, ASEAN always try to pursue active external economic with other countries. It is connected with ASEAN objectives to become an important regional integration which is known for its motto "Global ASEAN". ASEAN active plan to create good economic cooperation with external partners also related to its future plans to establish East Asia Free Trade Area (EAFTA) and Comprehensive Economic Partnership in East Asia (CEPEA) (ASEAN Plus Three Overview).

Economic Cooperation in ASEAN+3 often get dominant attention by many people because ASEAN+3 member countries have dynamic economic development that shown year by year. The following are ASEAN trade in goods by trading partner (China, Japan and South Korea) in US\$ Million.

**Table 2. ASEAN Trade with China, Japan and South Korea 2012-2018 (in US\$ Million)**

Trading Partner	2015	2016	2017	2018
China	363,496.8	368,693.9	440,939.5	483,764.7
Japan	202,800.1	202,407.9	218,797.8	231,715.4
South Korea	120,566.7	124,454.8	154,836.1	161,514.6
Total	686,863.6	695,556.6	814,573.4	876,994.7

Source: [3]

APT trade in few years describe that APT still have prosperous economic cooperations. The number of trade between APT members get significant increase in the last two years. Overall, these numbers are big amount for countries trade and obviously, these trades are play important role for APT members economic.

APT economic cooperation supported by the meeting of APT members' finance minister which held regularly to maintain the continuity of economic relations of APT and as part of ASEAN external relations programs. In order to build sustainable economic sector in ASEAN+3, each countries maintain good relations with each other and even in some cases there are still territorial disputes which faced by those countries. For instance South China Sea conflict that involves some APT countries - China, Vietnam, Philippine, Malaysia and Brunei Darussalam.

As a regional integration, ASEAN can be a prosperous power in the world, especially in Asia. ASEAN has potential power when its member countries create good action collectively [12]. It describes that ASEAN is a potential integration that has definite potentials and play a significant role if its members work collectively.

In order to establish good economic cooperation on APT, every member also agree to maintain its financial stability under the coordinance of ASEAN Plus Three Macroeconomic Research Office (AMRO) which also as a response to Chiang Mai Multilateralism especially the point about multilateral currency swap arrangement among APT member countries. By these situations, it definitely describe that economic cooperation under APT is the important cooperation that will always maintained well by APT members especially the three countries, Japan, China, and South Korea.

## CONCLUSION

This article identified that ASEAN have various potentials that wanted by Japan, China, and South Korea. The first potential of ASEAN for China, Japan, and South Korea is population of ASEAN. ASEAN member countries are stand as a potential market for products and services from these three countries. Then, as a developing countries in Asia and in the world, and many ASEAN member countries need foreign money to invest in these countries, ASEAN is the best place for FDI from three countries. Furthermore, ASEAN have numerous natural resources that needed by Japan, China and South Korea. As known that these countries are less in natural resources as the material and energy for their industries, what ASEAN have are what these countries want. All of those can be concluded that ASEAN have various potential for Japan, China, and South Korea. Economic cooperation of those countries under APT are apparently reveal that ASEAN have dominant points

that wanted by these three countries even in some conditions ASEAN member countries also need these three countries as producer for industrialized/high-tech products and services along with direct investment from them. Because of that, ASEAN and these three industrialized countries have to maintain good relations with each other and each country has to know their capacity in order to establish their relations. More, Japan, China and South Korea have to assist ASEAN member countries especially categorized as developing countries to build their country well because if these countries get well development it will lead to the good development of APT itself.

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# THE IMPACT OF ASEAN ECONOMIC COMMUNITY CASE STUDY THE FISHERMEN IN BELAWAN

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## Abstract

Masyarakat Ekonomi ASEAN (MEA) is a term that is present in Indonesia, which has the same basis as the AEC or ASEAN Economic Community. The target of the implementation of the MEA is to maintain ASEAN's regional political and security stability, increase regional's competition in the global markets, encourage economic growth, reduce poverty and improve the living standards of community ASEAN member states. Indonesia is a maritime country with the largest area in ASEAN. The District of Medan Belawan has one of the busiest ports in Sumatera. The location of Medan Belawan, which is on the international trade route, has the potential to provide opportunities for economic growth. The results of data collection obtained that the number of samples used in the study were 369 respondents. The results of this research showed that 70.2% of fishermen had known the ASEAN economic community, in accordance with BPS index of prosperity. The average age of respondents were over 17 years, which were 85% having experience working as fishers for more than five years at 67.2%.

**Keywords:** ASEAN Economic Community, Fishermen, Belawan.

## INTRODUCTION

The ASEAN Economic Community (AEC) has a economic integration pattern between ASEAN countries by establishing a free trade system. It is not only integrated in the economic field, but it is also integrated in social and political. AEC is a term that is present in Indonesia which has the same basis as the AEC or ASEAN Economic Community. Through AEC launching at the end of 2015, it was the starting point for each ASEAN countries consisting of Brunei Darussalam, the Philippines, Malaysia, Thailand, Cambodia, Laos, Myanmar, Singapore, Vietnam, and Indonesia, where the ten countries merges their territorial boundaries into a free market. AEC which is a single market in the ASEAN region is a new form of Indonesian foreign policy in its interactions among ASEAN countries.

The goals of the AEC implementation are to maintain ASEAN's regional political and security stability, to increase overall regional competitiveness in world markets, to encourage economic growth, reduce poverty and improve the living standards of the population in ASEAN member countries [1]. Reflecting on these targets, it could be seen that the AEC has a noble aim towards the ASEAN region. Programs designed to achieve these targets are found in the ASEAN Economic Community Blue Print (AEC Blue Print).

When compared with other ASEAN countries, Indonesia has two opportunities which are at the same time challenges that must be faced, namely the population and geographical factors. First, Indonesia is the country with the largest population in the ASEAN region. Based on data from the Central Bureau of Statistics, the ASEAN population reached more than 600 million people with Indonesia's population reaching 237,641,326 per year 2010. Second, Indonesia is a maritime country with the largest area in the ASEAN region. Indonesia has 17,504 islands registered with the Central Bureau of Statistics. The total area of Indonesian territorial water is 3,257,483 km<sup>2</sup> with a coastline of 99,093 km<sup>2</sup> [2], of course saving a lot of potential that could be developed, especially the potential of fisheries. In 2010 Indonesia was the third largest fish producing country in the world, producing 10.5

million tons. Indonesia is under India (14 million tons) and China (55 million tons). Abundant resources could be a huge opportunity for Indonesia.

Medan Belawan District which has a very strategic location in the ASEAN region. Medan Belawan sub-district has one of the busiest ports in Sumatera. The position of Medan Belawan sub-district which is on the international trade route has the potential to provide opportunities for economic progress. Based on 2015 statistics, the population of Medan Belawan District is 98,113 people, of which 4,726 people work as fisher. Therefore, it needed to study how the impact of the implementation of the AEC on the welfare of fishermen in Indonesia in general, and fishers in Medan Belawan District in particular.

## **RESEARCH METHOD**

The study conducted quantitative descriptive research. The technique of collecting the data in the study was sampling technique. The population in the study were all people of Medan Belawan sub-district who work as fishers. While in determining the sample of the population, researchers used a multi-stage cluster sampling technique, the sampling process carried out through two or more stages [3]. Where people who work as fishers in Medan Belawan sub-district were distinguished based on fishing gear ownership, while fishers are divided into three, namely labor fishers (fishers who work with other people's fishing gear), skipper fishers (fishers who have fishing gear and are operated by others) and individual fishers (fishers who have their own fishing gear and operate it themselves) [4].

Validity test was needed to determine the extent to which a measuring instrument is whether the data obtained after research is valid data with the measuring instrument used (questionnaires). Then, the instrument was distributed to the group of respondents. After the instrument was returned, statistical validity testing could be performed. Testing the validity of the study used SPSS (Statistic Package and Social Science) software 20.0 for windows.

## **LITERATURE REVIEW**

International organizations between countries are associations of cooperation between countries at the regional / regional and global / international levels, where membership generally consists of the governments of their member countries. Thus, at the work and forum held by the organization, its members are represented by the government of the country, on behalf of the whole country. The following table will show examples of various international organizations between countries represented by the governments of each member country.

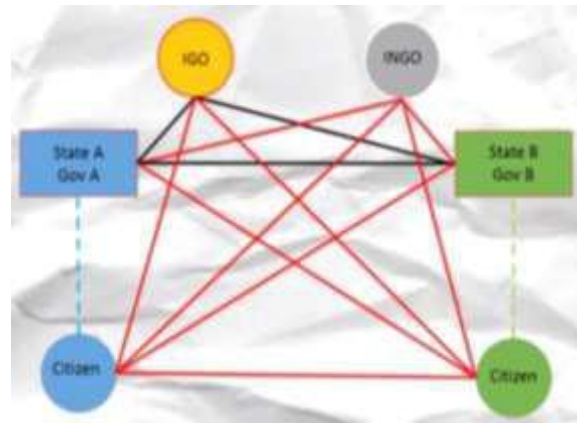
One of the political science academics from Indonesia, Prof. Miriam Budiardjo, gave a conclusive definition of the state, namely that the state is, "... a territorial area whose people are governed by a number of officials and who succeeded in demanding from citizens obedience to the laws and regulations through monopolistic control. Against legitimate power" [5].

The theory used in this study is one of the theories of international relations to read patterns of cooperative relations between countries, namely Interdependence. Inter-dependence is a theory born from a liberalist perspective. The interdependence is caused by cooperation between two or more countries. According to Mohtar Mas'oed, interdependence is as a contract or exchange between nations, interdependence arises due to the actions of one government and some by other governments. The notion of interdependence is positive because it can open a bond of mutual cooperation [6].

Keohane and Nye [7] explain that interdependent theory asserts that states are not independent actors as a whole, but that states are interdependent on one another. There is no country as a whole that can meet its own needs, each depending on the resources and products of other countries. Therefore, policies issued by one country will have a quick and serious effect on other country's policies; even domestic policies can have wider implications for other countries. This theory will be used to explain the cooperation carried out by the Indonesian government through the MEA, and the extent to which the cooperation has an impact on improving the welfare of fishermen in Medan Belawan District.



**Figure 1. International Relations by Keohane and Nye**



Source: [7]

**RESULT AND DISCUSSION**

In addition, the population of the study was the society of Medan Belawan sub-district. Thus the results of data collection obtained that the number of samples used in the study were 369 respondents. There were 85.1% which were male, while 14.9% were female and 100% were Muslim. The average age of respondents were over 17 years, which were 85% having experience working as fishers for more than five years at 67.2%. Then, after distributing the questionnaires to the respondents, validity test was conducted by using SPSS (Statistic Package and Social Science) software 20.0 for windows.

**Table 1. Instrument Reliability Test Result**

Variable	Cronbach's Alpha	Information
External and Internal Factors (X)	0.816 > 0.50	High Reliability
The Welfare Indicators (Y)	0.594 > 0.50	Sufficient Reliability Moderate

The table above showed that the variable (X) has a fairly large alpha reliability coefficient of 0.816 with a Alpha Cronbach value between 0.70 - 0.90. Therefore, high reliability could be said to be Reliable, and the variable (Y) has an alpha reliability coefficient of 0.594 with the Alpha Cronbach value between 0.42 - 0.60, the reliability was sufficient.

**Table 2. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,821 <sup>a</sup>	,673	,672	4,76479

The determination coefficient was used to measure how much the contribution of the independent variable to the dependent variable. If the coefficient of determination (R2) was greater (close to one) , it showed the better ability of X to explain Y where 0 <R2 <1. Conversely, if R2 gets smaller (near zero), it could be said that the effect of the independent variable was small on the dependent variable. From the results of the data processing table above, it could be explained that the value of R square (R2) of 0.675, means that 67.5% of the variable understanding of the MEA could explain the variable welfare of fishermen. While the remaining 32.5% could be explained by other variables not examined

in this study. R square value of 67.5% is classified into a fairly large number. It could explain that the fishermen's understanding of the AEC, such as through socialization, training and so on is sufficient to affect the level of welfare of fishermen in Medan Belawan sub-district. While other variables that might explain the model as in this study included access to information, government factors and so on.

Correlation analysis was used to determine the degree of relationship between the effects of the studied variables. The correlation technique used in this study is pearson's product moment correlation technique, which was to determine the degree or strength of the reciprocal relationship between two variables. The measure used to determine the strength of the relationship between x and y is called the correlation coefficient (r). From the above table, it can also be seen that with  $r = 0.821$  means the influence between the understanding of aec variables to the fishermen's welfare variable is 0.822. That is, the influence of the understanding variable about aec could be said to be "very strong" as shown in the following table:

**Table 3. Interpretation of Correlation Coefficients**

$-1 \leq r \leq 1$	The Correlation Level
0,00 – 0,199	Very Low
0,20 – 0,399	Low
0,40 – 0,599	Sufficient
0,60 – 0,799	Strong
0,80 – 1,000	Very Strong

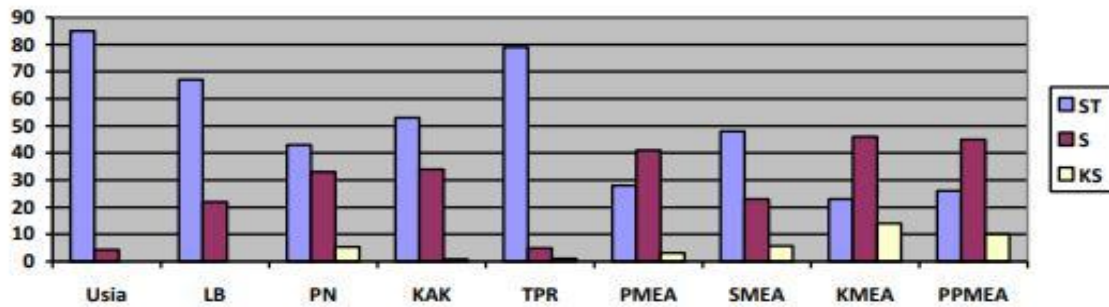
Source: [8]

Before distributing the questionnaire to the sample of respondents in this study, the researcher conducted a validity and reliability test on the variables X and Y which were the variables in the study. Based on the validity test found that all instruments have a positive correlation value with a probability value smaller than 0.05. So it can be said that all instruments of each research instrument are valid and can be continued to test the reliability of the instrument. Then the next test was a reliability test conducted to see whether the research instrument is a reliable and trustworthy instrument. The results obtained were variable (X) has a alpha reliability coefficient large enough that is 0.816 with Alpha Cronbach values between 0.70 to 0.90 then high reliability, thus it could be categorized to be Reliable, and the variable (Y) had an alpha reliability coefficient of 0.594 with Alpha Cronbach value between 0, 0.40 to 0.60, the reliability was sufficient.

After ensuring that the variables and questions of each variable pass the test of validity and reliability, the research proceeded with the distribution of questionnaires to the samples that were respected. The number of samples used in this study was 369 respondents. Of these, 85.1% were male, while the remaining 14.9% were female and 100% were Muslim. The average age of respondents over 17 years, that is equal to 85.9% with experience working as fishermen for more than five years amounted to 67.2%. Based on the questionnaire distributed, it was found that the majority of fishing communities in Medan Belawan sub-district were individual fishermen and had received basic education (elementary, junior high, high school), with a small portion (2.4%) receiving high education.

Most respondents were aware of the implementation of the MEA (26.2% strongly agreed and 35% answered agreed) and received official notification by the institution/government. Then, respondents' confidence in the application of MEA was also quite high, namely 46.4%. Based on these figures, it could be concluded that the Medan Belawan society's knowledge of the AEC was quite high and it was also influenced by the level of education, age, and socialization and training conducted by the government.

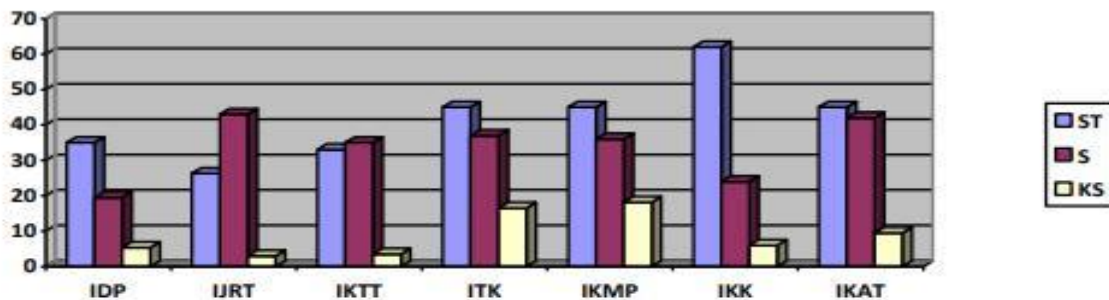
**Figure 2. Distribution of Results for Variable Questionnaire X**



While on the variable Y, the indicators of fishers' welfare figures indicated that the level of welfare of fishermen is quite good. As mentioned earlier that according to the Central Bureau of Statistics, there are eight indicators used to determine the level of welfare, namely income, consumption or family expenses, living conditions, housing facilities, health of family members, ease of obtaining health services, ease of entering children at the level education and ease in getting transportation facilities.

Data from the questionnaire showed that the Fishers community who were respondents had an income of between 5-10 million per month. The majority (26.3% are very calm and 25.2% agree) fishermen also have houses in permanent form and classified as complete facilities. In addition, the level of quality of health, education, and transportation is also on average high. While the ownership of two-wheeled vehicles is (62.1%) and four-wheeled vehicles (28.2%) meant that only a few respondents do not have private vehicles.

**Figure 3. Distribution of Results for Variable Questionnaire Y**



Based on the results distribution of the questionnaire above, it could be concluded that the variable X (the factor of knowledge of AEC) was at a fairly high percentage. That is, it can be concluded that the majority of fishermen in Medan Belawan sub-district had sufficient knowledge about the AEC. This knowledge is certainly influenced by several factors, such as age, level of education, length of work, and government intervention through socialization. Even though for some respondents, the percentage of not getting socialization from the government was still quite high, but the majority had received information so that they knew of the AEC. In addition, the majority of fishers had also begun to use AEC to improve their welfare, meaning that they also believe that AEC can be beneficial to improve their standard of living as fishermen. The hypothesis was proven by looking at the extent of the results of the questionnaire on the Y variable (Welfare Indicator). It can be seen that the majority of fishers had a fairly high income level (5 million - 10 million rupiah), have permanent houses, vehicles (at least two-wheeled), have easy access to education, health and transportation. For the level of income of fishers in Medan Belawan sub-district which is in the range of 5-10 Million rupiahs, it can be said to be high when compared to the North Sumatera Provincial Minimum Wage of 2.1 Million and the Medan Regency / City Minimum Wage of 2.7 Million rupiah.

While the results of the analysis of research data showed that there was a significant relationship between fishers' AEC understanding, both external and internal factors, and the level of welfare of fishermen in Medan Belawan sub-district. It was based on the results of the calculation of the t-count of  $27,627 > t$  table 2,250 and the significance value of the coefficients table obtained a significance value of 0,000 below the value of 0.05. This indicates that there is a strong influence between the fishermen's understanding of the AEC on their level of welfare. This also answers the third question from this research, namely, "Does understanding of the AEC affect the welfare of fishermen in Medan Belawan sub-district?"

In addition, It could also be seen from the results of a simple linear regression analysis that had been done, which obtained the equation  $Y = 14.941 + 0.644X$ . Simple linear regression formula was used to see how much the influence of internal and external factors (Variable X) on the welfare of fishermen (Variable Y). So that the equation showed the constant value (a) of 14.729, this shows that if the value of the understanding of the MEA variable is equal to 0, then the fishermen's welfare variable is equal to 14,941. The equation also showed the X coefficient value of 0.644, the number indicated that the variable (X) understanding of the MEA has a positive effect on the variable (Y).

The relationship degree among variables was also very high, as could be seen in the calculation of correlation analysis using Pearson's product moment correlation technique that could determine the degree or strength of the reciprocal relationship between two variables. The measure used to determine the strength of the relationship between X and Y was called the correlation coefficient (r). From the calculation, the R value of 0.821 means that the influence between the AEC understanding variables to the fishers' welfare variable was 0.821. Thus, the influence of the Understanding variable about AEC was categorized as "very strong".

Furthermore, based on the calculation of the determination coefficient conducted to measure how much the contribution of independent variables toward the dependent variable. The coefficient of determination ( $R^2$ ) the greater (close to one) showed the better ability of X to explain Y where  $0 < R^2 < 1$ . Conversely, if  $R^2$  gets smaller (close to zero), it could be said that the effect of the independent variable was small on the dependent variable. The calculation results produce an R square value ( $R^2$ ) of 0.673, meaning that 67.3% of the understanding variables about the MEA can explain the fishermen's welfare variable. While the remaining 32.7% could be explained by other variables not examined in this study, R square value of 67.3% is classified into a fairly large number. This can explain that the fishermen's understanding of the AEC, such as through socialization, training and so on is sufficient to affect the level of welfare of fishermen in Medan Belawan sub-district. While other variables that might explain the model as in this study included the access to get the information, government factors and so on.

## **RESULT AND DISCUSSION**

The Association of South East Asian Nations (ASEAN) is an association of nations of the Southeast Asian region established on August 8, 1967 in Bangkok, a geo-political and economic organization of countries in the Southeast Asian region. In 1992 ASEAN member countries agreed on the ASEAN Free Trade Area (AFTA) at the 4th ASEAN Summit (ASEAN Summit). The implementation of ACFTA and MEA has an impact on reducing the cost of export-import tariffs to 0-5 percent and removing quantitative restrictions and other non-tariff barriers. The opening of free trade in the Southeast Asian region is predicted to be able to stimulate positive things for Indonesia's economic development because it will automatically increase state revenues from exports and imports. In order to achieve this integration, a MEA blueprint was drawn up containing four main pillars, namely:

1. ASEAN as a single market and based on single production supported by elements of the free flow of goods, services, investment, educated labor and freer capital flows;
2. ASEAN as a region with high economic competitiveness, with high elements, with elements of competition rules, consumer protection, intellectual property rights, infrastructure development, taxation, and e-commerce;

3. ASEAN as a region with equitable economic development with elements of small and medium business development, and ASEAN integration initiatives for the countries of Cambodia, Laos, Myanmar and Vietnam;
4. ASEAN as a region that is fully integrated with the global economy with elements of a coherent approach to economic relations outside the region, and increasing participation in global production networks [9].

Through AFTA, ASEAN countries encouraged political modernization and globalization among ASEAN countries for 15 years of preparation. Then in 2007 the agreement underwent change due to the entry of China in 2012, which became known as the ASEAN-China Free Trade Area (ACFTA) with the decision to enact the ASEAN Economic Community in 2015. The aim of the collaboration is to make the ASEAN region a place of production that is competitive in order that ASEAN products have strong competitiveness in global markets, attract more FDI (Foreign Direct Investment) and increase trade between ASEAN countries [10].

Based on the Republic of Indonesia's Presidential Regulation No. 16 of 2017 concerning Indonesian Maritime Policy [11], the vision to make Indonesia the world's maritime axis is based on comprehensive attention to the constellation of relations between countries in Asia and various initiatives in the region such as the ASEAN Community. Based on the policy document, there are seven pillars that become Indonesia's marine policy, namely: Management of marine resources and human resource development; Defences, security, law enforcement and safety at sea; Marine governance and institutions; Marine economy and infrastructure and welfare improvement; Management of marine space and protection of the marine environment; Maritime culture; Maritime Diplomacy [12].

Based on the ownership of fishing gear, fishers could be divided into three, namely labour fishermen (fishers who work with other people's fishing gear), skipper fishers (fishers who have fishing gear and are operated by others) and individual fishermen (fishermen who have their own fishing gear and operate it itself) [4]. Based on the social classification of fishers, it is divided into three points of view, namely from the mastery of production equipment, from the scale of business capital investment and based on the level of fishing gear technology [13].

Keohane and Nye [7] stated that interdependency theory asserts that states are not independent actors as a whole, but that states are interdependent on one another. There is no country as a whole that could meet its own needs, each depending on the resources and products of other countries. Therefore, policies issued by a country will have a quick and serious effect on other countries' policies; even domestic policies could have wider implications for other countries. The definition of understanding used in this study is something that understanding correctly. Therefore, the indicators of understanding of AEC were measured based on two factors which will be divided into variables X1 and X2, namely (1) Internal Factors, namely age, experience, and gender. (2) External factors, namely factors of education, employment, and type of information. According to the Central Statistics Agency [14] there are eight indicators used to determine the level of welfare, namely income, consumption or family expenses, living conditions, housing facilities, health of family members, easy access to health services, ease in getting children into education and ease get transportation facilities.

The definition of Fishermen according to Law No. 31 of 2004 is a person whose livelihood is fishing. Meanwhile according to the Big Indonesian Dictionary (KBBI) fishermen are people or communities whose main livelihood is fishing. Meanwhile according to Mulyadi [4] the definition of fishermen refers to work, place of residence or employment status. Based on the ownership of fishing gear, fishermen can be divided into three, namely labour fishermen is who work with other people's fishing gear), skipper fishermen is fishermen who have fishing gear and are operated by others) and individual fishermen is who have their own fishing gear and operate it itself [4]. Based on the social classification of fishermen, it is divided into three points of view, namely from the mastery of production equipment, from the scale of business capital investment and based on the level of fishing gear technology [13].

According to the complete Indonesian dictionary, understanding is something that we understand and we understand correctly. Meanwhile, according to Sudirman (source does not yet exist) understanding is a person's ability to interpret, interpret, translate or express something in his own way about the knowledge he has ever received. The definition of understanding used in this study is something that is understood and understood correctly.

## CONCLUSION

Theoretically the relationship will occur namely the action of reaction and interaction. This is illustrated by the role of both actors from the International government organization as ASEAN with the ASEAN Economic Community programs, state as Indonesia, government as North Sumatra, Especially Belawan and fishermen as objects of this research. It is referred to as interdependency was active in this regional.

The results of this research showed the average is 68.3% of fishermen had known the ASEAN economic community. The opening of free trade in Asia, Southeast is predicted to be able to stimulate positive things for Indonesia's economic development. This can be an opportunity for fishermen. The implementation of the MEA itself has an impact on reducing the cost of export-import and removing restrictions quantitative and other non-tariff barriers.

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# LITERATURE STUDY ABOUT HALF RUBBER TREATMENT PROCESSING BY VILLAGE OWNED ENTERPRISES AS EMPOWERMENT IN INCREASING RUBBER FARMERS INCOME IN RURAL

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## Abstract

Three ASEAN countries such as Thailand, Malaysia and Indonesia are the main producers of natural rubber in the world and the need for natural rubber continues to increase. But in Indonesia, several studies have shown that rubber farmers are still suffering from poverty due to low rubber prices. One problem is the low quality of smallholder rubber plantations and the length of overseas supply of sales so that the portion of farmers' income becomes small. Empowering and strengthening the economic institutions of rubber farmers are needed. Law No. 6 of 2014 concerning Villages mandates the establishment of Village Owned Enterprises (BUMDes) as one of the village economic institutions in processing village potential. This study uses literature studies by analyzing some relevant previous studies. The results showed that the processing of semi-finished rubber can improve the quality and selling value of processed rubber materials and increase the income and welfare of rural rubber farmers. The limited resources of rubber farmers is an opportunity for BUMDes as an economic institution for rubber farmers. However, there are studies that show that patron-client relations between farmers and long-established traders can be a barrier if they are not involved in institutionalizing BUMDes as an economic institution for rubber farmers in rural areas. This study recommends the need for a feasibility study of a semi-processed rubber processing business in villages that have potential rubber plantations, including building cooperation between villages and involving collecting traders as shareholders of BUMDes and village government.

**Keywords:** Empowerment, farmers institutions, Village Owned Enterprise

## INTRODUCTION

Study of poverty in rural is attractive for discussing, if it is related with rubber commodity in rural. Rubber commodity is the most needed in the world. For last two decades, the rubber farmers have complained about the rubber price, while natural rubber was being increased. In Damanik's study says there are 3 main rubber producers in ASEAN which is Thailand, Malaysia and Indonesia [1], [2], [3], [4]. The necessity of rubber for industry is natural rubber which its latex contained from the rubber plantations. Rubber commodity have a role in increasing the national economy, as source of foreign exchanged because of export prospect and domestic market [1], as source of rubber farmer's sustenance and decreasing urbanization [2], infiltering new labor market and environment preservation and biological resources [5]. Rubber plantation is straggled in Indonesia include Sumatera (70%) Borneo (24%), Java (4%), and others (2%) [4], [6], [7].

Based on rubber plantation ownership, public plantations has 80% the largest in Indonesia and another 20% is owned by private and National Owned Enterprises [6], [7], [8], [9], [10]. The problem about rubber plantation's production are lower productivity [5], higher old rubber plant area [5], [6], [11], lower rubber processing material's marketing [5], [11], limited capital and product material for rubber farmers [5], lower cultivation in post harvest and bad quality of rubber processing material [6]. Including Mapitupul's opinion [11], the problem is the rubber farmers received the low rubber price because of long cycles, higher margin and lower demanding farmers.

In 1998, the selling price of rubber farmers is started down because of El Nino's drought, and rubber farmers extracted all the time (morning, day, evening) for completing their needed in living and increased rubber production, so the rubber price is slumped down and it harmed the rubber farmers in rural. Studies about rubber farmer's income have shown in some places such as Way Kanan Regency [12], Kampar Regency [13], [14], South Sumatera [9], West Kalimantan [15]. They included that most of rubber farmer in poor level. Syarif's study says lower rubber price has impact for social and economic conditions, the farmer diverted in another occupation and the rubber plantation is changed with other useful productive plantation. Contrast in conditions two decades earlier when the 1997-1998 monetary crisis in which rubber farmers had enjoyed a 10-fold profit because it was triggered by the depreciation of the value of the rupiah against the US Dollar, even though it happened in a short time [2].

Based on Law No. 6 of 2014 Village-Owned Enterprises (BUM Desa) appearance have contribution which its aim to manage village potentials with a community empowerment approach. The success of rural community empowerment in an area which is mostly rubber farmers will impact in increasing income and reducing poverty. The issue of farmer institutions as economic actors in rural areas is pretty much discussed, because many studies have found in various forms of farmer institutional failure that were formed based on top-level policy directives. Concerns were also encountered in the formation of BUMDes, which began in 2015. Plantation commodities are strongly associated with world trade, including trade competition in the ASEAN free market era. It is assumed that with the formation of BUM Desa, the needs of rubber farmers will be increasingly met in the management of the potential of natural rubber commodities, including how to improve the quality of processed rubber materials, including rubber prices and income of rubber farmers by utilizing opportunities to increase world rubber consumption.

This study aims (1) to describe the production, needs and prices of natural rubber in the world trade, describe the quality and selling price problems of natural rubber produced by smallholder plantations; (3) illustrates the problems of trading system and supply chain of rubber trade from farmers to factories; (4) analyze the opportunities and constraints of institutional strengthening and empowerment of rubber farmers through Village Owned Enterprise (BUM Desa).

## **RESEARCH METHOD**

This study uses a qualitative descriptive method in the form of a literature study, which data and information are collected from various print sources, both data in the form of related books and journals that have been published, as well as news that has been published through print and electronic media.

## **DISCUSSION AND ANALYSIS**

### **1. Supply and Demand in the Natural Rubber Traded**

There are six countries producing natural rubber in the world, namely Thailand, Indonesia, Malaysia, India, Vietnam and China [9], where Thailand, China and India are researching the development of rubber in semiarid areas, which have high elevation and are sub-tropical regions [6]. The development of the potential of natural rubber in Thailand and Malaysia has experienced constraints with the decreasing amount of land and difficulty in getting cheap labor [10]. Indonesia has the largest rubber plantation land in the world at 3.5 million ha while Thailand has a garden area of 2.8 million ha. However, the productivity of Indonesian rubber plantations, especially smallholdings, is still low because management has not been carried out optimally [4]. As a comparison of productivity (in kg / ha / year) according to the Balance Sheet [16] Thailand rubber plantations (1,900), Malaysia (1,300), state rubber plantations in Lampung (1,049), private rubber plantations in Lampung (612) and smallholder plantations in Papua (277) and average productivity of smallholder rubber in Indonesia 600-650 Kg / KK / Ha / Year [6].



The low productivity of rubber is caused by the high proportion of the area of old rubber trees, damaged, using seeds not superior clones, poorly maintained garden conditions and resembling a forest [5]. Therefore rejuvenation of rubber plants becomes an urgent need. In addition, smallholder rubber plantations also experience problems with inefficient marketing of rubber processing materials, limited capital to buy superior seeds and other production facilities such as fertilizers, herbicides and the availability of production facilities at the farm level. While Indonesia still has considerable potential land for rubber plantations, especially in Kalimantan and Papua. It is estimated that in 2025, Indonesia can become the world's first rubber producer, if the area of rubber plantations reaches 4.5 million hectares with a production of 3.3 million tons. These hopes can be realized if post-harvest cultivation and processing techniques are improved so that the productivity and quality of rubber processing materials is improved [6].

The increase in the demand and demand for natural rubber in the world is related to the technological innovation progress of the natural rubber industry, namely (1) chemical rubber production which produces lubricating oil resistant rubber; (2) the invention of thermo-plastic rubber derived from a mixture of natural rubber and polypropylene; (3) expanding the use of natural rubber for the manufacture of non-tire goods; (4) the discovery of latex grafting techniques; and Improvement of exploitation techniques such as the use of stimulants and the improvement of bugging devices. This innovation provides an opportunity to increase the selling price of rubber and reduce production costs. There is a tendency for consumers to return to natural rubber [6] in line with rising standards of living and human mobility and the need for goods that require components made of rubber such as vehicle tires, conveyor belts, transmission belts, shoes and rubber sandals. Consumer countries have a strong interest in the continuity of supply of natural rubber as raw material for strategic industries, such as the automotive tire industry, the military equipment industry, the medical facility industry (gloves, condoms, cateters) and others [2]. About half of the natural rubber absorbed domestically is used by tire manufacturers, followed by rubber gloves, rubber yarn, footwear, retread tires, medical gloves, and other tools [10].

The 2004 IRSG study projected that in 2035 the demand for natural and synthetic rubber was 31.3 million tons for the tire and non-tire industries, of which 15 million were natural rubber. While natural rubber production in 2005 amounted to 8.5 million tons, which is projected that Indonesia's production grew 3%, Malaysia 2% and Thailand 1%. The growth rate of natural rubber in the world is 0.07% while the demand for natural rubber from producing countries is 0.66%. This shows that demand is greater than production [2]. Increased demand for natural rubber is in line with world economic growth and increasingly expensive synthetic rubber raw materials and increased awareness of environmental sustainability [3].

Consumption of natural rubber has increased from year to year, but it is the best compared to synthetic rubber which has decreased with rising production costs of synthetic rubber due to world oil prices that continue to creep up [10]. It turns out that the tire industry does not always favor synthetic rubber, because some of the properties of natural rubber are not owned by synthetic rubber. The latest development, more and more radial tire industry must use natural rubber as raw material [6]. This development certainly has a positive influence on Indonesia as one of the largest exporters of natural rubber in the world. High demand for processed natural rubber can encourage increased rubber cultivation and rubber processing in Indonesia.

## 2. The Quality and Selling Price of Smallholder Rubber Estates

Processed rubber products (Ribbed Smoked Sheet or RSS) is one of the processed natural rubber products in the form of sheets which are popularly used as raw materials for various rubber industry products. However, the development of the downstream rubber industry is still not much done. Thus, Indonesia is still dependent on several imported processed rubber products due to the lack of domestic downstream processing facilities and the underdeveloped manufacturing industry. Rubber processed material is latex that can be sold / traded in the form of fresh latex, slab / coagulation or smoke sit / sit angina. The product is the raw material for crumb rubber factory [10]. In general, RSS quality must meet the requirements of the rubber must be completely dry, clean, strong, evenly colored, not found

stains on the sheet. There are several classes of rubber quality RSS starting from the best, namely XRSS, RSS1, RSS2, RSS3, RSS4 and RSS5. Strict supervision must be carried out so that RSS is in accordance with The Green Book and SNI [3]. However, a study conducted by Marsantia found several problems in processing RSS products namely RSS products that have low quality such as the number of molds on the product, there are gas / air bubbles, the product is too soft, the rubber is less ripe, the color of rubber opaque, and scorched rubber. Some factors that influence the quality of RSS are: (1) The possibility of raw materials are still dirty, (2) the use of improper cutting materials, (3) technology of machinery and equipment that is old and damaged, the production process is not right and human resources who lack knowledge [3]. One of the equipment used to process latex is a grinding machine. Grinding machines must be located in rubber processing factories, especially those producing rubber sheet and crepe [8]. Efforts to improve the quality and competitiveness of rubber require new innovations from the results of the rubber industry by developing added value that can be obtained through the development of downstream industries [10]. For certain scale, this semi-finished rubber mill can be owned by farmers individually or in groups.

Remember the price of rubber farmers is indirectly influenced by the price of natural rubber in domestic and foreign markets. Several factors affect the price of natural rubber in foreign markets, namely demand and supply (exports and reserves), the international political and economic situation, exchange rate trends, synthetic rubber prices and global economic growth [6]. For example, the demand for China's natural rubber imports from the ASEAN region is influenced by several factors namely the price of natural rubber, the price of synthetic rubber, per capita income of Chinese residents, currency exchange rates, and the application of a free market between ASEAN and China [2]. Economically, there is a dilemma in the process of creating mutually beneficial prices between producer and consumer countries, because producing countries want high prices, on the other hand consumer countries want low prices [2]. At present there are four largest rubber importing countries (ITC 2013), namely: China, USA, Malaysia and Japan. China became the largest importer in line with its free trade policy and worsening trade relations with the US, and the rate of growth of China's rubber consumption continued to increase while the US, Japan and Malaysia declined as a result of the 2008 global economic crisis. The high demand for natural rubber by China was caused by the growth of its industry high (10% per year) and fast-growing industries, namely automotive and shipping that require large amounts of natural rubber as raw material [2]. The price of natural rubber in the world is projected to rise by an average of 2.6% until 2020, which is triggered by an increase in population income in China and India [1].

The study of Syaffendi et al. [2] found that the inequity of the price of Indonesian natural rubber to the demand of China as a major exporter was caused by the still poor quality of Indonesia's natural rubber compared to competitors so that it could not compete in the Chinese market. The range of Indonesia's natural rubber production is also still of a limited type when compared to Thailand and Malaysia. In general, it is still limited to the production of raw natural rubber (raw material) and semi-finished products [2]. Indonesian natural rubber is a commodity of Thailand's natural rubber substitution and Malaysia's natural rubber complementary commodity.

While synthetic rubber as a product of industry results is relatively more stable when compared to the price of natural rubber. Besides synthetic rubber which is generally produced by industrial countries, prices tend to rise in line with the price of raw materials. This is very different from the price of natural rubber which is fluid and is influenced by natural conditions [6]. Since mid-2002 the price of rubber reached a price of US \$ 1.10 / Kg and in 2006 it had reached US \$ 2.20 / Kg for the price of SIR 20 at SICOM Singapore. It is estimated that prices will be stable in the long term until 2020 with prices of around US \$ 2.00 kg [6].

The asymmetric information and price of smallholder rubber can be seen through the Index of Marketing Connection (IMC) analysis which shows the high or low cohesiveness between the two markets, where getting closer to zero indicates a long-term market cohesiveness. The study of Siregar et al. [5] in Mandahiling Natal Regency found that for the price of rubber cup lumps at the farm level and at the factory level 3.83 [5]. This means that there is no integration between the two levels of market prices. This is thought to have occurred because of an asymmetric information gap at the farm

level, which generally receives price information only from traders. Collector traders under the pretext of low quality rubber lump cup farmers can reduce the purchase price from farmers. As a result, farmers become the losers [5]. Therefore, it is important to study how the trade system and supply chain of smallholder rubber trading.

### 3. Trading system and supply chain of smallholder rubber trading

In Indonesia, regulations regarding the main economic policy of rubber have been established, namely how to improve the efficiency of the processing and marketing value chains in accordance with the provisions of Law No. 18/2008 on Plantations and Regulation of the Minister of Trade No. 53/2009 concerning Supervision of the Quality of Exported Commodities of Indonesian Rubber Commodities [4]. The trade system and supply chain of the rubber trade affect the price received by farmers. Prices received by rubber farmers in Indonesia are lower compared to other producing countries due to the supply chain marketing system which is not yet efficient. The supply chain is the whole process, from the production of raw materials to the end of life. The parties involved in the supply chain are not only producers and suppliers, but also actors in transportation and warehousing, retailers, and even end consumers [11].

There are several studies that have tried to identify marketing patterns and smallholder rubber supply chains in Indonesia, namely in Jambi [17], Mandailing Natal [5], Papua [16], Tebo [11] and Rokan Hulu [9]. This study found many variations of marketing patterns (supply chains) from rubber farmers to factories that affected the price level and the share of income earned by farmers. The shorter the overseas supply, the greater the distribution of income from the selling price of rubber to farmers. The higher level of dependence of farmers on collectors or large traders, the smaller the income distribution for rubber farmers.

However, marketing channels are not the sole cause. There are several other factors such as distance from farmers to factories, transportation systems, credit facilities, and interpersonal relations between actors in the supply chain. One of the factors causing the low income of farmers is the low value added at the farm level. Good supply chain management has an important role to bring added value at every stage of the supply chain. The structure of the rubber market that has been occurring so far has tended to be monopolistic due to indications of cartels by processing factories. In an effort to increase the share of prices received by farmers, supply chain efficiency efforts need to be done so as to create a more equitable distribution of margins for all supply chain actors. In general, the supply chain relationship structure consists of rubber factories (PK), large traders (PB), district-level collector traders (PPK), village-level collector traders (PPD), and rubber farmers (PKR) [11].

### 4. Opportunities and constraints on institutional strengthening and empowerment of rubber farmers through village-owned enterprises

According to Adnyana [6] it is necessary to formulate a permanent rubber farmer institutional model, the existence of institutional rubber farmers is very strategic both as a marketing and financing organization. Institutions of rubber farmers have generally been formed in the form of farmer groups, but have not functioned as expected due to various limitations including the development of staff, the budget for coaching and farmers coaching facilities. Even so, the existence of farmer groups has greatly helped farmers to overcome various joint problems such as repairing the production roads in mutual cooperation and getting fertilizer together. The farmer groups that have been formed can be used as a forerunner to grow a more productive and efficient farmer economic institution for rubber farmers in rural areas.

In several regions in Indonesia in accordance with Minister of Agriculture Regulation No. 38 of 2008, has tried to establish the Bokar Processing and Marketing Unit in brief with the UPPB. In Tebo Regency, UPPB is a combination of several farmer groups led by group leaders, carrying out activities that can benefit farmer groups, including partnerships with rubber factories, as well as a forum for farmers' associations in obtaining information about rubber cultivation and marketing [11].

In Rokan Hulu, to develop a rubber farming business, rubber farmers are grouped into a non-formal organization, which is a group of farmers with a minimum membership of 25 farmers. Furthermore, to increase the scale of the business economy in the processing and marketing of bokar, a UPPB was formed.

Besides UPPB, in the Rokan Hulu Regency, the Leleng Market System is also known. Farmers who are members of the rubber farmer group form a rubber auction market to market their rubber. Unlike the first rubber marketing channel, this second channel provides better price benefits for farmers. In the rubber auction system, the tauke determine the auction price in a closed way by writing on paper that has been provided by the auction market management. Tauke with the highest price has the right to buy rubber farmers in one auction point [9].

The Auction Market concept is considered to be a rubber marketing institution that has a strategic role to increase the selling value of farmers' rubber. The existence of the auction market originating from local community initiatives is a form of local economic institution that continues to be developed by farmers in several areas of Rokan Hulu. Membership of the auction market also does not restrict farmers from coming from one administrative area of a stretch of land, but also accommodating farmers from other regions adjacent to the auction market. Management of the auction market is also determined by farmers from other regions adjacent to the auction market. The auction market management in the auction period is also determined by the farmers who are members of the auction market for a term of one year and can then be re-elected taking into account the performance achievements of the current year.

The auction market has the following characteristics: 1) facilitating the marketing of farmers' rubber collectively, but not buying the rubber; 2) after the rubber auctioned the tauke, the auction market management distributed the money from the sale of the rubber to farmers in accordance with the rubber being sold. The functions of the auction market are the exchange function, the physical function, and the facilitating function. Rubber price determination with auction mechanism is able to bridge the conflict between producers (rubber farmers) and consumers (tauke). When farmers feel more profit gained by selling their rubber through the auction market, farmers will continue to market it.

Besides there is an opportunity to strengthen the institutional rubber farmers through the formation of UPPB and Auction Markets in a number of smallholder rubber producing regions in Indonesia, also experiencing obstacles from the socio-cultural aspect, namely the existence of a patron-client relationship between rubber farmers with traders and traders or large traders. Many rubber farmers which does not directly sell ojol to end consumers, consideration of distribution costs is a major factor for farmers not to distribute it themselves. Farmers find it easier to sell their rubber products without the distribution and transportation costs, so farmers feel safe with the presence of these traders (patrons), but unstable rubber prices are a problem for farmers to get optimum income. Patron-client relations are created because there are gaps in accessing markets, capital, and obtaining subsistence security guarantees. Tauke who have sufficient resources and access to good facilities, can help farmers who need help from him. The resources owned by the tauke are able to bind farmers to continue selling rubber products to the tauke. Tauke not only helps farmers, but tauke can also benefit from these results [18].

Some limitations of rubber farmers are that they must sell to tauke, including farmers not having access in the form of vehicles and licenses to sell ojol and ojol capacity sufficient to be sold to factories, factories also do not serve sales in small amounts. Another cause is the weather, if the climate and the weather is good or not raining then farmers can work to harden rubber which produces enough ojol to meet their needs, but if the weather is not good, farmers need to seek help for fulfillment through loans to tauke who have more money than the farmer. In borrowing capital both for farming or meeting the needs of farmers' lives, farmers look for loans to tauke to sell ojol, such as to meet the costs of school children and daily living needs. The forms of patron-client relationships with rubber farmers according to [18] consist of reciprocity, loyalty, and personnel relations.

From the explanation previously explained, it can be seen that the presence of BUMDes has the opportunity to become one of the platforms for developing semi-processed rubber processing business units in rural areas, because the perspective of natural rubber prices in the world rubber trade is quite promising, especially because BUMDes has the resources to establish a semi-finished rubber processing factory. BUMDes ideally formed based on the potential and needs of rural communities, such as villages that have large community rubber plantations, BUMDes can assist farmers in processing rubber to be more valuable and sell at higher prices. BUMDes initiative, in establishing a semi-finished rubber factory can be funded from the Village Fund or Village Fund Allocation (ADD) as a form of capital participation. Business capital can also be funded through joint ventures from the entire community, such as the Village Unit Cooperative organization that had existed. The establishment of a semi-finished rubber processing factory is also beneficial for rubber farming families who do not have jobs. BUMDes as an official institution of the Village Government can also increase the capacity of rubber farmers through counseling activities and information sharing, cooperation with OPD, Universities and Research Institutions to increase the capacity of rubber farmers in conducting rubber cultivation and processing semi-finished rubber.

## CONCLUSION

Based on the discussion and analysis, it can be concluded that the rubber production prospect in Indonesia is still potential and has the opportunity to become a major producer of global rubber overtaking Thailand and Malaysia, but there are problems in land productivity associated with smallholder cultivation techniques. The need for natural rubber continues to increase in line with population growth and economic development, but the elasticity of the price of natural rubber in world trade is influenced by many factors, including the problem of the quality of processed rubber material from smallholder plantations. The marketing and overseas channels of rubber trade supply from farmers are quite diverse, and this greatly influences the distribution of income to farmers. The existence of cultivation problems, the low quality of processed rubber materials and inefficient marketing channels and supply chains provide economic opportunities to make BUMDes an alternative economic institution for rubber farmers, by adopting the role of UPBB and the Rubber Auction Market which has proven to be beneficial to farmers. Empowerment of rubber farmers is also very possible by BUMDes. One of the challenges to be faced is the BUMDes is a socio-cultural condition that is a patron relationship between rubber farmers and collectors who have been established for a long time.

Based on the results of this literature study it can be suggested the need for a feasibility study of a semi-processed rubber processing business in villages that have potential rubber plantation plantations, including how to build cooperation between villages and involve collecting traders as shareholders of BUMDes with the village government.

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# THE IMPACT OF FINANCIAL TECHNOLOGY (FINTECH) ON ACCOUNTING EDUCATION AND PRACTICIONER IN WEST SUMATERA

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## Abstract

This study is focused on examining the development of FINTECH in Indonesia, especially in West Sumatra. In particular, this study wants to observe the impacts, opportunities and challenges presented by FINTECH on the field of accounting education and professional accounting profession in West Sumatra. Through literature studies and in-depth interviews with three group of stakeholders (Academician, Professional Accountant, Regulator) in the accounting sector in West Sumatra and applying triangulation analysis, this study found that management in accounting education institutions, practitioners and regulators viewed the development of FINTECH very positively which was not seen as just a challenge but also a good opportunity for accountants and prospective accountants to be able to increase their readiness and capacity to face the era of digital technology. For this reason, the response they have prepared is the preparation of regulations related to the activities of accountants in various fields that relate with the digital world, curriculum development, update and improvement teaching material related to digital technology along with supporting activities such as company visit, workshops and trainings both for the student and the lecturers.

**Keywords:** Accounting Education; Accountant and Financial Technology, Financial Technology.

## INTRODUCTION

Within the last two decades, we have witnessed the rapid development of the internet, social media and mobile devices. These developments have presented digital disruption which has had a wide-ranging impact and have transformed many companies and industries. In the financial industry specifically, new and more innovative market players are increasingly exploring opportunities from financial sector's inaction in responding to digital developments. They provide a variety of sophisticated software solutions that challenge the survival of conventional banks businesses and other financial institutions. Various Fintech startups have sprung up and provided extensive financial service systems and processes, from loan and payment providers to asset management and foreign exchange. Digital disruption presented by new and innovative market participants in the financial sector is often known as fintech (financial technology).

In various countries in the world including the ASEAN region, fintech is developing rapidly and widely which covers various forms and sub-sectors. Likewise, this rapid development also occurs in Indonesia as part of ASEAN member countries where fintech in this country had already begun its digitization process and had already been present in other ASEAN countries. This process has occurred in the field of online transportation services with the presence of GO-JEK, Grab, and Uber. Fintech transactions in Indonesia are estimated to reach US\$ 18.65 billion (Rp 251.78 trillion), up 24.17 percent from 2016 which amounted to US\$ 15.02 billion (Rp 202.77 trillion) [1]. Meanwhile, according to data from the Indonesian Fintech Association (Aftech), as of December 2017, there have been around 235 active fintech companies of which 39 percent are engaged in the payment system sub-sector [2]. These companies can be grouped into four business fields which are Market Provisioning, Deposits, Lending, and Capital Raising, Investment and Risk Management, as well as Payment, Clearing, and Settlement [3].



The rapid and extensive development of fintech has not only influenced how financial services are provided to and experienced by consumers but also has an impact on providers of professional accountant service and regulations related to the accounting system. The increasing role played by fintech companies now presents challenges and opportunities for public accounting firms and the professional accountant profession themselves. At present, many bookkeeping processes have been done automatically with cloud-based accounting that continues to grow such as Xero which is based in New Zealand. In Indonesia, the Journal has been able to provide cloud-based accounting software that can help Micro, Small, and Medium Enterprises (MSME) in invoicing bills, managing assets, inventory and warehousing with automatic, simple and easy processes.

The rise of development of fintech increasingly emphasizes the importance of the availability of forward-thinking professional accountants, have a solid digital understanding, and can provide direction on how the company should face the challenges and opportunities presented by the development of fintech in the future. Although the presence of fintech will reduce the working time of many existing financial jobs, at the same time, the nature of the adaptation of this rapid technological revolution will also require transformations in adjusting tax compliance, auditing processes and accounting reporting. For this reason, professional accountants must be able to understand and be able to adapt to this development of fintech. All professional accountants and other professions in the financial sector are required to be able to engage in this process of digitization shift and be able to continuously provide analysis that can help companies understand the value created by these changes.

Based on the context above, it is important to study the development of fintech and its impact on accounting education and practitioners of the accounting profession. However, studies on this issue in Indonesia are still very limited and most discussions about fintech are often only through short articles with limited data. For this reason, this study will try to conduct a more serious and in-depth assessment of the development of fintech and its impact on the field of education and accounting practitioners in West Sumatra through theoretical research and empirical studies.

West Sumatra is chosen as a place of study based on the consideration that this province has great potential for the development of the digital economy or financial technology (fintech). Deputy Commissioner of the Financial Services Authority (OJK) Institute, Sukarela Batunanggar, at the "OJK Teaching" event at Andalas University said that there are still rural communities that have not been accessed by banking facilities and the number of entrepreneurs of Micro and Small and Medium Enterprises (MSME) in West Sumatra has great potential for fintech to develop. It is noted that around 80 percent of MSMEs are still considered not eligible for funding from banks [4].

This study focuses on examining the development of fintech in Indonesia, particularly in West Sumatra. Specifically, this study wants to examine the impact, opportunities, and challenges presented by fintech on the field of accounting education and the professional accountant profession in West Sumatra.

The following are some of the issues discussed in this study:

1. How well the development of fintech is known and introduced to stakeholders in the field of Education and accounting practitioners in West Sumatra? And what is their view of said development?
2. What is the impact of the increased development of fintech in the field of education and accounting practitioners in West Sumatra, including regulations related to the accounting system and accounting teaching curriculum, public accounting, business, and all accounting aspects of professional accountants services?
3. How prepared and responsive educators and business people are, especially professional accountants, in facing the ever-increasing development of fintech?

This study is expected to provide a comprehensive illustration in the condition of the development of fintech in Indonesia, especially West Sumatra, and to show the readiness of the accounting sector in responding to the impact of fintech. In details, here are some of the objectives to be achieved from this study:

1. To identify the opportunities and problems that fintech poses for the accounting sector, including their impact on accounting education, providers of public accountant service, and professional accountants.
2. To formulate useful recommendations and policy suggestions to improve the quality of professional accounting services in dealing with the development of fintech.
3. To contribute to the development of knowledge and literature related to fintech and its impact on the accounting sector in Indonesia, particularly in West Sumatra.

## **LITERATURE REVIEW**

### **1. Financial Technology (Fintech): Definition and Characteristics**

There are many definitions of fintech have been formulated by various experts and institutions. In the Deutsch Bank research report, Daff et al [5] for example, explain fintech as a term that is often used to describe digitization that occurs in the financial sector. They explained this term generally refers to new and very innovative companies engaged in information technology (IT) which aim to change the traditional financial sector as we know today. Dinardo [6] in his thesis emphasizes accordingly that fintech comes from two words: finance and technology, and refers to all companies that apply technological innovations to the financial services industry. In cases of financial services, fintech is in the alternative financial sector that brings the most important and new innovation by utilizing an online market that works by meeting the needs of borrowers with offers from investors and fund owners. Alternative financial services meant here consist of Crowd funding, Online Invoice Trading, Merchant Finance, Payments, and Trade Finance. Although they differ in the form of business models they have, the various forms of fintech share the same features which are: web-based and not the bank. They offer products and services similar to a bank but use the influence or strength of the experience of its consumers.

It can be concluded that financial technology (fintech) is the use of technological innovation in the financial sector by using the online marketplace as a place to offer solutions to various financial problems experienced by digital consumers.

### **2. The Impact of Financial Technology on Accounting**

Fintech and accounting have a very close relationship even though they look like two very different industries. Frey and Osborne [7], for example, explain that the rapid progress of artificial intelligence and machine learning by increasing their ability to analyze big data has increased the threat to various fields of work that can be computerized in the future, including the accounting profession. They estimate that based on the characteristics of their duties and works, there is a very large chance (around 94%) of accounting and auditing work that will eventually be automated. The application of big data analysis techniques will potentially replace much of the work traditionally done by accountants and auditors.

Opposing views on the impact arising from the development of fintech were argued by several other experts. A review of related literature by Mokyr et al [8], for example, find that although many accounting tasks and jobs might be automated, it seemed almost impossible that all accounting jobs and professions would be under threat due to the development of this technology. As explained by Autor [9], [10], many professions consist of a variety of collective tasks and jobs will not be easily automated and the accounting profession/job is one of them. Meanwhile, referring to findings from Spitz-oener [11] about computerization in the past and the study of Richins et al. [12], argue that the development of big data analysis will not replace the work of accountants and auditors, but will change the structure of tasks and jobs in the accounting profession. This will provide an opportunity for accountants to improve the skills they already have by learning and acquiring new and related skills to the development of these technologies.

Accountingdaily [13] further suggests that accountants actually have many open opportunities and will benefit greatly from the emergence of this fintech. With financial services being centralized and

increasingly embedded in accounting software, it will make financial services more centralized in the domain of accountants and accounting software solutions in the cloud. As a result, this will make a competitive advantage for accountants.

## **RESEARCH METHOD**

To achieve the objectives of this study, the author conducts the qualitative study specifically through two methods which are: literature studies and in-depth interviews. Literature studies are carried out through researches and analysis of the literature related to fintech and its impact on the accounting sector. Literature studies are conducted by gathering several previous similar studies which include: research reports, journal articles and books, and news in newspapers, both on-line and off-line for library studies. These literature studies are used as a basis for supporting and compiling research terms of reference and questions that will be asked in in-depth interviews and supporting the discussion of the initial problem of this study.

In-depth interviews, meanwhile, were conducted by limiting activities to stakeholders in the accounting sector in West Sumatra. These in-depth interviews aim to explore arguments and opinions about fintech from 3 (three) sides involved in accounting sector of West Sumatra, such as Professional accountants, accounting academics, and the regulator of the policy and accounting standards, namely the chairman of the Indonesian Accounting Association in West Sumatra region.

Determining and selecting respondents are done by purposive sampling method because of the nature of the research that leads to the exploration of understanding and opinions on this research topic from the three groups of respondents. Consideration regarding the alignment of abilities and knowledge possessed by respondents in providing opinions related to fintech and its impact on the accounting sector is the main concern.

### **Data Analysis Techniques**

Data and information obtained from both processing qualitative data collection above are then analyzed by applying the triangulation method so that this research is expected to meet the validity, objectivity, and credibility of the qualitative study. In this context, data and information from interviews and literature studies will be analyzed to see differences, similarities, and patterns or trends that can be used as a basis for proof of statements and conclusions from the findings obtained from this study.

## **RESULT AND DISCUSSION**

### **a. Respondent Profiles**

This study conducts direct interviews with three groups of respondents which are: academicians, practitioners (professionals), and accountant regulators. For accounting academicians, respondents are from 3 state universities in Padang namely: Padang State Polytechnic (PNP), Padang State University (UNP) and the Department of Accounting of Andalas University (UNAND). Meanwhile, respondents from professional accountants consist of tax consultants, the Financial Services Authority and senior staff from public accounting firms. And to give an overall comprehension, this study also involves a group of accountant regulators from the Chairman of the Indonesian Accountants Association of the West Sumatra Region.

In general, based on their educational background, all respondents share the same education which is accounting major. Meanwhile, from the educational background, gender, and the origin of the institution there are slight differences between respondents. The educational background of the respondents varied from S1 (33%), S2 (33%) and S3 (34%), while the gender composition is dominated by men (67%) and women (33%).

**Table 1. General Profile about Respondents who have Participated in this Study**

Group of Respondent	Educational Background	Latest Degree	Gender	Institution
Akademisi 1	Accounting	S3	Female	Politeknik Negeri Padang
Akademisi 2	Accounting	S3	Male	Politeknik Negeri Padang
Akademisi 3	Accounting	S2	Male	Universitas Negeri Padang
Akademisi 4	Accounting	S2	Female	Universitas Negeri Padang
Akademisi 5	Accounting	S3	Male	Universitas Andalas
Akademisi 6	Accounting	S2	Male	Universitas Negeri Padang
Profesional 1	Accounting	S2	Male	Tax Consultan
Profesional 2	Accounting	S1	Male	Otoritas Jasa Keuangan
Profesional 3	Accounting	S1	Female	Otoritas Jasa Keuangan
Profesional 4	Accounting	S1	Female	Otoritas Jasa Keuangan
Profesional 5	Accounting	S1	Male	Public Accounting Firm
IAI Leader	Accounting	S3	Male	IAI (accountants regulator)

Total: 12 Respondent

#### **b. The Impact of the Fintech Development on Education and Accounting Practitioners in West Sumatra**

Educational institutions have very well realized the importance of technology involved in every aspect of the business. This mainly caused by the changes in the business which also accompanied by changes in lifestyle and ways of carrying out various activities in daily life. Almost all academic respondents interviewed in this study realize that the knowledge previously gained in the fields of accounting and finance has to adapt to this changing business process.

At State University A, for example, it is admitted that curriculum changes are still in the discussion stage and the possibility of updating teaching material becomes a top priority. But interestingly, many lecturers voluntarily provide updates on teaching material through examples and explanations as well as independent assignments done by their students. For instance, there are students in cost accounting courses trying to make cost calculations with a case at GOJEK Company in Padang.

A similar case has also occurred at State University B. The use of technology-based teaching tools and learning methods that focus on students (Student-Centered Learning) provide flexibility to the teaching staff to start the initiative introducing the phenomenon of digital business development. This phenomenon is in sections that are following the content of the course and under the weekly topic.

At State University C, respondent explains that the technological development, including fintech, is introduced in several subjects by explaining how this phenomenon would bring changes in many ways especially in business processes. According to them as accountants, these changes in business processes will also bring the necessity to adjust the accounting recording and reporting process following the business processes carried out by the company. Thus, the results of their work can be used for the progression of their workplace.

The academic respondents from these three educational institutions, furthermore, agree on the obstacles they have to go through if they want to make adjustments to the teaching curriculum. According to them, it must be following the mechanism at the university and national standards set by the government. Although these rules support the improvement of the curriculum following technological advancement, the bureaucracy and mechanism that must be passed cannot be done in a short time. Besides, the accuracy of learning outcomes that must be achieved with a new understanding of digital business still needs to be discussed with all academicians involved in their respective institutions. However, all agree that these adjustments must be made immediately in their respective institutions so that their graduates can continue to compete in employment once they graduate.

From the perspective of accounting practitioners and professionals, the respondents acknowledge the magnitude of the need to adjust their knowledge in the current work. This is related to changes in business processes and technological advancement which they believe the knowledge gained by prospective accountants must be balanced between knowledge related to business and finance with knowledge in technology. For instance, the adjustment of knowledge from the tax side that must be done can be seen from the changes in the tax reporting by having the processes online. This could be an opportunity as well as an obstacle for accounting professionals in this field if they do not want to learn new things. Opportunities will arise if they can provide services provided in the field of taxation without rigid requirements such as having an online (virtual) tax consultant in cyberspace. Even accounting students who already have qualified tax knowledge and have a certificate of expertise comprehensively can open up opportunities to become a freelance consultant on the online tax consulting website by providing basic taxation services that accommodate their expertise.

Respondents from the regulator side (IAI), likewise, add that accountants should have strengthened their abilities in the analysis field and not in the technical field. That analytical intelligence will not be able to be replaced by a machine or computer in the future. This suggestion is believed can face the biggest challenges in the accounting profession, namely the loss of accounting technical work and the increase of more abstracted accounting data processing. To support this, curriculum adjustment that focuses on the mastery of technology related to business and financial processes, which is unavoidable, as one of the ways that can be used in developing student's abilities to enable them to meet the needs of the accounting profession in the future. Thus, the curriculum should be directed more towards the phenomena of digital business, finance, and economy.

Based on the profession related to accounting, therefore, all respondents support the adaptation of knowledge taught in educational institutions in a form that suits the goals, vision, and mission of the educational institution to provide graduates who can compete in the world of employment today and in the future.

### **c. The Response and Readiness of Educators and Professional Accountant Service Providers in Facing the Development of Fintech in West Sumatra**

The development of digital technology in general and fintech, in particular, are responded very positively by academicians and practitioners. For academic respondents who have been interviewed, even though they come from different educational institutions, they have shared vision and mission that are in line in preparing and equipping prospective accountants to be able to compete globally in the latest conditions when they graduate from college. All agree to make varied adjustments both in terms of curriculum and the possibility of developing new courses in line with the phenomenon of fintech and digitization.

Other additional response and readiness that they think must be prepared is to insert activities that are useful to recognize forms of business that are run digitally and most of the activities are done virtually. These activities can be done in the form of a company visit to a digital enterprise that has a physical office and is willing to accept visitation or in the form of creating a digital business laboratory. It is also important to prepare teaching staff in each institution to upgrade their knowledge to suit current teaching needs through workshops and training.

The academic respondents also emphasize that to be able to deliver maximum results, incorporating elements of fintech and digital business are not only in teaching activities but also in research and community service activities. Eventually, all activities that are incorporated into the Three Pillars of Higher Education can benefit each other for the progress of their educational institutions.

In line with academic respondents, professionals and leader of the IAI also support the response by their willingness to contribute as accounting alumni from their home educational institutions. The contribution can be through alumni sharing sessions, participation as alumni in the Forum Group Discussion (FGD) to provide views and input for their home institutions in various topics, and participation in various other forms, one of which can be through the accountant management organization namely the Indonesian Institute of Accountants (IAI) in various regions. Central and regional IAI themselves always try to provide seminars, workshops, and training that are useful for updating the knowledge of accountants to keep them in tune with the latest phenomena.

## CONCLUSION

The findings in this study show several important points related to the impact of the development of fintech on accounting education and practice in Indonesia, particularly in West Sumatra. First, in line with the fintech phenomenon at the national level, financial technology in West Sumatra, especially in big cities such as Padang and Bukittinggi, has also developed quite rapidly in the last two years. This is largely dominated by the rapid development of the digital payment sub-sector supported by the starting operation of GOJEK and Grab digital transportation companies to the city of Padang. The interviewed respondents believe that in the future this type of digital payment fintech will be increasingly widespread and increased in terms of the number of users and the number of transactions, supported by the ease and flexibility offered by the application.

Second, respondents support the adjustment of knowledge taught in educational institutions in a form that suits the goals, vision, and mission of the educational institution. This adjustment is necessary to provide graduates who can compete in the world of employment and can adapt to rapid technological developments.

Third, the flexibility of adjusting the teaching curriculum to accommodate the development of fintech is still constrained by the necessity of teaching material rules that are under the mechanism at the university and national standards set by the government. The bureaucracy and mechanisms that must be passed make this curriculum adjustment impossible to be done in a short time. Also, the accuracy of learning outcomes that must be achieved with a new understanding of digital business still needs to be discussed with relevant academicians at their respective institutions.

Fourth, there is a need for varied adjustments, both in terms of curriculum or the possibility of developing new courses in line with the phenomenon of fintech and digitization. This can be done by inserting activities that are useful to recognize forms of business that are run digitally and most of the activities that are done virtually. Additionally, the necessity to prepare teaching staff in each institution to upgrade their knowledge to suit current teaching is required through workshops and training. To get maximum results, incorporating elements of fintech and digital business are not only done in teaching and learning activities but also research and community service activities.

Suggestion

From the initial findings above, several suggestions can be submitted by this study. Here are suggestions that the author can convey:

1. The need to have a lecturer forum at the university level or between universities to discuss curriculum improvements that can accommodate the development of fintech in Indonesia.
2. The need to intensify conducting seminars, workshops, and training that discuss the development of fintech in Indonesia and particularly in West Sumatra.
3. The need for dialogue between stakeholders in the field of fintech and accounting (academics, practitioners, and regulators) related to synergizing both fields in improving the national curriculum.

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# THE CONCEPT OF SHARIA INSURANCE ARRANGEMENT IN ASEAN COUNTRIES (COMPARISON OF MALAYSIAN AND INDONESIAN ARRANGEMENT CONCEPTS)

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## Abstract

Insurance basically consists of conventional insurance and Sharia insurance. The implementation of sharia insurance as one of the principles please help among fellow Muslims, in order to avoid everything that is forbidden in Islam, Sharia insurance eliminates uncertainty (gharar), Elements of Gambling (maisir) and elements of interest (RIBA) in business activities, so that the insured feel free from the practice of the wrongdoing. This sharia insurance uses principles of Islamic law that distinguishes it from conventional insurance. Sharia insurance concept based on Qur "an Surat Almaidah verse 2, then is concreted with the discharge of the Fatwa MUI No 21/DSN MUI/X/2001. With the release of law no 40 year 2014 on the new insurance is recognized as the existence of Sharia insurances. However, the Sharia insurance arrangement is incorporated into conventional insurance. 2. Sharia insurance (takaful) is the main choice of Malaysian society that emerged in Malaysia year 1984. Malaysia's regulatory and supervision framework related to sharia insurance is governed by the Islamic Financial Services Act 2013 (IFSA) effective June 30, 2013. Before IFSA, the basis of Sharia insurance law in Malaysia was Takaful Act 1984.

**Keywords:** Insurance, Sharia Insurance.

## INTRODUCTION

In carrying out daily life, you will certainly be faced with risk. Risk contains elements of loss and uncertainty. This is the importance of insurance institutions as risk transfer institutions. Therefore, the effort to deal with uncertainty is a character of the risk.

The existence of Sharia insurance business is not separated from the existence of conventional insurance business that has been there for a long time. Before it is materialized Sharia insurance business already has a wide range of conventional insurer that causes harm to humans. Human nature naturally avoids or diverts uncertain risks when they occur. Human efforts to transfer risk to other parties in the insurance agreement give birth to various programs that have no definite regulation on which to base the implementation of various insurance programs. Insurance grows because more and more various risks [1].

companies that have long developed. On the basis of the beliefs of the world Muslims and the benefits gained through the concept of Sharia insurance, there are various insurers who run an insurance business based on sharia principles. The company is not only owned by Muslims, but also various companies owned by non-Muslims. In addition, there is also a parent company with the conventional concept of providing Sharia insurance services by opening a branch office or a Sharia business unit (UUS) [2].

Sharia insurance is available in more than 200 countries worldwide. Although using the applicable legal system in general, but the law or regulation has been applied to arrange activities from the Sharia insurance industry. Malaysia, Pakistan, and Nigeria are not only countries that have introduced and maintained Takaful services but have similarities to become commonwealth countries. The three



countries have a large Muslim population with the potential to grow a sizable sharia insurance industry. Among Nigeria, Malaysia, and Pakistan a much better framework among the three countries is Malaysia. This has been supported by a number of extensive research studies on the state of the Sharia insurance industry in Malaysia that recognizes the developments and improvements that have occurred in the Sharia insurance industry of Malaysia, Due to the growth of Sharia insurance business so rapidly in Malaysia then in this article is limited the concept of Sharia insurance arrangement in Malaysia as one of ASEAN countries as a comparison.

## **RESEARCH METHOD**

The research approaches to be conducted is to use normative juridical approaches or doctrinal law research, also called Library Research or document studies. It is called doctrinal law research, as this research is conducted or aimed only at the written rules or other legal materials. Said to be a library research or document study because this research is more done to the data that is secondary in the library [3].

## **RESULT AND DISCUSSION**

### **1. Sharia insurance arrangement concept in Indonesia**

The number of insurance companies and reinsurance companies with sharia principles as of 31 December 2014 are 49 companies consisting of 5 Sharia insurance companies (purely Sharia), 41 insurance companies that have sharia units and 3 reinsurance companies with Sharia units [4]. The market share of Sharia insurance industry in the year 2015 experienced growth [5]. The concept of Sharia insurance is based on the Qur'an letter Al-ma'idah verse 2 which means: "Please help one to another in doing the virtue and the Takwa, and do not please help in committing sin and transgression" [6]. Based on the concept, the National Sharia Council of the Indonesian Ulama Council (MUI) provides the understanding of Sharia Insurance Article 1 paragraph 1 of the National Shariah Board of MUI No 21/DSN-MUI/X/2001, stipulates that: Sharia insurance is a business mutually Protect and please help among a number of people/Parties through investments in the form of assets and/or Tabarru ' which provides a pattern of return to face certain risks through an agreement) [7].

The concept of Takafuli (each other or protecting one another in righteousness as in the Qur'an in Surah Al-Ma'idah verse 2. In the Hadisth of Bukhari and Muslim, Rasulullah said. Believer to other believers like buildings reinforce each other. " In the hadisth of the other history of Bukhari, "believers in their love and affection are like one body. When one of the limbs was sick, then the whole body felt it " [8].

Sharia insurance Concept help in this virtue is contained in positive law with the model of legislation. As already formulated in Law No. 40 year 2014 on insurance, stipulated in article 1 Chapter 1 Figure 2:

Sharia insurance is a collection of agreements, consisting of agreements between Sharia insurance companies and policyholders and agreements between policyholders, in order to manage contributions based on sharia principles in order to help each other and protecting it by:

- A. Provide reimbursement to participants or policyholders due to loss, damage, costs incurred, loss of profits, or legal liability to third parties that may be suffered by participants or policyholders due to a Uncertain event; or
- B. Provide payment based on the death of a participant or payment based on his or her life of the participant with the benefits that have been determined and/or based on the result of fund management.

The management of contributions is based on sharia principles. Sharia principle is the principle of Islamic law in the insurance activities based on the fatwa issued by the institution that has authority in the determination of the fatwa in the field of Sharia. Al-Quran and Hadisth, does not mention real what and how it is insured, this is because the laws governing human relations with God (Hablu

Minallah) is a limitation that it is not possible to be developed by humans. While the laws governing human relations with others and their environment (Hablum Minannaas) are open which means that Allah SWT in the Qur'an only gives the rule of the outline. The rest is open to mujtahid to develop through his thoughts. Essentially Alqur-an does not explicitly mention the passage describing the practice of insurance. But experts of sharia economics in discussing and enabling the insurance practice as a banking transaction, they are guided in the verses Alqur-an and hadisth in general that concerns the basic value please help one to another, cooperation or passion in a life of community to commit virtue and destiny [9].

Basically, the implementation of Sharia insurance as one of the principles please help among fellow Muslims, in order to avoid everything that is forbidden in Islam, Sharia insurance eliminates uncertainty (gharar), elements of gambling (Maisir) and the element of the flowers (RIBA) in business activities, so that the insured feel free from the practice of the wrongdoing that is [10].

In Sharia insurance, the agreement is a please help agreement not swap. Here is not a profit loss thought. So, the insurance participant who stopped before the risk expires, the participant can withdraw all dues that have been paid. Even the amount is still coupled with gains gained during the company's managed money. While insurance on KUHPer, insurance is liked to the exchange agreement in consideration of the loss of profit. Based on the KUHD insured who decides before the expiry of the contract will lose all or most of the premiums paid. It is perceived as a disadvantage to the insured and on the other party to be a profit for the insurer. With this difference, KUHD is limited to the definition of insurance cannot be applied or adjusted to the concept of sharia insurance, while other provisions governing the technical implementation of insurance activities can be applied in insurance Sharia.[6]

Based on the numbers 8 and 9 of article 1 of the insurance law, it can be formulated the type of Sharia insurances namely:

The Sharia general insurance business is a risk management effort based on sharia principles to help each other and protect by providing reimbursement to participants or policyholders due to losses, damages, costs incurred, loss of Profit, or legal responsibility to third parties that may be suffered by participants or policyholders due to the occurrence of uncertain events.

As stipulated by the insurance law above that the sharia insurer is divided into sharia and sharia life insurance, it is in line with conventional insurance in science divided into insurance losses and insurance some money, this insurance loss is classified into general insurance and insurance of some money is life insurance. Sharia insurance is called by another term of takaful insurance.

Sharia or Takaful insurance consists of two types, namely:

- A. Family Takaful (Life insurance), is a form of sharia insurance that provides protection in the face of death accident and accidents on the participants of the Takaful insurance. Includes: takaful planning, financing, education of Hajj funds, futures, self-accidents [9];
- B. General Takaful (loss insurance), is a form of sharia insurance that provides financial protection in the face of disasters or accidents on objects belonging to the Takaful participants, such as building houses and so on. Includes: Motor vehicle takaful, Fire takaful, self-accident, sea freight, engineering, etc [9].

## **2. Sharia Insurance Arrangement in Malaysia for Comparison**

Malaysia is one of the countries in southeast Asia that has a thriving insurance industry. Malaysia as a Muslim-majority country is more likely to choose Takaful Insurance. Arrangements regarding to insurance with sharia principles in Malaysia are governed by the Laws of Malaysia Act 759 Islamic Financial Services Act 2013. As for conventional insurance is regulated by the Laws of Malaysia Act 758 Financial Services Act 2013. in Indonesia between conventional and sharia insurance arrangements are incorporated into law No. 40 year 2014 on insuring.

In Indonesia, the Sharia insurance legislation is incorporated in law No. 40 year 2014 on insuring. It is different from Malaysia where Sharia insurance is separated with conventional insurance. In Malaysia the community is more interested in Takaful on the investment's appeal link. If related to the investment in Malaysia to invest in a pure investment institution with Unit Trust in Indonesia is known as mutual fund (interview with Fakhurulrazi Othman, attaché, Malaysian Ministry of International Trade and Industry).

Before the year in 2000, there were only traditional life insurance policies available to the market. Since then, several insurance companies in Malaysia have come up with many investment related to insurance products called the term investment link. Insurance-related policy costs will increase from time to time, according to age. This makes it is cheap when young, but more expensive when it gets older. It is known as natural premium. On investment-linked: Policy owner invests the remaining premium in the funds they choose. It can be a low risk fund such as a fixed income fund, or other equity funds that are higher risk relative (2017).

In Malaysia Investment link is a program in the form of Unitlink in Indonesia. Where this product became the most liked Malaysian residents after pure insurance. As outlined in that Protection and saving plans become the second most preferred benefit. According to Hui [11] in Business Times, Malaysians have tendency to save money rather than investing for insurance policy. Protection and saving plan probably can be the alternative for Malaysians to still can have savings and protection at the same time (2017).

According to the Malaysian Life Insurance Associate Annual report showing 54% of Malaysians covered by life insurance plans, this includes conventional and Islamic versions (Takaful). The development of sharia insurance in Malaysia can be seen as a good example. Sharia insurance in Malaysia began to emerge in 1984, where the government of Malaysia when grows Sharia insurance first made the Takaful Act or the Islamic Banking Act New and issued the company's opening license. This level falls under the Malaysian government's plan which is projected under the economics of Transformation Plan 2010-2020 [12].

Term Insurance includes the takaful insurance and traditional insurance. This takaful and traditional insurance is most interested in Malaysian people. Further, the plan of Protection and Investment (investment link) is the second choice in demand. According to Hui [11] in the Business Times, Malaysians have a tendency to save money rather than investing in insurance policies. Investment Link Plan becomes an alternative for Malaysians to keep saving and protection at the same time. As the Malaysian insurance industry develops more opportunities will emerge for new innovative policies that suit local market conditions. About 67.4% of Malaysians who are Muslim [12]. The Takaful or Sharia insurance has a prospect for further development and packaging to meet the needs of this market. Related investments including Islamic investments related to superannuation retirement plans have not been fully explored or developed in Malaysia and offer new opportunities. Health insurance hasn't gained traction in Malaysia by relying on government medical supplies and it doesn't seem to be changing in the near term. Thus, the wider diversity and range of product offerings has a greater potential to provide an increased rate of insurance prices in Malaysia.

Malaysian regulatory and supervision frameworks enter new stages of development due to the Financial Services Act 2013 (FSA) and the Islamic Financial Services Act 2013 (IFSA) entered into force on 30 June 2013. The FSA and IFSA are the culmination of efforts to modernize legislation governing the conduct and supervision of financial institutions in Malaysia and to ensure that these laws remain relevant and effective for maintaining financial stability, supporting Inclusive growth in the financial and economic systems, while providing adequate protection for consumers. The law also gives the world Bank of Malaysia the regulatory oversight and supervision necessary to fulfill its broad mandate in a more complex and interconnected environment, given the regional financial developments and International. This includes increased focus on precautions to address issues of concern within financial institutions that could affect the interests of depositor and policyholders, and effective financial intermediation functions and Efficient.

Malaysia's surveillance systems are adequately equipped to effectively respond to new and emerging risks so that confidence in the financial system is maintained and that important financial intermediation activities that are important to the economy are not disturbed. The FSA and IFSA combine several separate laws to govern the financial sector based on a single legislative framework for the conventional and Islamic financial sectors respectively, namely the Banking and Financial Institution Act 1989 (BAFIA), Sharia banking Law 1983, Insurance Act 1996 (IA), Takaful Act 1984, Payment Systems Act 2003 and the Exchange Control Act 1953 were revoked on the same date. The main features of the new legislation include: greater clarity and transparency in the implementation and administration of legislation. This includes the clear purpose and accountability of Bank Negara Malaysia's regulations in pursuing its primary purpose of maintaining financial stability, a transparent trigger for the implementation of the authority and functions of Bank Negara Malaysia under the laws of, and transparent scoring criteria for authorizing institutions to implement business regulated finance, and for shareholder suitability; A clear focus on sharia compliance and governance in the Islamic finance sector. In particular, IFSA provides a comprehensive legal framework that is fully sharia-compliant in all regulatory and oversight aspects, from licensing to institutional closing. Provisions for different regulatory requirements reflecting the nature of financial intermediation activities and risks to the entire financial system. The provisions for regulating financial parent companies and entities are not regulated to consider systemic risks that may arise from interactions between institutions, activities and markets that are regulated and unregulated. The Minister of Finance may appoint an institution that conducts financial intermediation activities with regulations and supervision that is underway by Bank Negara Malaysia if it raises or tends to pose a risk to financial stability overall. Strengthening business conduct and consumer protection requirements to promote consumer confidence in the use of financial services and products; strengthening provisions for effective and early enforcement intervention and supervision. The new law will place the financial sector of Malaysia, including banking systems, insurance/takaful sectors, financial markets and payment systems and other financial intermediaries, on top of the platform to come forward as a financial system Responsible and progressive. It is very important to allow the financial system to meet new demands for financing related to the Malaysian Economic transformation program both during and beyond the next decade, the demographics of our population changes, and the increased Economic integration with the region and the world (2016).

Sharia insurance in Malaysia (Investment link) in the implementation of this product insurance company refers to The Guidelines On Investment Linked Business JPI/GPI 33 constituted as the implementing regulations of the Insurance ACT 1996 issued by the Bank Negara Malaysia as the central Bank of Malaysia. This code issued by Bank Negara Malaysia is still in use and valid to date. It is different from Indonesia.

The Sharia insurance industry is governed by the provisions of the Islamic Financial Services Act (IFSA) in 2013 replacing the Sharia insurance industry Act 1984. IFSA regulates Sharia banking, sharia insurance industry and other Islamic financial services and provides General Service guidelines about operation of Sharia insurance industry. Sharia insurance industry in Malaysia grows higher insurance comparison with Conventional, sharia insurance known as the takaful grows to 7.5% for the family takaful type. Meanwhile general takaful grows 5.9%. This figure is higher than the growth of insurance in similar types of conventional versions which only grows 5.2% and -1.8%. According to Fitch, the rise of domestic consumption and government efforts to increase the penetration of sharia industry became the main backdrop for takaful performance in Malaysia. Moreover, this industry is expected to continue to grow because there are still many market opportunities that can be taken. Bank Negara Malaysia, which is the central bank, does instruct the insurance industry sector to provide more affordable insurance for the community. This corresponds to the target government to increase the number of insurance users from 56% in 2016 to 75% to 2020, as quoted from the Nikkei. The number of rules are changed and designed to foster the growth of this sector, including for takaful that is encouraged to reach the majority of Muslims who have not been covered by insurance [13].

## CONCLUSION

Sharia insurance concept based on Qur "an Surat Almaidah verse 2, then is concreted with the discharge of the Fatwa MUI No 21/DSN MUI/X/2001. With the release of law no 40 year 2014 on the new insurance is recognized as the existence of Sharia insurances. However, the Sharia insurance arrangement is incorporated into conventional insurance. Sharia insurance (takaful) is the main choice of Malaysian society that emerged in Malaysia year 1984. Malaysia's regulatory and supervision framework related to sharia insurance is governed by the Islamic Financial Services Act 2013 (IFSA) effective June 30, 2013. Before IFSA, the basis of Sharia insurance law in Malaysia was Takaful Act 1984. The concept of Sharia insurance arrangement can be done as a separation with conventional insurance. In Indonesia, the arrangement is made with the Convention in law No. 40 year 2014 on insurance while in Malaysia the arrangement is incorporated into the financial law of Sharia principles named Islamic Financial Services Act 2013.

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# IMPROVEMENT OF TEACHER EDUCATION QUALIFICATION IN FACING THE ASEAN ECONOMIC COMMUNITY ERA BY KERINCI REGENCY EDUCATION OFFICE

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## Abstract

The transfer of authority to manage secondary education from the district/city government to the provincial government is considered to have implications in achieving the minimum education qualification target for teachers. Especially in order to face the challenges of improving the quality of human resources in the era of the ASEAN economic community. The title of this research is Improvement of Teacher Educations Qualification in Facing the Asean Economic Community Era by Kerinci Regency Education Office. The purpose of this study is to describe the management of the improvement program for Elementary School and Junior High School teacher education qualifications by the Kerinci Regency Education Office. This study uses the management theory of Luther Gullick with descriptive qualitative research type. Primary dan secondary data obtained through in-depth interviews, observation, and study documentation. Informants were determined by purposive sampling. The results of this study indicate that the program management of the improve of teacher education qualification by the Kerinci Regency Education Office has not been implemented properly and is experiencing obstacles. These constraints such as the limited authority of the Education Office in budgeting and human resources, The teacher's personal barriers to futher study, and coordination with related parties have not been maximized. Therefore, it is necessary to improve regulations and the appropriateness of allocations and human resources and increase collaboration with stakeholders.

**Keywords:** Management, Improvement, Teacher Qualifications, AEC.

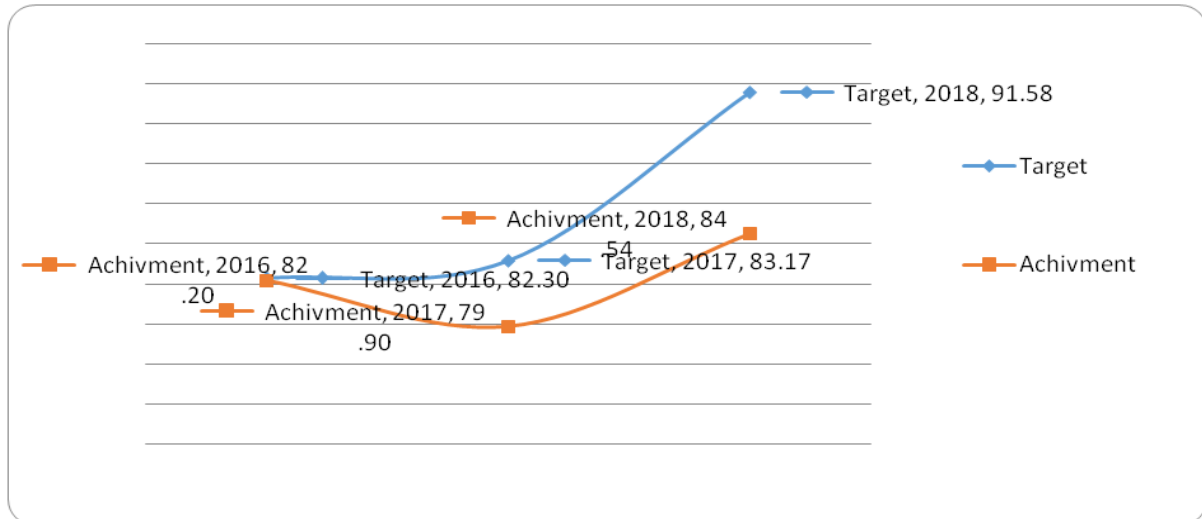
## INTRODUCTION

The Era of the Asean Economic Community (AEC), which began in 2015, is a challenge for teachers in the Indonesian education world. Teachers are required to continue to improve qualities such as educational qualifications and competencies in order to keep abreast of development in science and technology so rapidly [1]. So that the standard of teacher education qualification is no less competitive with teachers in other ASEAN countries [2]. Based on [3] the quality of teachers in Indonesia ranks 10th out of 14 developing countries in the world and ranks 5th out of 10 ASEAN countries. Under these conditions, over the past two years the Indonesian government has sought to improve the quality of teachers, but the results have not been satisfactory [4]. shows that there are still 10.14% of teachers who have not met the minimum educational qualifications (Bachelor Degree). Then the average value of the teacher competency test results is only 53.02 from the standard score of 55.50 and there are still 7.3% of teachers in the unfit teaching category.

The data on the achievement of these indicators shows that the increase in educational qualifications and teacher competencies by the central and regional governments has not been reached optimally. The same thing also happened in the Kerinci Regency of Jambi Province, which had a regional vision in 2014-2019 namely the realization of a better Kerinci with one of the main performance indicators being the Human Development Index. The achievement of these indicators through the mission of improving the development of quality human resources is marked by improving the quality of education [5]. Where one of the priority programs is to improve the quality of educators and

educational personal at the Kerinci Regency Education Office. Based on the evaluation of the achievement of program performance indicators for improving the quality of educators and education personnel as shown in Figure 1:

**Figure 1. Target and Achievement Percentage of Minimum Education Qualifications Civil Servant Teachers In Elementary School and Junior High School Kerinci Regency in 2016-2018**



Source: [6]

Figure 1 shows that the target of minimum education qualifications for teachers of Civil Servants of Elementary School and Junior High School in Kerinci Regency has not been achieved in 2017 and 2018. This is directly proportional to [7] on the achievement of teacher competency targets such as competency tests, certification, and the percentage of teachers not eligible to teach as shown in Table 1:

**Table 1. Targets and Achievements of Civil Servant Teacher Competency Performance Indicators Junior High School in Kerinci Regency 2018**

No	Teacher Indicator	2018	
		Target	Achievements
1	The percentage of junior high school teachers pass teacher competency test	50,00	20,00
2	The percentage of junior high school teachers certified	92,06	76,31
3	The percentage of junior high school teachers eligible to teach	85,00	75,00

Source: [8]

Table 1 shows that in 2018 the civil servant teacher graduation rate in the Junior High School in the Teacher Competency Test was only 20%. This figure is lower than the target of 50%. Teacher certification was only realized 73.31% of the target of 92.06% of which there were still 167 teachers out of a total of 705 teachers. Then there are 25% or 176 junior high school civil servant teachers, including the category of not eligible to teach [9].

Not achieving the minimum educational qualification of teachers is one of the assumptions that the program for improving the quality of educators and education personnel has not been optimal in the Kerinci Regency Education Office in 2016-2018. Meanwhile, since 2017 the burden and responsibility of the Kerinci Regency Government affairs in the field of education has been reduced by the transfer of secondary education affairs to the provincial government based on [10] The Kerinci Regency Government should be able to focus more on managing these basic education affairs [11] states that some of the factors causing unsuccessful local government programs are unprofessional management, policies that are not well targeted and not sustainable.

Several studies in other countries show that the government, including local governments, pay special attention to programs to improve teacher education qualifications in facing competition in the globalization era [12]. found that in Australia and South Korea standards and programs for improving teacher qualifications were well structured by local governments involving universities and accompanied by adequate budget support. Even the allocation of budget and opportunities for teachers to improve education is quite large and mandatory opportunities to be promoted. In several other ASEAN countries such as Malaysia, Singapore, Thailand and others that teachers are seen as a respectable profession and not everyone can do it [13], [14]. Therefore teachers must have a moral responsibility to always equip themselves with continuous education and development. Then [15] argues that in Austria, Hong Kong and Finland, teacher development is a continuous process that involves many stakeholders and other external parties.

It is therefore interesting to study further how the program management starts from the stages of planning, organizing, staffing, giving direction, coordinating, reporting, and budgeting as stated by Luther Gullich in [16]. This study is very important in order to face the era of the ASEAN Economic Community where teachers are increasingly required by their professionalism in preparing students to be able to compete in the AEC era at the local, regional, national and global levels. The results of the study are expected to provide input to regional governments in evaluating the implementation of work programs that are part of public policy (policy as process).

## **RESEARCH METHOD**

This type of research is descriptive qualitative, namely research that produces descriptive data in the form of written or oral words from the people or behavior observed. The data used are primary data and secondary data. The informants in this study were determined by purposive sampling, namely the Head of Division, Head of Sub-Division, and Staff of the Personnel Development Division of the Kerinci Regency Education Office, with triangulation informants namely other relevant stakeholders. Data obtained through in-depth interviews, observation, and study documentation. Data validity testing is done by source triangulation and method triangulation. Then analyzed in three stages, namely reduction, presentation, and drawing conclusions .

## **LITERATURE REVIEW**

The management of the teacher education qualification improvement program by the Kerinci Regency Education Office is a management of program that aims to improve teacher education qualifications to become a bachelor degree. This is in accordance with [17]. In this study, using the theory Luther Gullick managements functions, namely: planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

Planning, planning is the act of selecting and linking facts and making and using assumptions about the future in terms of visualizing and formulating proposed activities that are deemed necessary to achieve the desired results [18]. This aspect includes determining the vision and mission, formulating policies, determining the budget and determining the target organization.



Organizing, organizing is the act of seeking effective behavioral relationships between people in the organization, so that they can work together efficiently and thus gain personal satisfaction in carrying out it in certain environmental conditions in order to achieve goals or objectives [19].

Staffing, staffing is an activity related to the determination of who does the work according to their duties and areas of expertise. Then recruit and employ it. So staffing is related to the determination of the implementing staff [20]

Directing, directing is an activity related to the efforts of guidance, suggestions, instructions from superiors to subordinates so that the predetermined goals can be achieved. The direction management function in the implementation of the Teacher Education Qualification Program the Kerinci Regency Education Office has run well, this is evidenced by the establishment of good communication so that the activities are carried out according to the direction of the leadership. But from the other side, many teachers as the target of the program lack the motivation to continue their education. Some of the factors causing the low motivation are mindset, age, and cost. These constraints have an impact on achieving the performance targets of the quality improvement program for educators and education personnel.

Coordinating, coordinating is a regular synchronization of efforts to achieve time management and guided in a harmonious and unified implementation to produce goals that have been set [21].

Reporting, Reporting is an activity related to the report of each activity, namely the delivery of information about what happened, by subordinates to superiors, including ensuring that superiors and subordinates always find out information through the report [20].

Budgeting, budgeting is a function relating to organizational control through fiscal planning and accounting, preparation of expenditure budgets, namely how, how much and for what money is spent, including to which posts, from which sources the finance is obtained [20].

## **RESULT AND DISCUSSION**

### **1. Planning**

The results showed that the Kerinci Regency Education Office had carried out all aspects of the planning as contained in The Local Government Agency Strategic Work Plan of Kerinci Regency Education Office 2014-2019 as a derivative of the Local Government Medium Term Strategic Plan of Kerinci Regency 2014-2019. Then operationally outlined in the Work Plan and Work Plan and Annual Budget of the Kerinci Regency Education Office.

Based on interviews with the Head of the Manpower Development Division of the Kerinci Regency Education Office, it was revealed that there were no accurate performance data indicators and the Regional Action Plan Document (RAD) had not yet been prepared. This causes the synergy of planning programs to improve teacher education qualifications with work programs on other institutions is not optimal. This finding is different from the results of [12] namely what is done in Australia and South Korea, where standards and programs for improving teacher qualifications are arranged with both by local governments by involving universities and accompanied by adequate budget support. Therefore, it is necessary to improve aspects of planning such as updating performance indicators and RAD data preparation by involving related parties so that it is integrated with the work programs of other agencies.

### **2. Organizing**

Based on observations, it is known that the organizing function is carried out according to the coordination line and instructions based on Regulation of the Regional Number 36 of 2016 concerning Position, Organizational Structure, Duties and Functions, and Work Procedures of [22] Through interviews with informants, it was revealed that each work unit understood enough its main tasks and

functions. The Personnel Development Sector is one of the four fields in the Kerinci Regency Education Office which is responsible for the program to improve teacher education qualifications. The unit consists of a head of echelon IIIb and three echelon IVa section heads and has six staff. The number of civil servants in the Kerinci Regency Education Office based on education level can be seen in Table 2:

**Table 2. Number of Civil Servants of the Kerinci Regency Education Office Based of Education Level in 2018**

No	Level of Education	Education		Total
		HR Mana- gement	Other Educa- tion	
11	Master Degree	3	5	8
22	Bachelor Degree	0	35	35
33	Associate Degree	0	2	2
44	Senior High School/Equivalent	0	8	8
<b>Total</b>		<b>3</b>	<b>50</b>	<b>53</b>

Source: [8]

Table 2 shows that the majority (66%) of civil servants in the Kerinci Regency Education Office have Bachelor Degree education levels. Whereas Master Degree is only 15%, Associate Degree is 4% and the remaining 15% have a high school / equivalent education. Of 53 civil servants and 56 non-civil servants at the Kerinci Regency Education Office, only 3 people have an educational background in Human Resource Management and that too was not placed in the Field of Personnel Development [8].

Another obstacle is that there is no Cross-Organization Coordination Team so that efforts to improve teacher education qualifications appear to be the responsibility of the Education Office only. The authority to improve teacher education qualifications is also related to the main tasks and functions of the Human Resources and Human Resources Development Agency and Higher Education as work partners. Therefore it is necessary to form a cross-sectoral coordination team to accelerate the achievement of program targets. As done by Singapore, the government cooperates with universities to facilitate in the form of organizing study programs specifically for teachers who will increase their educational qualifications [14]. [22] added that besides synergizing with tertiary institutions, the local government should also work together with professional teacher organizations (Indonesian Teacher's Union) in finding solutions and concrete actions to solve teacher education problems. This has not been implemented by the Kerinci Regency Education Office until 2018.

### 3. Staffing

The results showed that the people implementing the program to improve teacher education qualifications were permanent employees consisting of four officials (echelon IIIb and IVa) and six staff of the Kerinci Regency Education Office with the composition of educational background as shown in Table 3:

**Table 3. Composition of Civil Servants in the Field of Personnel Development Kerinci Regency Education Office in 2018**

No	Last Education	Bachelor Degree	Associate Degree	Senior High School	Total
1	HR Management	-	-	-	-
2	Education Management	-	-	-	-
3	Other Education	5	-	-	5
4	Economi	2	-	1	3
5	Technique	1	-	-	1
6	Other		1		1
<b>Total</b>		<b>8</b>	<b>1</b>	<b>1</b>	<b>10</b>

Source: [8]

Based on Table 3 it appears that 80% of civil servants are graduates, but none have a background in HR management or education management. That is, programs to improve teacher education qualifications experience a shortage of human resources, where the program is managed by employees who do not have a supporting educational background. As a result, tasks assigned to employees are sometimes not in accordance with their educational background and do not run as they should, so that performance targets are not achieved according to plan.

Thus it can be concluded that the Field of Personnel Development Kerinci Regency Education Office in 2018 lacks employees who have majored in human resource management and education management in managing programs to improve teacher education qualifications. Therefore more precise staff planning is needed in the future.

#### **4. Directing**

Based on these findings, the Kerinci Regency Education Office needs to conduct more intensive socialization to teachers. As the results of research found [22], which suggest that the regulation of teacher education qualifications must continue to be socialized so that teachers are motivated to improve their qualifications. As in other ASEAN countries such as Malaysia, Singapore, Thailand and others that teachers are seen as a respectable profession and not everyone can do it [13]. Therefore teachers must have moral responsibility to always equip themselves with continuous education and development.

#### **5. Coordinating**

The results showed that the coordination of the program to improve teacher education qualifications was done vertically and horizontally. Vertical coordination where the Head of the Kerinci Regency Education Office synchronizes each program, activity, policy and so on in a hierarchical way to the Office Secretary, the Head the Field of the Teacher Resources Enhancement Section and the technical implementation staff. Whereas horizontal coordination is done between staff, between officials or between institutions or related parties.

However, the coordination carried out so far has not been optimal, especially inter-agency coordination. Based on the results of [15] on Austria, Hong Kong and Finland, he concluded that teacher development is a continuous process that involves many stakeholders and other external parties. Therefore local governments need to improve coordination and collaboration with related parties in improving teacher education qualifications.

## **6. Reporting**

Based on the results of the study, reporting in the implementation of the teacher education qualification program for the Kerinci Regency Education Office was in the form of quarterly physical and financial reports and final reports. However, the report only focuses on aspects of financial realization, input and output indicators so that it does not pay attention to the achievements of the outcome indicators. The results of interviews with several triangulated informants, namely teachers and education personnel, revealed that the impact of the quality improvement program for educators and education personnel was not felt by teachers and education personnel.

## **7. Budgeting**

The results showed that the source of funding programs only relied on the Kerinci Regency Regional Development Budget (RDB) which was very limited in number, so that what was planned became limited as well. For example, plans to provide scholarships for qualified teachers to continue their studies at the bachelor degree level have not been realized until 2018.

Therefore, it is necessary to synchronize appropriate planning and budgeting so that priority programs can be accommodated in the Kerinci Regency Regional Budget. As the results of research by [23] and [24] that synchronizing planning and budgeting is one of the development problems in Indonesia. Based on this, the Kerinci Regency Education Office must make efforts to obtain other funding sources such as the Provincial RDB, relevant Ministries, universities and the private sector so that local budget limitations do not become obstacles in the implementation of the program. As in Singapore, South Korea and Australia [12], the allocation of teachers' budgets and opportunities to improve their education is quite large and even teachers have opportunities to be promoted.

## **CONCLUSION**

Based on the discussion of research results, it can be concluded that the management of the Teacher Education Qualification Improvement Program by the Kerinci Regency Education Office in dealing with the era of the ASEAN Economic Community has not been well implemented and there are several obstacles. Such as limited authority in budgeting, limited human resources, barriers from individual teachers, and limited cross-sectoral coordination thereby slowing the target realization of performance indicators of program. Therefore, it can be suggested to the Kerinci Regency Government in order to: (1) formulate a Regional Action Plan regulation to accelerate the fulfillment of basic education teacher qualification standards; (2) improve the quality of planning and the accuracy of budget allocations; (3) putting appropriate human resources to support the program, and (4) increasing cross-Regional Work Unit cooperation and collaboration with relevant stakeholders.

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# THE USE OF ICT IN LEARNING ENGLISH FOR SPECIFIC PURPOSES

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## Abstract

ESP competence has the essential role because it is required in the workplace. The development of ESP as a field of discipline in ASEAN continues increase. The rapid changes in Information and Communication Technology (ICT) also impact to the work competence. Hence, ESP students must be equipped with ICT usage competence. This article presents the result of investigation the use of ICT in ESP lesson and the description of the ICT tools used during ESP lesson at Agribusiness Study Program University of Pasir Pengaraian. The data were collected and analyzed using qualitative research design through questionnaire and interview to 52 agribusiness students and observation to two agribusiness classes. The findings of the research draw the use of ICT into three groups. They are ICT as the learning resources, instructional organization of learning, and ICT for communication. Three ICT devices mostly used for learning ESP were Internet, Laptop (computer), and smartphone. It can be concluded that ICT is very helpful for ESP students as the sources of learning, learning material, and communication channel. Moreover, students can easily use ICT devices because they exist around them.

**Keywords :** ICT, Learning, ESP, ASEAN.

## INTRODUCTION

Nowadays, English language students cannot be separated from Information and Communication Technology (ICT) devices. They can easily get ICT devices and use them in their daily activities. The fast growth of ICT development also changes their view about their life. They really enjoy the existence of ICT devices around them. ICT is not only used for entertainment but also can be advanced for education. Different from the past decades, most English students assumed that teachers were the sources of science. Now, it has changed, ICT can be accessed as the source of science.

Proposes that learning nowadays is more universal, information is more accessible and not limited only to the school environment, taken from textbooks or transferred from teachers, but available beyond school boundaries in a virtual world [1]. Accessibility to wide sources of information allows students to take an active role in the learning process instead of depending merely on the teacher as the sole source of knowledge [2].

The importance of ICT use in learning activities is very indispensable. It is also in the field of language learning in English for Specific Purposes (ESP) Classroom. Contrary with General English (GE), in English for specific purposes (ESP) teachers construct the English lesson to equip students with language skills and components in accordance with their fields of science. In ESP, content and methods used during learning process are based on students' needs for learning that are focused on making English classes more relevant to the needs of these students [3]. In the context of use ICT in

ESP lesson, it is believed ICT can facilitate the development of second language abilities. It offers rich, multidimensional learning environments for language students, giving opportunities to engage with native speakers to make interactions with other students at a distance and to access authentic materials [4] [5] [6]. Moreover, the use of technologies provides students with unprecedented opportunities to practice English and involve themselves in authentic environments of language use [7].

Right now, Students can use many learning sources from ICT. They can take some learning video from youtube.com, learning materials from British council, or some e-books and articles. In addition, they also can use ICT for instructional of learning such practicing English pronunciation. ICT can be used as e-correspondences such as getting information or announcement, submitting the task, and virtual discussion.

In Indonesia, especially in University of Pasir Pengaraian, ESP students have been introduced with ICT for example, the use of the projector, laptop or computer, and internet. They use ICT not only in the classroom but also to support their learning. However, some barriers also faced by ESP students in using ICT. At present, some learners still stutter technology such as being unable to operate computers, the internet, in focus, and so on. Besides, access to technology is still difficult in some schools. However, the use of ICT in learning ESP is unavoidable.

ICT specifically refers to computer-based technologies such as desktops, laptops, tablets, smartphones, and software and internet-based technologies including email, websites, and social networking sites for the purpose of English teaching and learning [8]. Some varieties of ICT devices can be used for learning ESP. Collis and Moonen (2001) categorized them into three groups; “learning resources” including educational software, online resources, and video resources, “instructional organization of learning” referring to software and technology tools for learning in the classroom, the course management system like *Moodle*, and the computer-based testing system like *HotPotatoes*, and “communication” consisting of email systems, and websites offering communication options.

In addition, Akhtar mentions some ICT tools and applications used in the field of English Language learning are the following [9]:

- i. Computers: It is helpful in storing, preparing, collecting and preparing data for communication. It is helpful in the development of listening and speaking skills. It is helpful in English language speaking and listening skills.
- ii. Over Head projector: It is an important tool of displaying information and processes to a large number of people simultaneously.
- iii. Lingua phone: This tool is very important in language training of the students. A number of students can practice speaking and hearing drills with the help of lingua phone. It is especially useful in the training of English language listening and speaking skills.
- iv. Radio: Programs relayed on the radio are helpful in the development of language skills, especially dialogues and dramas.
- v. Television: It is useful in education as well as entertainment of the people. It is found that it is helpful in developing listening skills, useful in learning the situational language as well as It is highly motivating also.
- vi. Internet: It is the most important facility of communication. All modern communication takes place through this. It has made the communication facility very fast, convenient, economical, and attractive.

Moreover, lots of facilities available for communication are available on the internet. Some of them are the following:

- a) Social media: It has become an important tool of communication. It provides a platform for sharing thoughts and ideas. Blogs are made on it. Students can add themselves to the English language learning groups and take advantage of sharing information. Lots of social sites are available on it like Face book, Twitter, Instagram, etc. It is very helpful in learning the situational language.



- b) Online facilities for English language learning: A lot of online facilities are available on the internet for the development of language skills. Some of them are e-guidance, e-tutoring, e-teaching, e-journals, e-magazines, e-books, e-library, online training, virtual classes, etc.
- c) Online language-related courses: These courses are available on the internet. Some of them are free and some of them are payable. Students can enroll themselves in these courses and get education and training easily in their own place. Some of the agencies which are providing online courses are following MOOC, Future Learn, NPTEL, and IIT's, Concordia University, etc. Students can watch online and offline videos of language learning for the enhancement of their language skills.
- d) Feature Films in Teaching English: Films can be used in the teaching of the English language. Films may be documentaries, educational and entertainment-based. These can arouse a high level of motivation. It results in a most satisfying learning experience.

ICT is also considered has many advantages for learning English. First, it can help to promote students' autonomy [10]. Second, the using multimedia technology including visual aids, sounds, video clips, animations, and so on can motivate students, "attracts their attention and elevates their interest in learning" [11]. Third, students use internet connection to gain access to a huge amount of authentic materials to make English learning more enjoyable [12]. Fourth, use the application of the online resources that is available to the inside and outside classroom activities that can enhance student' competences in listening, speaking, reading, and writing. For example, according to, "YouTube has the potential to connect students with authentic English input through what is quite possibly already a part of their life experience ...and provides a context through which they can interact, exchange ideas, share feelings, and participate in a web-based environment"[13].

However, the barriers also faced in applying the use of ICT in learning ESP, for example, some ESPstudents in Indonesia have a low capacity for using Information and Communication Technology (ICT). Next is the uneven distribution of ICT access to educational institutions in Indonesia. Only a few of them in the bigger cities can easily access and utilize the facilities available [14]. The last is the lack of government support towards the implementation of ICT in public that affect to the difficulty of English students in learning using ICT.

Compared to other kinds of ICT use research, the study about the use of ICT for learning ESP is still rare. This article will present the result of investigation the use of ICT in ESP lesson at Agribusiness study program in University of Pasir Pengaraian. Specifically, it describes the use of ICT in ESP lesson at Agribusiness Study Program University of Pasir Pengaraian and describes the ICT tools used in ESP lesson at Agribusiness Study Program University of Pasir Pengaraian.

## **RESEARCH METHOD**

This research was conducted under the principles of qualitative study. Cresswell defines qualitative study as " a type of educational research in which the research relies on the views of participants; ask board, general questions; collect data consisting largely of words (or text) from participants; describes and analysis these words for themes; and conducts the inquiry in subjective [15], biased manner". The purpose of this study is to investigate the use of ICT in learning ESP. A variety of approaches in qualitative research includes case study, ethnography, critical ethnography, performance ethnography, grounded theory, testimony, life history, narrative inquiry, participatory action research, clinical research, interpretive study, arts-based inquiry, auto ethnography, and phenomenology[16].This research has been conducted to 52 agribusiness students of University of Pasir Pengaraian, Indonesia. The data were collected and analyzed using qualitative research design through the questionnaire, interviewing and observation in two agribusiness classes.

## RESULT AND DISCUSSION

### DATA ANALYSIS

Based on the data collected through observation in the classroom, questionnaire and interview to the agribusiness students, the researcher presents the result of research. It is described into two subheadings, including the description of the use of ICT in learning ESP and the ICT devices used in learning ESP.

#### The Use of ICT in Learning ESP

To investigate the use of ICT in learning ESP, researchers use the theory of Collis and Moonen (2001) that categorizing of using ICT into three groups. They are ICT as the learning resources including educational software, online resources, and video resources, ICT as instructional organization of learning referring to software and technology tools for learning in the classroom, the course management system like *Moodle*, and the computer-based testing system like *HotPotatoes*, and ICT for communication, consisting of email systems, and websites offering communication options.

#### ICT as Learning Sources.

The data about the use of ICT as learning sources involve the use of educational software, online resources, and video resources. The description research result towards the use of ICT as learning sources were shown in figure 1.

Figure 1 shows how the use of software as the learning sources. Most of students rarely used software in learning ESP because they were difficult found software that related to ESP. Moreover, result of interview to students who often used software in learning ESP showed that they used software such as in learning vocabulary from online dictionary.

**Figure 1. The Use of ICT as Learning Sources**

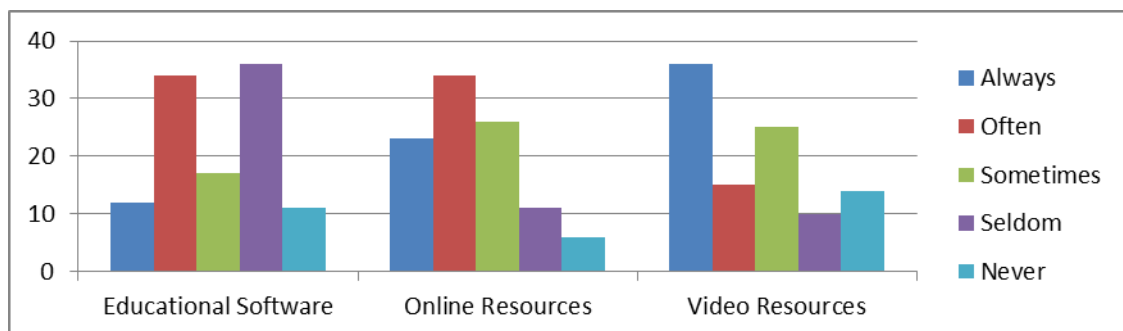
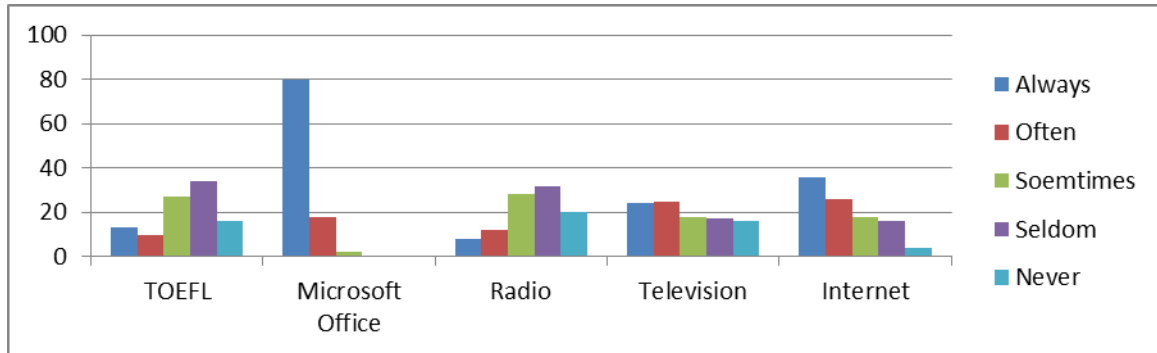


Figure 1 also shows the use of online resources by students in learning ESP. Most of students used online resources while learning ESP. They often asked by teachers to find out some articles for task and writing articles. They argued that they easily got online resources than the printed ones. The last is about the use of video resources. The data showed that students very often used video resources for learning ESP. Usually they got video from youtube.com. Many beneficial videos are available in this video web. Students were fun watching video for learning ESP although they did not understand what the actors said. They often watched how to plant, hydroponics, grafting, and so on. Besides getting the knowledge related to agribusiness, watching video also can improve students' English skill especially speaking and listening. It can be concluded that video resources is very often used by students in learning ESP than software and online resources.

### ICT as instructional organization of learning.

In ICT as instructional organization of learning is referred to software and technology tools. The statements of questionnaire were related to use TOEFL software, Microsoft office application, radio, television and internet for learning ESP. They are shown in figure 2.

**Figure 2. ICT as Instructional Organization of Learning**



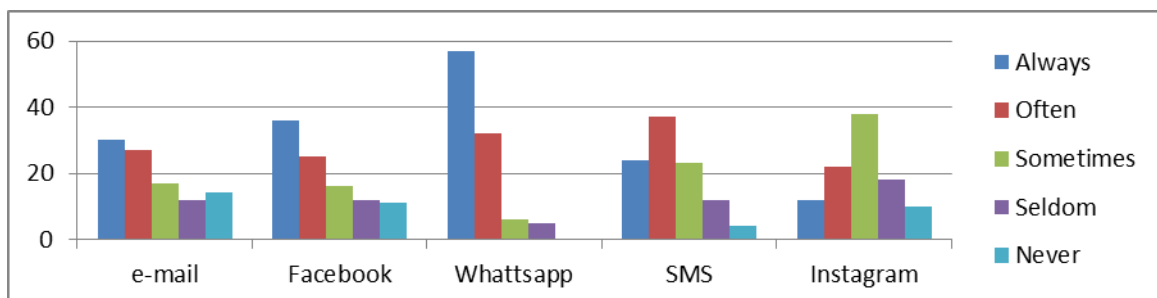
The data from figure 2 showed that rarely students used TOEFL CD for learning English. They thought that they must not learn TOEFL now. They also did not know the function of learning TOEFL. For using Microsoft Office applications, most students answered they used this application.

However, they used it not for learning ESP only. They used for accomplishing the task and writing articles. Further, they did not know that this application can be used to check spelling and grammar. The next questionnaire item is about the use of Radio for learning ESP. Radio was not popular for students as learning English instrument. Because they live in district area, they seldom listen any radio program about learning English. For learning ESP through television, students more often used this application than radio for learning English. Although, it was not specifically about ESP, they could get some technical vocabularies related to agribusiness from watching TV. The last, many respondents said that they always used internet for learning ESP. They used internet for getting articles, translating text from Indonesian to English (vice versa), and training their pronunciation. Right now, they can easily use their gadget for learning English.

### ICT for Communication

During learning ESP, students used to communicate to teachers, friends, practitioners, and others. The data about the use of ICT for communication involving the kinds of communication applications used for learning English by Agribusiness students and how they used those application in the context of learning English. The description research result towards the use of ICT for communication was shown in Figure 3.

**Figure 3. The use of Communication Application**



In figure 3, researchers only showed five communication application mostly used by agribusiness students for learning ESP. They are e-mail, Facebook, Whatsapp, SMS, and Instagram. Whatsapp is the most frequently used by students in learning ESP. They used this application for communication to teachers and among them. They also make Whatsapp group (WAG) for discussion. This application is very helpful during learning ESP.

### **The ICT Tools Used in ESP Lesson**

To investigate the ICT tools mostly used during learning ESP, researchers distributed questionnaire and interviewed students. The findings showed that the most ICT tool during learning ESP was internet. Students used internet for some reasons. First, it was simple. Right now, everyone can easily access internet. Second, it was helpful. By browsing internet students can get many things. Students can learn English skills from Google application or practice listening from youtube.com. The second tool mostly used by ESP students was computer. They used computer for some activities such as typing, browsing internet, giving presentation, and so on. The third ICT tool for learning ESP was smartphone. Right now, smartphone becomes a need in learning. Students utilized smartphone for several activities. First, they used smartphone for communication to friends or teachers; for example, when they got confused with technical vocabulary. Second, students also ever used smartphone for discussion about learning material by creating discussion groups. So, they need not sit together to discuss about ESP learning. Third, students used some application to help them when learning English. Some helpful applications are available in smartphone such as dictionary, translation tool, video, and etc. In other words, right now, ICT tools are very helpful for students in learning ESP.

### **RESULT AND DISCUSSION**

Considering to the result of data analysis, it showed that students have used ICT tools for learning ESP but not optimally yet. There are three categories of using ICT in learning English for Specific Purposes (ESP) by agribusiness students. They are ICT as the learning resources, instructional organization of learning, and ICT for communication. As the learning resources, they involve of educational software, online resources, and video resources. Compared to these three learning resources, in the context of learning ESP, video resources were mostly used by students followed by online resources and educational software. Students argue that video resources were very helpful, understandable and easy to get. The abundance of online materials and resources on YouTube is overwhelming and according to YouTube statistics, YouTube is the largest Video portal and the second largest video search engine with such a variety of videos available on all topics and in plenty of languages [17]. Indeed, by learning through YouTube, ESP students knew many technical vocabularies involving spelling, meaning, pronunciation and description of those vocabularies.

In ICT as instructional organization of learning is referred to software and technology tools. Here ICT was not as the sources of learning but it was as the medium of learning. In this research the most ICT application used by students were Microsoft Office applications. In learning ESP, students used them for learning activities such as for accomplishing the tasks and writing articles. Learning using power point also can increase students' motivation. It is supported by the research finding shows that the students have positive perceptions towards using technology in English classes especially towards using power point [18]. This study also supports the effect of superiority of technology-based lessons as compared to traditional lessons. Another research finding towards using Microsoft office in learning English was a research done by [19]. This study found that Microsoft Word seemed to have positive impact on grammar and spelling ability enhancement of Iranian teachers and students.

The research result towards the use of ICT for communication showed that Whatsapp application was more frequently used by students for learning ESP. They used this application not only for communication to the teachers and friends, but also it can be used for discussion. They argue that this application very advantageous. They can discuss and learn together. In addition, teacher also used it as a medium to give and submit the task. Moreover, WhatsApp is beneficial to students' knowledge of the language. The cheapness and potential of this application bring us to the easy way to communicate [20].

In this research, researchers also found that there is the change of ICT tools for learning English. In the past, the popular ICT tools used by students in learning English were TV and radio. Right now, it has changed; students prefer used smartphone, internet and laptop for learning English. Though, they were still teacher center learning orientated, students slowly moved more independent in learning by advancing ICT such as YouTube and Google.

## CONCLUSION

ICT is very helpful for ESP Students as the sources of learning, learning material, and communication channel. Moreover, students can easily use ICT devices because they exist around them. However, the students of Agribusiness department, University of Pasir Pengaraian have not optimally used ICT for learning ESP. So, researchers recommend to ESP students to use ICT tools more optimally.

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# DISASTER AND CONFLICT MANAGEMENT

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## Abstract

The majority of studies which associates conflict and natural disasters reveals that there is a strong correlation between natural disasters and conflict. Natural disasters are believed to be a catalyst for peacemaking, although they are not the only determining factors that influence conflict and peace. On one hand, disasters can reduce conflict escalation and bring peace, while on the other hand, they tend to escalate and exacerbate conflict from previous conditions. This can be seen in the case of Aceh in Indonesia and Sri Lanka, regions that are both experiencing intra-state conflicts, which have different experiences after the disaster. This article attempts to provide a conceptual framework to explain the conditions of conflict escalation and de-escalation after natural disasters. Through a study of various literatures, this paper discovered that there are at least four variables, namely natural resource variables, poverty rates, state regulations, and negotiations that affect conflict tendencies in disaster areas.

**Keywords:** Conflict, Peace, Disaster.

## INTRODUCTION

Various studies that associates social conflict and disaster believe that disaster can be a catalyst for conflict dynamics, especially in bringing peace [1]. This is based on the idea that the scale of the disaster and the need for humanitarian assistance should be able to bring together opposing actors in joint efforts for humanitarian assistance, the reconstruction process and conflict resolution. However, how disasters contribute towards conflict escalation or de-escalation has not been profoundly discussed. Prolonged social conflicts in the Indonesian province of Aceh (1976-2005) and Sri Lanka (1983-2009) are examples of cases where the tsunami disaster in December 2004 directed conflict towards a peace agreement in Aceh, but resulted in the contrary in Sri Lanka. The intra-state conflict in the Provinces of Aceh, Indonesia and Sri Lanka serves as a starting point for discussion in this paper.

The relation between conflict and natural disasters can be seen as two spectra that are directly proportional. Natural disasters cause many social conflicts in the community and cause access scarcity to life. Scarcity is a basic concept on which conflicts are formed. The assumptions above are based on the literature presented by Homer Dixon in an article titled Environment, Scarcity and Violence. This literature explains that environmental changes which are the forerunners of natural disasters include climate change, the ozone layer depletion, agricultural land degradation, deforestation, damage to water resources and fish stocks depletion can cause scarcity of access to basic needs of the community. This scarcity is the initial basis of conflict because it does not fulfill human needs in the context of individuals and society in general [2]. Conflicts that can arise include natural resource conflicts, where people fight over ownership over these resources, especially water resources. Other possibilities include rebellion, group identity conflicts, and even civil war (Homer-Dixon, 1999).

Meanwhile, Brancati supported Homer-Dixon by discovering that natural disasters or environmental damage can result in scarcity of important resources, frustration, fear, poverty, marginalization and other external anxiety that can trigger conflict [3]. The assumptions above are further strengthened by Slettebak who through his research, explained the correlation between earthquakes and increased conflict tendencies. This is based on a statistical analysis of 185 countries from 1975 to 2002 where the findings identified a correlation between the two [4]. Conflict tendency in these countries was stimulated by the earthquake. This argument departs from the scarcity of resources for daily life which becomes increasingly scarce due to the earthquakes.

These descriptions provides assumption that natural disasters and conflicts is correlated and it can be concluded that most natural disasters which states do not properly managed will trigger and cause conflict in disaster affected communities. This is caused by scarcity as the result of access and post-disaster resources which makes it difficult for the community to meet their needs. This inability to fulfill needs is what triggers conflict and violence.

These assumptions have been tested with several academic studies, but there are still not many studies related to the correlation of natural disasters to the conflict dynamic's increase or decrease in areas experiencing conflict and natural disasters. This reason was the basis of this paper. There are two assumptions that emerging from this problem. The first assumption is that with natural disasters, conflict situations will grow with tendencies towards peace, and / or the second assumption that is natural disasters will worsen conflict conditions.

Despite these differences, the tsunami disaster seemed to open a window of opportunity to resume the previous peace process in both regions. It can be observed that post-tsunami, Aceh and Northeast Sri Lanka went through very different paths. In Aceh, despite the resumption of peace negotiations, the Indonesian security forces tried to use this opportunity to eliminate Acehese guerrillas [5]. Peace talks between the two parties continued and, in August 2005, Indonesia reached a peaceful resolution of the conflict. The Memorandum of Understanding between the Government of Indonesia and the Free Aceh Movement (GAM) was signed shortly after the tsunami and was followed by peace and the process of political integration into Indonesian democracy. In Sri Lanka, the tsunami created a humanitarian pause from a gradual increase in hostilities and efforts to create a joint mechanism between the Government of Sri Lanka (GOSL) and the Liberation Tigers of Tamil Eelam (LTTE) in handling humanitarian assistance, but since then Sri Lanka has returned to large-scale war between GOSL and LTTE.

Based on previous explanation, tsunami disaster should not only be considered as the vector of peace but also as a strong catalyst in conflict resolution, since negotiations between the two parties have started before the disaster. Gaillard et al discovered that after the tsunami disaster, factors directly related to the disaster had less effect on peace, on the contrary, non-disaster political factors and internal factors tend to have a more significant impact on long-term conflict resolution. Through his research, Gaillard's argument is proven through a slow, uneven, and often very poor reconstruction process that impedes, or even threatens, the peace process. Gaillard's research on the effects of natural disasters concluded that disasters tend to be deeper than resolving conflicts [6]. Coming from contrasting post-tsunami experiences in Sri Lanka and the Indonesian province of Aceh, this article provides a theoretical understanding and pre-condition indicators that affect conflict and peace. Thus the discussion in this article will provide an overview of the conditions in which disasters constructively affect conflict which leads to peace or vice versa, which is destructive and ends in an escalation of conflict.

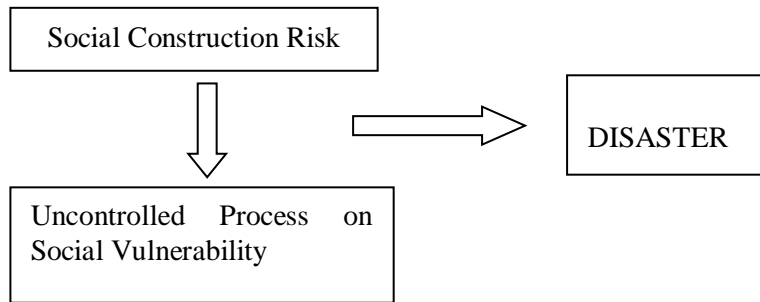
## **RESULT AND DISCUSSION**

Quarantelli in article titled What is a disaster? The Perspective in the Question, presents three perspectives to explain disasters. The first perspective explains that disaster is an approach to war [7]. Disasters are triggers of war in an affected area. The second perspective states that disaster is a social vulnerability. This perspective tries to explain that disasters are not necessarily categorized as a



disaster if they are well organized. A natural event can be categorized as a disaster if it cannot be organized properly and social risks cannot be avoided. This explanation can be understood through Figure 1.

**Figure 1. Disasters as Social Vulnerabilities**



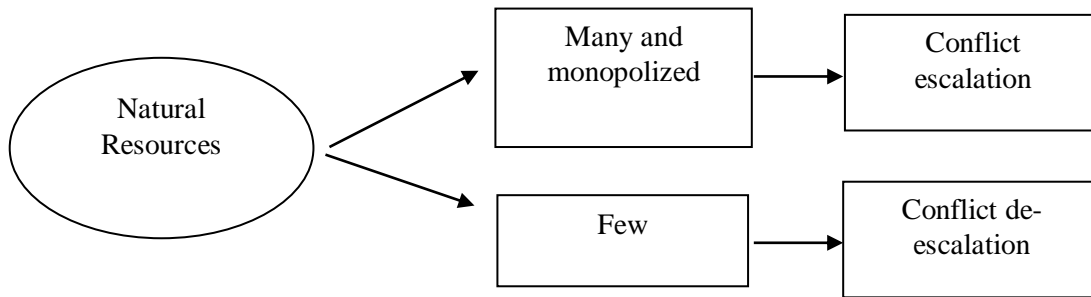
The regulation of social vulnerability in society is a key factor in explaining this approach. If disaster risk management can be organized and managed properly, then the disaster cannot be categorized within the scope of the disaster.

Quarantelli's third perspective presented states that disasters need to be further investigated in two disaster occurrence schemes. This categorization includes disasters as incidental events or disasters which are a result of unresolved crisis conditions. These two things can be used to see the scope of the disaster. Collins also provided explanation that supported Quarantelli. Disaster-related understanding is defined as the event of the collapse of protection culture. This assumption is reinforced through sociology perspective in viewing disasters on two broad spectrums namely as natural disasters or man-made disasters which are disasters based on human activities or behavior [8].

The understanding of the disaster context above provides an overview of disasters which are very broad and flexible. This article tries to reduce this understanding to the context of natural disasters that occur in conflicting areas. Departing from the two basic assumptions presented earlier, several variables were determined and became tool of analysis in studying natural disasters in the context of conflict areas. The opportunities and likelihood of whether natural disasters will have a good (conflict resolution) or adverse impact (exacerbating conflict conditions), will be observed and measured using several relevant indicators.

The first variable that can be used is natural resources. If the initial statement considered natural resources as a trigger conflict because access to these resources becomes difficult in the context of natural disasters [2], it is different with natural resources in conflict-stricken areas. The first assumption states that natural resources can increase conflict tendencies in disaster areas. This is based on these resources' control and monopoly by rebel groups which can then be used to finance weapons and strategic plans to gain other interests in the conflict contestation that is maintained [9]. From the arguments presented above, it can be concluded that natural resources are the determining factor in the period of conflict. If elaborated in a simple scheme, conflict can worsen if the control of natural resources during a disaster is in the control of the rebels. However, conflict areas that have few natural resources and are not controlled by the rebels tend to assume a more rapid state of peace due to their inability to finance the war. The relationship between resources and natural disasters in conflict areas can be seen in Figure 2.

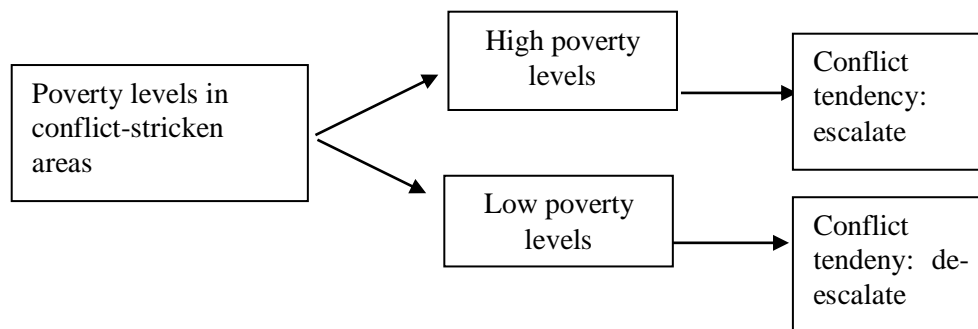
**Figure 2. Correlation of Natural Resources and Natural Disasters in Conflict Areas**



The above scheme can be used as tool of analysis to study the possibility for peace in conflict areas affected by natural disasters. If an area has many natural resources and is monopolized by a group (rebels) then the likelihood of conflict will continue to rise. It becomes different if there are few natural resources in the conflict area. There is a tendency that conflict will decrease due to poor finance, exacerbated by post-war conditions.

Natural disasters do not increase conflict risk, on the contrary, natural disasters can reduce the risk of conflict. Determinants of increased conflict in natural disaster conditions are supporting factors [4]. There are two supporting factors presented by Slettebak namely poverty rates and state regulations. The second variable chosen as tool of analysis is the poverty level which is an assumption which has been previously presented. Poverty levels play a significant role in conflict. Poverty is also a basic foundation for social conflict in society. A conflict area tends to have a high level of poverty. This is based on the inability to meet the needs of life. These conditions added with natural disasters result in the rise of tensions. The link between poverty levels and natural disasters in conflict areas can be seen in Figure 3.

**Figure 3. Correlation of Poverty Levels and Natural Disasters in Conflict Areas**



The third variable used is state regulation. The problem of disasters in conflict areas cannot be separated from the responsibility of the state in handling these issues. The country's ability to cope quickly and precisely is crucial in order to immediately resolve the impacts of disasters and the resulting vulnerabilities. The more the government is able to regulate the problem of disaster, the more the conflict will de-escalate. However, if the government is slow and incorrectly implement actions and policies, this will worsen the condition of the conflict [4].

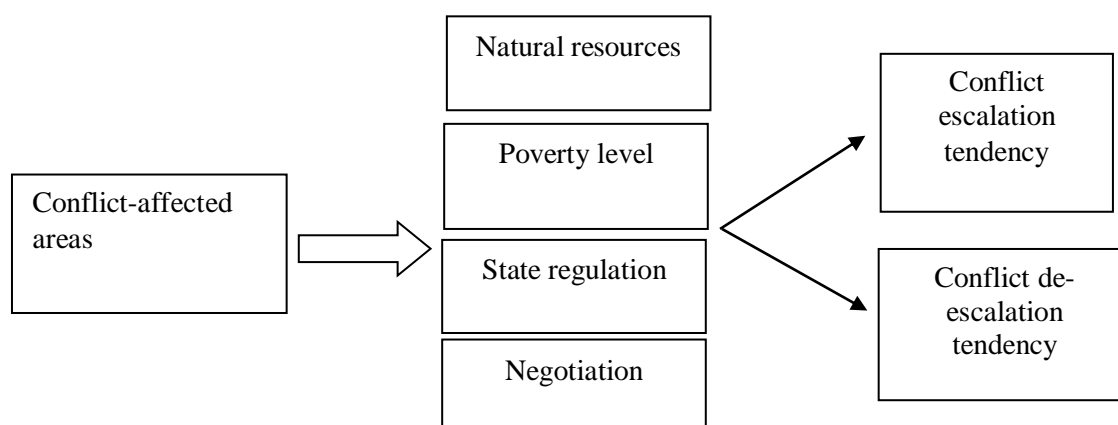
The fourth variable is the possibility of peace before the occurrence of natural disasters [10]. This variable tries to explain the possibilities and efforts that have been made by the conflicting groups in finding a middle ground for resolving conflict. In determining conflict resolution, trust is a required characteristic that must be developed and owned by each of the actors in negotiations [11]. This will facilitate problem discussion and conflict resolution. The level of trust greatly influences the course of negotiations. If the trust between the negotiating parties is high, it will be easy to achieve the goal of peace, but if trust is low among the negotiating actors, it will be difficult to find an understanding.

There have been several efforts to increase trust between negotiating parties. The approach is to find common ground of each party's interests to negotiate until a meeting point of these interests is reached. A careful mapping is needed as well as findings related to the needs of each negotiating group. Another solution is to observe precedents. The precedent in question is to examine past experience related to previous cooperation. By studying and considering past cooperation in various fields, closeness and trust can be increased. The final solution is to study reports of each of the actors negotiating track records. If the negotiating actor's track record is good, then the level of trust will also increase, however if the track record is poor, then the level of trust will immediately be very low [11].

In the context of disasters in conflict areas from these negotiating variables, a conclusion can be drawn that conflicts that have entered the peace negotiation phase will more quickly form peace in the event of a disaster. Compared to conflict areas that have not yet entered negotiations at all, it will be very difficult to find a direction for peace during a disaster [10]. Conditions of negotiations that were carried out before the disaster occurred are usually also based on two main elements namely the period of conflict that has been too long which results in the saturation of actors in conflict and initiatives to immediately resolve conflicts through peaceful channels and negotiations.

From above explanation, at least the four variables which are natural resource variable, poverty level, state regulation, and negotiation can be elaborated on certain case studies to explain the tendency of conflict to escalate / de-escalate in areas experiencing natural disasters (Figure 4).

**Figure 4. Theoretical Framework**



## CONCLUSION

The December 2004 tsunami disaster in Aceh, Indonesia and Sri Lanka resulted in different conditions after the disaster. As an area that is equally afflicted by prolonged intra-state conflict, Aceh succeeded in ending the conflict with a peace agreement between the government and the rebel groups. However, conditions were very different in Sri Lanka where conflict escalated. Conflicts that experienced a stage of de-escalation in Aceh and escalation in Sri Lanka can be explained through at least four variables studied through various literatures. The first variable is natural resources. Conflict conditions tend to worsen in a conflict area in the post-disaster era when natural resources are abundant and are monopolized by a group of rebels, while if there is less supply of natural resources in the conflict area, this tends to de-escalate conflict due to poor funding of conflict and. Secondly, the level of poverty causes conflicts to escalate when conflicting regions have high levels of poverty due to difficulties in fulfilling the necessities of life, especially when having to rebuild post-disaster life. State regulation is the third variable. The presence of the state in drafting regulations on disaster management is urgently needed by areas affected by the disaster. There is possibility for peace when the state has the capacity to develop disaster management. On the contrary, if the government is slow and wrongfully applies actions and policies; the conflict will worsen and peace will be obstructed.

The final variable is negotiation. Conflict areas that have started peace negotiations, will likely form peace more quickly in the event of a disaster compared to conflict areas that have not conducted negotiations between the conflicting parties.

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# RESILIENCE FAMILY EARLY MARRIAGE

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## Abstract

UNIFPA explains that early marriage is a marriage that is carried out by children aged 18 years and under, who physically, sociologically and psychologically do not have the readiness to assume the responsibilities of marriage. Marriage at the age of the child is not something that is easy to run, because the emotions in question are still unstable and the mindset is still immature. Some studies suggest that this marriage tends to have a negative impact, including dropping out of school, the risk of maternal and child mortality, conflict-prone marital life, domestic violence that causes family disharmony and divorce. Based on data early marriage continues. COUNCIL of Foreign Relations states that Indonesia is among the ten highest child marriages in the world, which is ranked seventh, while in ASEAN, the second position after Cambodia This paper discusses the conditions of family resilience in early marriage. Physical endurance involves the economic ability of the family to meet basic needs. , namely a state of fulfillment of food, clothing, housing, education and health needs. tend to be fulfilled by parents because it is found when the marriage occurs the couple do not have a job and income. Marriage generally takes place while still in school and is forced to get married due to pregnancy before marriage so it is also forced to drop out of school. Do not want to budge, still ignorant or relaxed with the family situation becomes a source of conflict in addition to childcare issues, is a picture of social and psychological resilience of early marriages families.

**Keywords:** Early Marriiage, Family Resilience.

## INTRODUCTION

As stated in Nawacita, the priority of National Development is the development of human resources, where the government targets the community. Prosperous Indonesia in 2025 and Gold Generation in 2045. Society a prosperous Indonesia with adequate clothing, food and a sense of security, so that one day it is expected to create a golden generation that has competitiveness in facing the challenges of economic and information globalization. Basically the development of human resources is in the context of forming independence and improving the quality of the family in economic, social, cultural and spiritual aspects and religious values to carry out the ideal functions of the family.

Family functions include economic functions, reproductive functions, socialization and education functions, affection functions, protection functions, religious functions, and environmental development functions. In order to achieve these family functions, family security is needed resulting from a quality marriage between a married couple. The quality of marriage is influenced by the age of the couple who is going to get married.

Marriage Law number 1 of 1974 states that the purpose of marriage is to form a happy and everlasting family (household) based on a Godhead. In terms of age in the Marriage Law also states that the minimum marriage limit for men is 19 years old and for women is 16 years old. However in the health sciences according to Khairunas, the ideal married couple in terms of age is between the ages of 20-25 years for women and ages 25-30 years for men. This period is the best time to get married, because at that age both men and women are mature enough (physically) physically, emotionally / psychologically and socially in running marital relationships and fostering family [1]. Mature in acting and mature in thinking and have a strong foundation to create a harmonious family. Thus it is expected that family resilience including physical, social and psychological resilience can be

achieved. Where family resilience concerns the ability of families to manage the problems they face based on the resources they have to meet the needs of their families [2]. The ability to survive and adapt to various conditions that are constantly changing dynamically and have a positive attitude to the challenges of family life [3].

However, in society still found the occurrence of marriage at the age of children or better known as early marriage. In Child Protection Law No. 23 of 2002, it is said that marriages at the age of 18 years including child marriage. UNIFPA in 2006 explains that child marriage is a marriage carried out by teenagers of 18 years, who physically, physiologically and psychologically do not yet have the readiness to assume marital responsibilities. Where according to Hadiutomo, "Young age or adolescence globally begins at the age of 12 years and ends around the age of 21 years"[4].

Council of Foreign Relations mentions that Indonesia is among the ten highest child marriages in the world, which is ranked seventh, while in ASEAN the second position after Cambodia [5]. Indonesia according to BPS, namely in 2016-2017 an average of 25% of people aged 20-24 years were married before the age of 18 years [6]. West Sumatra itself was at 19.7% in 2017, where data based on the BKKBN contained 6,083 married couples at the age of under 20 years in the span of 2010 to 2015. In this case, what is known as the cause of child marriages is educational factors, pregnant before marriage, religious understanding, economy, and cultural / traditional customs [7]

Marriage at the age of the child is not something that is easy to run, because the emotions in question are still unstable and the mindset is still immature. Some studies suggest that marriage tends to have a negative impact, including dropping out of school, the risk of maternal and child mortality, conflict-prone marital life, domestic violence that causes family disharmony and divorce [7],[8],[9],[10],[11].

This is related to the inadequate physical, emotional, psychological and socio-economic maturity of married couples in their teens. Endah Kusumawati's research in Yogyakarta, explains the impact of adolescent marriages which includes economic difficulties, difficulties in social activities, trivial fights and divorce. Of course, various problems surrounding marriage at the age of the child also influence the family's resilience. This paper tries to discuss how family endurance in early marriages includes physical, social and psychological resilience [12].

## **RESEARCH METHOD**

This research method uses a survey approach, where data collection is done through a questionnaire of 18 perpetrators of early marriage / children aged 18 years and under) to map the conditions of family security in the city of Padang. The questionnaire was filled in by structured interviews. Respondents were determined intentionally based on established age criteria and the age of marriage had lasted at least 4 years. In addition to sharpening the analysis, 4 in-depth interviews were conducted with research informants selected from the group of respondents surveyed earlier. In this case, a detailed and complete understanding of the research problem is needed through a qualitative method. Quantitative data is processed and presented in the form of frequency tables, while data collected through informants using in-depth interviews and observations will be analyzed interpretatively qualitatively based on relevant literature studies.

## **RESULT AND DISCUSSION**

In the early 1950s the term family strength or family resilience was first introduced by Family Sociologists. Where this term indicates a strength both in terms of input, process, and output and the impact of output that is felt beneficial for the family and the strength of the family's fighting power (coping strategies) in adjusting to the surrounding environment [13]. Law Number 52 Year 2009 concerning Family Resilience and Welfare defines it as "a condition of a family that has tenacity and resilience and contains material physical abilities to live independently and develop themselves and their families to live in harmony in increasing welfare and happiness both physically and mentally". In this case aspects of family resilience include;

1. Physical resilience, concerning the economic capacity of the family, is the ability of family members to obtain economic resources from outside the system to meet basic needs, namely a state of fulfillment of food, clothing, housing, education and health needs.
2. Social security, related to non-physical resources. Family-oriented, religious values, effective communication, high family commitment (division of roles, support for advancing and family time together, fostering social relations and coping mechanisms).
3. Psychological endurance, family's ability to control emotions positively, positive self-concept (including expectations and satisfaction) and husband's care for his wife [2].

A family can be called by Achir to have family resilience if the family can optimally carry out its role in realizing all the potential of its members and is responsible in terms of education, economy, social and culture to carry out family functions including the functions of love, protection or protection, reproduction, socialization and education, economics and environmental development [14]. So according to him by looking at the implementation of a number of family functions, that is, if the family has been able to optimally carry out a number of functions, then the family is said to have endurance and if on the contrary the family has the fragility and unsteady existence. Meanwhile the KPP and PA in 2015 collaborated with the Bogor Institute of Agriculture to conduct a preliminary study on Family Resilience Indicators. There are 30 indicators of family resilience that include Physical Resilience, Economic Resilience, Psychological Social Resilience and Social Cultural Resilience

### **1. Resilience of Legality**

Resilience of legality includes a component of the legality aspects of the marriage. Is the marriage that takes place at the marriage of the child registered at the "Kantor Urusan Agama" (KUA), in the sense that the marriage is officially conducted according to state law or has a marriage certificate. Legality of resilience here also involves the existence of other supporting documents such as a certificate of identity (KTP), family card (KK) and the child has a birth certificate. It is known that the majority of respondents' marriages are official, registered and have a marriage certificate which is around 66.7%. However, of the 16 respondents who had children only 9 respondents whose children had a Birth Certificate, where all family members all lived together under one roof. One Sv informant who married at the age of 17 revealed that when he was about to get married all the letters needed for the completeness of their marriage were taken care of by their respective parents because based on experience in the parents' family the existence of these letters was very important. Therefore their parents still try to take care of all the letters despite some difficulties.

### **2. Resilience of Physical**

In this aspect of meeting the needs of married couples who tend to be met by parents because they were found when the marriage occurred the couple did not have work and income, because it was found when the marriage occurred the couple did not have work and income (84%). Marriage in general (70%) took place while still in school and was forced to get married due to pregnancy before marriage so it was also forced to drop out of school. However, at the time of the study 55.6% of respondents (husband and / or wife) had a fixed monthly income of at least Rp 2,655,000.

88.8% of respondents answered that all family members were able to eat completely twice a day. Complete in the sense of eating rice with side dishes although fruit is only mentioned by respondents only occasionally is available. Married at the age of the child which has an impact on the health of the baby born is a greater risk of death, which is double before reaching the age of one year due to premature or low birth weight, but this case was not found. Likewise with malnutrition, only 11.1% was experienced by the respondent's family, but regarding food menu mentioned by the informant was relatively not well planned enough. Here it is explained that the most important thing is enough to eat rice and side dishes twice a day.

### 3. Social-Psychological and Socio-Cultural Resilience

The results showed that communication with a partner regarding the implementation of the role and problem solving can be said to be less effective. This is shown by the life of marriage at the marriage of a child there is a quarrel with a spouse, the wife acts "sulking" not talking and not serving her husband. There are even 2 cases that end in domestic violence. In general, fights that occur are more likely because of small things like a husband often does not help in caring for children, likes to wake up late in the morning or have a lazy nature and other habits that are less liked by the wife. In this case the aspects of income, the presence of a third person, childcare, intervention of in-laws, differences in the nature and belief in something are the dominant causes of conflict.

In this case the quarrels that cause conflict in the family of married couples the age of the child is inevitable related to the emotional instability. The nature of the ego, still ignorant or relaxed with the family situation becomes a source of conflict in addition to childcare issues. For those who are married with sufficient maturity and have physical and spiritual readiness, there will be a variety of problems surrounding or insoluble. Especially for families formed from child marriage.

### CONCLUSION

The results of this study conclude that family marriages of child marriages based on frequency indicators generally reach above 50% except in economic resilience in the form of husband or wife having savings in the form of a minimum money of Rp. 7 900 000 only fulfilled by 2 respondents although 66.7% of respondents have fixed income. In social psychology, there are 22.2% of respondents, there is violence between husband and wife and 25% of violence between parents and children.

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# **DIVORCED WOMAN THAN REMARRIED AGAIN: A SOCIAL PRACTICE IN NAGARI PADANG GANTIANG**

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## **Abstract**

Ideally marriage is carried out by men and woman with the aim of forming a happy and lasting family (household) (UU No.1 Tahun 1974 pasal 1). According to research and development ministri of religion 2016, 70% divorces are committed by woman. In Nagari Padang Gantiang, divoerced woman then remarry occur many times by the same individual “kawin cerai (Primary research data, 2017).The purpose of this reseach is 1) Exploring the experience of women who marry divorce. 2) Identify enabling and constraining structures on the practice of married women. 3) Identify the structures that are enabling and constraining on the practice of woman divorce. To understand this problem, researchers used the structural theory proposed by Anthony Giddens. Qualitative methodology with descriptive type has been done. Data collection is done by observation, in-depth interview with life history technique. Miles and Huberman analysis used for data analysis. The structure of enabling and constraining the practice of women remarried found there are five structures that enabling the practice of married women are: Practice marriage siri is a common thing done in Nagari Padang Gantiang, widow status is negative, marrying back after divorce is a personal matter, the child is rated as a continuation of his nasap, the existence of media to remarry. While the structures that constraining the practice of married women are: There is a necessity to marry over 16 year, the existence of rules to marry in KUA, requisition of first wife's permission if husband is polygamous, there is a regulation for civil servants about polygamous permits. The structures that are enabling and constraining on the practice of female divorce are found to be five structures that enabling divorce practices performed by women, third party interference, female perpetrators marry domesticated victims of domestic violence, poor economic condition of female families of married offenders, lack of knowledge of married offender women of married life, husband returns to his wife / widow. While there are four structures that constraining the practice of female divorce are: the existence of children as a unity of parents, the existence of rules about divorce, the existence of a conception of the ideal family and women are more difficult to divorce than men.

**Keywords** : Social practices, Life history, Women, Divorce marriage, Remarried, Divorce.

## **INTRODUCTION**

God deliberately created his people in pairs which was carried out with families in order to achieve order for humans. This family was born as a consequence of human nature which has an attractive relationship between two types of people, male and female. Denial of Him means denial of God's created natural law contained in *QSA-n-Nahl: 72*. The family aspired by the community is a *sakinah, mawaddah, and warahma family*. *Sakinah* means a peaceful family, having peace, peace, happiness physically and mentally. *Mawaddah* means a married life filled with feelings of love, love, and affection. *Warahma* means a life full of blessings, grace, and sustenance [1].

In Law Number 1 Year 1974 article 1 it is mentioned that marriage is an inner and outer bond between a man and woman with the aim of forming a happy and eternal family (household) based on the Godhead of the Almighty. Based on the Law, it can be interpreted that husband and wife ties are based on the Godhead, marriage is a sacred bond and cannot be released from the religion of the husband and wife concerned. Marriage is not done solely for the orderly sexual relations of a married couple, but can form a happy home, a harmonious household, a harmonious and safe household between husband and wife. Marriage is one of the sacred covenants between a man and woman to form a happy family.

In fact, not all who have married are always followed by a harmony in establishing domestic relations. In one family, which should be built on love ( *sakinah* , *mawaddah* , and *warahma* ) often happens unhappiness. Feud, quarrels, dislike, are often a problem. These problems can end in divorce. Indonesia is a country with a high divorce rate. Data compiled from several media shows that divorce is one of the trends of society which continues to increase every year. Divorce trends that occur in Indonesia can be seen from the results of a study entitled "Divorce Trends Among Indonesian Muslims" released by the Research and Development Center (Puslitbang) of Religious Life, the Research and Development Agency of the Ministry of Religion (Kemenag) in 2015 showed that divorce rates increased overall in the period 2010-2014 [2].

According to data from the 2016 Ministry of Religion Research and Development Center, 70% of divorce cases are committed by women and there are at least four main reasons couples in Indonesia divorce, including disharmony, no responsibility, the presence of third parties and economic problems [3].

The phenomenon of percerian in West Sumatra has also increased. Based on data from the ministry of religion in the West Sumatra region, as many as 18,270 divorces occurred from 2013 to 2015 (in coverage6.co). In detail and clear, divorce rates in West Sumatra are presented in Table 1 below.

**Table 1. Divorce Statistics Data in West Sumatra in 2009-2015**

No	Year	Divorce Amount
1	2009	3,847
2	2010	4,929
3	2011	5,753
4	2012	6,154
5	2013	3,847
6	2014	6,043
7	2015	6.216
Total		36,789

Source: [4]

Based on data from the Central Statistics Agency above shows that the overall divorce rate increased from year to year, as in 2013 the divorce ranged from 3,847, up to 2015 it had reached 6,216. The complete data above can be seen in appendix 1, in Indonesia there were 1,958,394 marital events and 347,256 divorces in 2015. Calculated using the comparative formula, it can be said that 18 people were divorced in 100 people who were married.

Tanah Datar Regency is one of the regencies in the province of West Sumatra. Divorce rates in Tanah Datar District have also increased, as is the data contained in the Batusangkar Religious Court. Table 2 contains divorce data that occurred in Tanah Datar District and Padang Ganting District in the last five years. From the table it can be seen that divorce data that occurred in the last five years has decreased and increased. The divorce rate in Tanah Datar District When compared to the number of divorces in 2015 was 417, then in 2016 the divorce rate jumped to 605. This proves that the number of divorced couples in Tanah Datar District.

Padang Ganting District is one of the sub-districts that dominate the filing for divorce or divorce cases in the Batusangkar Religious Court. Table 1.3 also shows data of the last five years of divorce that occurred in Padang Ganting Subdistrict, the number is not much different from previous years, but when compared to divorce data in Tanah Datar District, if in 2016 there were 605 divorces, then 41 out of 605 these come from the Padang Ganting District.

**Table 2. Divorce Data in Tanah Datar Regency and Padang Ganting District**

No	Year	Divorce Amount	
		Tanah Datar Regency	Padang Ganting District
1	2012	530	43
2	2013	490	40
3	2014	530	42
4	2015	417	38
5	2016	605	41
Total		2,572	204

Source: [5]

**Tabel 3.Total Divorced Woman Than Remarried Agai in Nagari Padang Gantiang**

Jorong	Divorced woman than remarried again	
Koto Alam	2017	2019/July
Koto Gadang	15	18
Koto Gadang	7	23
Rajo Dani	11	16
Koto Gadang Hilir	15	79
Total	48	136

Source: [6], primary data research (2019)

Divorce is not only done by men but also by women. In Nagari, Padang Gantiang, it was found that women divorced and after divorce they remarried. Primary research data shows that there are 136 women who divorce and remarried again. Divorce and remarried women in Nagari Padang Gantiang found that there were some of them who had divorced four times and remarried four times. Many women who divorce and remarry after divorce and some divorced four times and remarried four times in Nagari Padang Gantiang are two important things to explore deeper.

There are no specific restrictions to explain divorce and remarriage. Married, divorced, and remarried couples are referred to as divorced marriage [7], whereas KH.Syafi'i Hadzami in his book "Fatwa-Mualimin Fatwa" uses the word "divorced marriage" twice to explain the purpose of divorce marriage. divorce because it solely wants to reproduce a sense of self-delicacy for *afwisseling* (variation) that is not boring, the work is work that is not liked by God and His Messenger [8].

The practice of divorce and remarriage is very interesting to be investigated because what is supposed to happen is not in accordance with the expected reality, even though marital problems in accordance with expectations (*sakinah, mawaddah, warahma*) have been regulated in God's Revelation, already governed by laws, institutions institutions, as well as by the community itself but the community continues to divorce and remarry. Divorce and remarriage that occurred in Nagari Padang Gantiang need to be studied more deeply. Divorce and remarriage that occurs is done by women, this is interesting to study by considering the knowledge of women themselves about the practice of divorce and remarriage they do. Revealing the social practices of women conducting divorce and remarriage is what will be examined in this study.

## RESEARCH METHOD

This research uses a qualitative approach. This approach seeks to provide a description of a particular social phenomenon. The qualitative method as a research procedure will produce descriptive data in the form of writing, so that it can provide information about the problems referred to in the study. The

word qualitative emphasizes processes and meanings that are not rigorously studied, meaning that they have not been measured in terms of quantity, amount, or frequency. According to Afrizal, qualitative research tries to collect and analyze data in the form of words (oral and written) and human actions and researchers do not try to calculate or quantify qualitative data [6]. Qualitative research is concerned with the level of depth of data or the quality of data that is not limited, understanding the meaning, directed at the individual or group under study, and carried out thoroughly.

The reason for using qualitative methods, because by using qualitative methods researchers can obtain data and understanding of the meaning of the phenomenon under study. The strength of this research is to reveal the meaning and interpretation of human behavior itself, look for what is implied, and get a deeper explanation of the actions of individuals and groups. Every action taken by an individual has a certain meaning, the meaning can be seen from how the individual's understanding of the action taken. To find out the social practices of women engaging in divorce and remarriage, qualitative methods are needed to explore women's past experiences, gather information about their social practices.

Meanwhile, the type of research used in this study is the type of descriptive research. This study aims to describe and explain various phenomena, conditions of things in detail, as they are, and not as they should be. In conducting research, researchers use the five senses as well as possible to see and hear all the events that occur in the field, taking notes as completely and objectively as possible experience of informants. The researcher tries to be a good listener and observes what is said by the informant during the interview.

### **Research Informant**

Research informants are people who know about the phenomenon under study. Research informants are people who provide information either about themselves or others or an event or a thing to researchers or in-depth interviewers [9]. The informants in this study consisted of perpetrators and observer informants. The offender informant is the informant who provides information about himself, about his actions, about his thoughts, about his interpretation (meaning) or about his knowledge, this informant is the subject of the research itself. While the observer informant is the informant who provides information about another person or an event or an event to the researcher, this person can be called a witness of an event [9].

The criteria for the informants of the perpetrators in this study are: women who divorce and remarry, women who get married at least three times or divorce twice, women who conduct marital siri and or marriages in KUA, women who do divorce and divorce divorce and women who divorce in a religious court and or who are left behind by their husbands. The informants of the perpetrators in this study were eight divorced and remarried women. Observer informants in this study amounted to 12 people, consisting of the *head of pucuak*, alim ulama, Chairperson of *bunduang kanduang*, *clever cadiak*, ex-husband, neighbor, mother niniak mamak, sister, mother, husband of divorce and remarried women and family members of ex-husband of ex-husband divorce and remarried women.

### **Data Taken**

The data obtained in the field is sourced from primary data and secondary data sources. Lofland and lofland explain that in qualitative research the main data sources are words, and actions, additional data from documents, and others [10]. While the types of data are divided into words and actions, written data sources, and photographs. The data taken in this study are: Primary data sources in this study are data obtained from observations and interviews with informant actors and observer informants in the field. While secondary data obtained through library studies such as journals, books, theses, photos, statistical data, documents, writings related to research topics. In this study, researchers also collected evidence of marriage and divorce from divorced marriages in the form of a siri marriage certificate, divorce certificate and marriage certificate.

## **Data Collection Techniques and Tools**

Data collection techniques are a strategic step in research, because the purpose of a study is to obtain data. In accordance with the approach used in the study is a qualitative approach, the data collection techniques used are observation techniques, interviews with *life history* , and collection of documents.

### **1. Observation**

Observation is the basis of all science. Scientists can only work based on data, namely facts about the world of reality obtained through observation [11]. The observations referred to herein are intentional and systematic studies of the phenomena under study. Observations can be made using the five senses, so that researchers can see things that are less or not observed by others.

Not much can be observed in researching social practices of women doing divorce and remarriage in Nagari Padang Gantiang because it relates to the experience of women being studied is something that is in his past. Observation is used to see the current conditions of the lives of divorce and remarried women who are then very helpful in the truth of the information they provide. Observation also helps in selecting the criteria for the informant's perpetrators.

### **2. Analysis of Individual Experience ( *Life History* )**

*Life history* analysis method is part of the in-depth interview method. This method is used to obtain insights from within: through the reactions, responses, interpretations, and visions of citizens towards and regarding the citizens concerned. By using this method it is possible to obtain detailed information about the phenomenon under study that cannot be obtained by observation. Individual experience data is information about what is experienced by certain individuals as part of the community that is the object of research. In this study, these individuals were women who divorced and remarried.

The use of this *life history* method supports the research objective of exploring the experience of divorce and remarried women and seeing the structure that empowers and inhibits divorce and remarriage. Amal says that individual data collection techniques start from gathering information that allows individuals or groups to start with current experience and then trace the origin of the forces or causes that contribute to current experience [12]. In this study, *life history* techniques began by gathering experiences of informant marriages with her current husband, then continuing to experience divorce with ex-informant husbands until the marriage experience of informants with their first husband.

### **3. Document Collection**

Document collection is done to check the truth or accuracy of information obtained through the method of *life history* and observation. Based on the problem studied, the researcher looked at the marriage certificate or the informant's divorce papers. This is done to consider dates and written evidence is stronger than verbal information.

### **Unit of Analysis**

The unit of analyst in the research aims to provide a limit to the problem under study, focusing the study or object under study. This is adjusted to the problem and research objectives. The unit of analysis can be individuals, social groups, social institutions, and so on. Research on the social practices of women conducting divorce and remarriage emphasizes the limited (micro) scope to enable in- depth understanding to be carried out, it is necessary to conduct a comprehensive analysis in order to obtain a complete understanding. In this study the unit of analysis is individuals, individuals here are women who divorce and remarry.

## **RESULT AND DISCUSSION**

The experiences of eight women who divorced and remarried were presented with each subtitle: marriage and divorce, arranged marriage to widower, my husband returned to his widow, I conceived a remarried husband, my son needed status, marwah family, divorced for children and marriage without the parents' blessing.

### **Between Marriage and Divorce**

House keeping experience from AW informant (37 years). AW is the informant who has been married four times and divorced three times. AW was first married to a man who was married and then divorced because he didn't get any children. AW remarried to a man who claimed to be single, they were blessed with a son, they divorced because her husband committed domestic violence. AW married a Javanese man and later divorced because he missed his children and did not return. Finally AW married a young man from Talawi and was blessed with a daughter.

### **Arranged Marriage with Widower**

Experience from NH, he married three times and not divorced twice. His first marriage took place because of his mother's marriage with an elderly widower who was a traditional medicine expert. NH is blessed with a daughter from her first marriage. NH divorced because her husband did not have the energy to work in the fields and fields. After divorcing her first husband, NH married a single man. Their marriage foundered because her husband did not like his child. NH remarries with single men and has not been blessed with children.

### **My Husband Returned to His Widow**

Married four times and divorced three times is the marriage experience of EM informants. The first marriage he had an arranged marriage by his parents with a single man, he accepted the match because his parents worked in the parents' fields. Nine years of marriage, they divorced because they did not get offspring. EM's second marriage was carried out in a series because he was married to another man who was married and divorced because her husband was violent, gambling, stealing and playing with women. EM's marriage to her third husband also failed because her husband returned to his first wife's house. Almost the same as her fourth marriage, her husband returned to his widow. I conceived, my husband remarried

The SH informant married four times and divorced three times. Her first husband was a Ponorogo man, they divorced because her husband remarried in Malaysia. Her second husband is an ex-convict, they divorced because her husband's behavior changed to the bad ones, like gambling and sulking. SH's third husband is a Javanese man, they divorced because her husband abused children. SH married the fourth with his own bako who was divorced to death with his wife.

### **My Son Needs Status**

DM is a woman who is pregnant out of wedlock. To save his family's marwah he married a widower because DM did not know the father of the child he was carrying. Economic problems and her husband wants to remarry with another woman to get her divorced in divorce in a religious court. DM remarried to a man from Lintau, they divorced because her husband returned to his first wife. DM's third husband is a single man.

### **Marwah Family**

Housekeeping experience from NM. NM was married three times and divorced twice. The results of *life history* interviews with NM revealed that he maintained his value when he was married. NM tends to be open when asked things that he thinks are reasonable means he tells a good experience. NM could not tell about his poor marriage experience because it was related to the value

when he was married first, even though he was divorced, he objected to telling the cause of the end of his marriage.

### **Divorced for the Sake of a Child**

FN has two ex-husband and husband who are now a driver. FN got married first because it was arranged by her parents. The first marriage they had three children. They divorced because her husband liked to gamble and his habit was to sell household furniture. FN remarries with widowed men. Her second marriage also foundered because of her husband's habit of sulking, returning to her parents' house and also because her husband wanted to reconcile again with his first wife. Lastly, FN married to a married man.

### **Marriage without Parent's Blessing**

Is a marriage experience from LM. He got married the first time without the blessing of his parents because of his age when it was still small. LM was divorced from her first husband because she was not supported and was not liked by her husband's family. LM remarried a Christian man who had just converted to Islam, they were blessed with three children. Her second marriage also failed because her husband committed violence, gambling, getting drunk and tried to get her to enter Christianity. LM is married to a single man from Sungai Tarap, his marriage has also failed because of domestic violence, including violence against children. LM's fourth husband is a widower from Jorong Rajo Dani who works as a construction worker.

The structures that *enable* and *constrain the* practice of female divorce are found to be five structures that *enable the* practice of divorce carried out by women, namely:

1. Third party interference. Third parties are wife's brothers, parents and neighbors, stepchildren and sister-in-law. This mix of responsibilities from third parties empowers women to divorce.
2. Woman perpetrators divorce victims of domestic violence. Domestic violence committed by the husband to the wife empowers women to divorce. Domestic violence is carried out in the form of physical actions and also in the form of dirty words.
3. Poor economic conditions of the families of divorced marriages. In this case women must bear the consequences if married to someone's husband, the husband tends to give money to the first wife. The family's economic condition is also bad because the husband does not have a job and does not earn a living.
4. The lack of knowledge of female perpetrators of divorce will get married life. Six out of eight women who divorce only complete elementary school and tend to marry young. This makes him not and does not yet know what the meaning of a marriage that empowers them to divorce.
5. The husband returns to his wife / widow. Married to a man whose status is unclear, whether he is legally divorced or officially divorced from his wife raises problems in domestic life. Married to someone's husband the consequences he returned to his wife and also the husband returned to his widow.

Whereas there are four structures that are *constraining* to the practice of divorce, namely:

1. The existence of children as parents. The assumption that the child is the union of both parents becomes a structure that prevents women from divorcing.
2. There are rules regarding divorce. Divorce regulations stipulated in Law No. 1 of 1974 which must be passed through religious courts for those who are Muslim and district courts for those other than Islam are preventing women from divorcing.
3. The existence of an ideal family conception. In religion, especially Islam there is a suggestion to get married and divorce is something that is hated by God. The concept that households to form *samawa* families is a structure that prevents women from divorcing.
4. Women are more difficult to divorce than men. Women if they want a divorce must go through a divorce suit to the religious court. While the men are given the opportunity to give divorce three times. Difficulties for divorce prevent women from getting divorced.



The structure that *enables* and *constrains* the practice of remarriage women found that there are five structures that *enable* the practice of married women, namely:

1. The practice of siri marriage is common in Nagari Padang Gantiang. When the requirements to get married in KUA are not fulfilled, women who divorce and remarry tend to get married in siri and this is a common practice for women in Nagari, Padang Gantiang, so that it becomes a structure that perpetuates remarriage after divorce by women.
2. Widowed status is considered negative. The Padang Gantiang nagari community considers that widows are women who are not right and usurpers of husbands so that women will not linger in widows and empower them to get married soon.
3. Remarriage after divorce is a personal matter. There is a tendency that second, third and so-called marriages are a matter for individuals in Nagari Padang Gantiang to empower women to remarry, compared to first marriages which are more a matter of extended family.
4. The child is assessed as a continuation of his speech. The absence of offspring is interpreted as breaking the continuation of the rope, so that even if they have a son, they will still want a daughter because the roles of the two cannot be exchanged.
5. There is a media for remarriage. After the woman divorced from her husband then there will be only those who strive Men- *taarof*-kannya to men in lieu of her former husband. These media are relatives, *bako*, parents and also cellphones.

While the structures that are *constraining* to the practice of remarried women are:

1. There is a need to get married over 16 years. The rules in the law for marriage above 16 years at least can prevent women from remarrying.
2. There are rules for getting married in KUA. The necessity of marriage in KUA prevents women from getting married, especially if the requirements for marriage in KUA are incomplete.
3. First wife permission is required if the husband is polygamy. This structure will make it difficult for women to marry married men.
4. There are regulations for civil servants regarding polygamy permits. Besides requiring permission from the religious court, he also must obtain permission from the official concerned.

Based on research results obtained in the field associated with structuration theory by Anthony Giddens the object of his study is social practice that duality interactions between structure and actors in the relationship of space and time. The structure in this study is the rules and resources. Rules relating to divorce behavior and the practice of remarriage. While resources are a consideration for women to divorce and remarry. The agents in this study were women who were divorced and remarried, ex-husbands, female parents and perpetrators of divorced female neighbors, *datuak* Nagari Padang Gantiang, Chairperson of Bundo Kandang, Padang Gantiang District, KUA Head of Padang Gantiang District, and *smart cadiak*. In the end found structures that *enable* and *constraining* for women to remarry after divorcing their husbands. Divorce and remarried women in Nagari Padang Gantiang not only practice *re-*marriage, they also continue to practice divorce. The existence of structures that allow and hinder the practice of divorce, according to Giddens, will continue to perpetuate the practice of divorce and remarriage itself. So that divorce and remarriage until now are found in Nagari Padang Gantiang, Padang Gantiang District, Tanah Datar District.

## CONCLUSION

The structure of enabling and constraining the practice of women remarried found there are five structures that enabling the practice of married women are: Practice marriage siri is a common thing done in Nagari Padang Gantiang, widow status is negative, marrying back after divorce is a personal matter, the child is rated as a continuation of his nasap, the existence of media to remarry. While the structures that constraining the practice of married women are: There is a necessity to marry over 16 year, the existence of rules to marry in KUA, requisition of first wife's permission if husband is polygamous, there is a regulation for civil servants about polygamous permits. The structures that are enabling and constraining on the practice of female divorce are found to be five structures that enabling divorce practices performed by women, third party interference, female perpetrators marry domesticated victims of domestic violence, poor economic condition of female families of married

offenders, lack of knowledge of married offender women of married life, husband returns to his wife / widow. While there are four structures that constraining the practice of female divorce are: the existence of children as a unity of parents, the existence of rules about divorce, the existence of a conception of the ideal family and women are more difficult to divorce than men.

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# THE CLUSTERING ANALYSIS OF ASEAN COUNTRIES BASED ON THE PROGRESS OF YOUTH DEVELOPMENT INDEX

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## Abstract

The Youth Development Index (YDI) of ASEAN countries is an instrument to give a snapshot picture on the progress of youth development as the strategic imperative for the future. The K-means clustering method is used to grouping the ASEAN countries into three groups with strong similarity within group on youth development progress measured by education, health and wellbeing, employment and opportunity, civic participation, political participation based on data of the last global youth development index and report 2016. The first cluster consists of Malaysia, Thailand, Singapore and Brunei Darussalam that has strong performance on youth development progress on education, health and wellbeing, employment and opportunity, but they have the lower index on civic participation. The second cluster consists of Vietnam, Philippines, Laos, and TimorLeste. The third cluster consists of Indonesia, Myanmar and Cambodia. The second cluster has better youth index on education but has low youth index on civic participation comparing to the third cluster. The third cluster has strong performance on civic participation, but it has the lower index on progress of education, health and wellbeing. The YDI clustering of ASEAN countries is clearly localized the indicators that are sensitive to varied situations across the countries.

**Keywords:** K-mean cluster, Youth Development Index, ASEAN

## INTRODUCTION

Youth development is a strategic agenda for every country including ASEAN member countries; every country would develop policies as the basis for fostering changes in different aspects of life and welfare of young people. Indexing youth policies is one way to know the achievement in youth development progress and give indication in which domains further efforts and resources need to focus to.

ASEAN countries have specific and varied situation of youth development, this situation has to be considering for ASEAN strategy and policy to give a strong basis for future improvement in ASEAN nation youth development. The youth development index also has introduced by UNESCO for mapping the youth development progress, meanwhile Time Centre for Youth Development and Research also delivered youth development index, and global youth development index and report by the Commonwealth [1], [2], [3]. United Nations has introduced quantitative indicators for the world programme of action for youth, and it also considers the world youth report as the 2030 agenda for sustainable development [4], [5]. The composite indices of changes in the child and youth well-being also introduced by Lee, Lamb & Land [6].

The important of youth development programme should be based on the empirical research on the aspect of needs of young people. It is necessary to give specific policy for countries with the similar. Characteristic problem on youth development. This paper will develop a clustering analysis of ASEAN countries based on the progress of youth development index as the basis to formulate policy for countries at regional areas of Southeast Asia.

The clustering countries in Southeast Asia will be used K-means clustering method. Dhanachandra and Chanu and Siddiqui and Isa have used K-means clustering methods for image segmentation [7],[8]. The K-means clustering methods has used to clustering image segmentation by Li, He & Wen and

Siddiqui and Isa [9], [8]. While the application of K-mean clustering method has been using for parallel implementation by Li et. al, K-value selection by Yuan and Yang and for bank clustering based on financial performance by Nazar et. al [10], [11], [12].

The refinement of K-means clustering methods is on its ability to make cluster based on the needs of number of clusters. The countries at Southeast Asia will be clustering into three groups, it will be given the strong similarity on its youth development within the group.

**Table 1. ASEAN Countries YDI Indicators and Weights for Doamins**

<b>DOMAINS</b>	<b>INDICATORS</b>	<b>WEIGHTS</b>
Education	<ul style="list-style-type: none"> <li>● Enrolment in Secondary Education (gross)</li> <li>● Literacy Rate (15-24)</li> <li>● Digital Natives (15-24)</li> </ul>	25%
Health and Wellbeing	<ul style="list-style-type: none"> <li>● Youth Mortality Rate</li> <li>● Mental Disorder Rate by Years of Life Lost (YLL) (15-29)</li> <li>● Alcohol Abuse rate by YLL (15-29)</li> <li>● Drug Abuse Rate by YLL (15-29)</li> <li>● HIV Rate (15-24)</li> <li>● Score on Global Wellbeing Index (15-29)</li> </ul>	25%
Employment and Opportunity	<ul style="list-style-type: none"> <li>● Youth Not in Education, Employment or Training (NEET) Rate</li> <li>● Adolescent fertility rate (births per 1,000 women aged 15–19)</li> <li>● Existence of an account at a formal financial institution, young adults (% aged 15–24)</li> </ul>	25%
Political Participation	<ul style="list-style-type: none"> <li>● Existence of a youth policy</li> <li>● Existence of voter education</li> <li>● Voiced opinion to official (15–24) (yes) (%)</li> </ul>	15%
Civic Participation	<ul style="list-style-type: none"> <li>● Volunteered time (15–24) (yes) (%)</li> <li>● Helped a stranger (15–24) (yes) (%)</li> </ul>	10%

## **RESEARCH METHOD**

The clustering analysis of ASEAN countries based on data of the last global youth development index and report 2016 published by the Commonwealth [3]. The clustering methods of ASEAN countries are used K-means clustering with the steps of classification as follows:

- Determine the initial cluster center randomly.
- Calculate the distance of each existing data against any cluster centers.
- The data belong to a member of a cluster that has the smallest distance from the cluster center
- Calculate the new cluster center
- Repeat the step 2 until the position of data has not been changed with stable means of distance of each cluster.

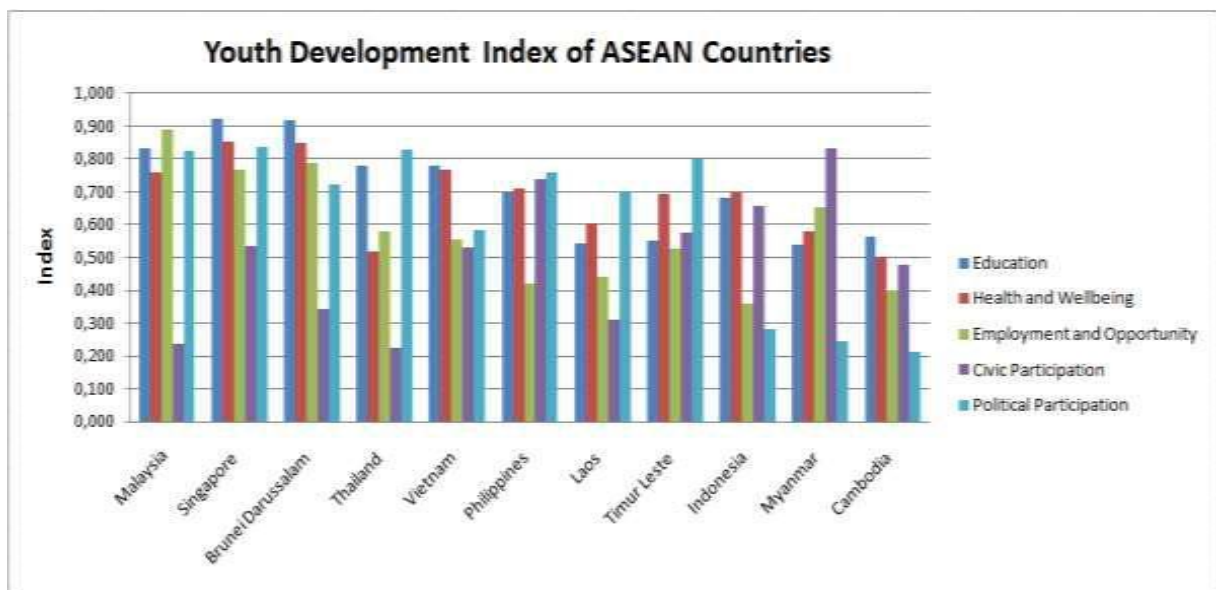
After the target of three groups is formed by using k-means clustering methods, the an empirical comparison analysis is carried out on the means of each group on the domain of education, health and well being, employment and opportunity, civic participation, political participation. The youth development index of ASEAN countries calculation techniques with their weights and indicators is presented in Table 1.

## RESULT AND DISCUSSION

Youth development index of ASEAN countries is very diverse for each country. Singapore recorded the highest score for achievements in the domain of education, health and wellbeing, and political participation. Malaysia recorded the highest score in the domain of employment and opportunity. While, Myanmar recorded the highest score in the domain of civic participation. The achievements of the youth development index for ASEAN countries can be seen in Fig. 1 based on the five domains that have been measured.

Achievements in youth development index of ASEAN countries show the same characteristics for some countries, and they have also sharp differences with other countries. Malaysia, Singapore and Brunei Darussalam showed high achievements in the domain of education and employment and opportunity, and then followed by Thailand in the domain of education and political participation. Meanwhile, Philippines and Myanmar have high achievements in the domain of civic participation. While the domain of health and wellbeing of ASEAN countries have almost the same achievements except Thailand and Cambodia which are still struggling to improve this domain.

**Figure 1: YDI of ASEAN Countries Based on Domain Education, Health and Wellbeing, Employment and Opportunity, Civic Participation, Political Participation**



The design of youth development policies in ASEAN countries with different characteristics in each country requires aspecial approach by grouping the same problems for each country. The grouping of ASEAN countries is based on similar characteristics in handling the same youth development index domain, in this case cluster analysis has been carried out with the k-means method by forming the three final groups as in Table 1 with spider web diagrams showing the achievements of each sector in each group in Figure 2.

Group 1 consists of Malaysia, Singapore, Brunei Darussalam and Thailand which show rapid progress in youth development in the domain of education, health and well being, employment and opportunity, political participation. However, this group has the lowest score for the domain of civic participation. Group 2 consists of Vietnam, Philippines, Laos and Timor Leste. Group 3 consists of Indonesia, Myanmar and Cambodia. Group 3 shows the best performance in the domain of civic

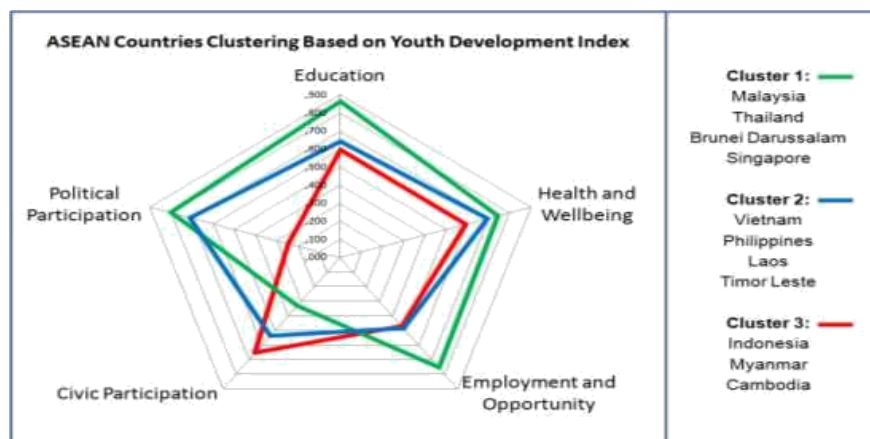
participation, followed by Group 2. Group 2 shows slightly better performance than Group 3 in the domain of education, health and well being. The both groups record more or less the same achievement in the domain of employment and opportunity

The existing data with five domains of youth development index of ASEAN countries have given a snapshot of youth development progress. However, it still leaves problems that are not identified in the indexed indicators, some problems in youth development for ASEAN countries is still about marginalized, disadvantaged in the community. They are facing more vulnerability and less of opportunities; where large groups of youth feel unfulfilled and hopeless, this condition can turn into unstable force with wide spread negative impact. Besides, closing the gap between the male and female for youth can be even more impactful as a future generation. Female access to quality education should remain a focus with its discrepancy among youth; it is also likely for disability and marginalized discrimination.

**Table 2. Final Cluster Centers of ASEAN Countries Based on Youth Development Index**

Domain	Cluster		
	Cluster 1:	Cluster 2:	Cluster 1:
	Malaysia Thailand Brunei Darussalam Singapore	Vietnam Philippines Laos Timor Leste	Indonesia Myanmar Cambodia
Education	.862	.643	.596
Health and Wellbeing	.745	.695	.595
Employment and Opportunity	.756	.486	.472
Civic Participation	.334	.539	.655
Political Participation	.803	.711	.246

**Figure 2. Youth Development Index of ASEAN Countries Based on Domain Education, Health and Wellbeing, Employment and Opportunity, Civic Participation, Political Participation**



The youth development index of ASEAN countries only cover the indicators as mentioned at Table 1, due to lack of data so that for other important indicators still cannot be included in influencing youth development index, then the ASEAN countries have to give also their attention such as for indicators of young people with higher education, access to special and inclusive education, access to education in remote area for the domain of education. The indicators of access to inclusive health services, access to health insurance, access to youth rehabilitation center rate for the domain of health and wellbeing. The indicator of inclusive and decent employment, informal employment, career path, income inequality, access to entrepreneurship for the domain of employment and opportunity. The indicator of access to information, access to government, access to public spaces for the domain of civic participation. The indicator of enrollment on voting, youth parliament members for the domain of political participation.

## CONCLUSION

The youth development index is an instrument to give a snapshot picture on the progress of youth development in a particular country or regional association as the strategic imperative for the future. The ASEAN countries as the regional association has specific strategic nature and importance of youth development sectors commonly referred to as mainstreaming. The youth development goal of ASEAN country has to set the specific objective based on the importance sectors that are various along the countries. The K-means cluster method is used to grouping the ASEAN countries into three groups with strong similarity and its characteristic on youth development progress measured by the domain of education, health and well being, employment and opportunity, civic participation based on data of the last global youth development index and report 2016 [3]. The first cluster consists of Malaysia, Thailand, Singapore and Brunei Darussalam that has strong performance on youth development progress on education, health and well being, employment and opportunity, but they have the low index on civic participation. The second cluster consists of Vietnam, Philippines, Laos, and TimorLeste, the third cluster consists of Indonesia, Myanmar and Laos. The second cluster has better youth index on education but has low youth index on civic participation comparing to the third cluster. The third cluster has strong performance on civic participation, but it has the low index on education progress. The youth development index clustering performance of ASEAN countries is clearly localized the indicators that are sensitive to the complex and varied situations of youth development across the ASEAN countries, this situation has to be considering for ASEAN strategy and policy to give a strong basis for future improvement in ASEAN nation youth development.

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# INTEGRATING THE VOTER EDUCATION TO SCHOOL SUBJECTS IN FORMAL EDUCATION

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## Abstract

This article studies about the integration of the voter education to the subjects in Senior High School. This research is important because the number of young voters in Indonesia, Philippine, and Thailand is increasing. Research shows that the young voters' political attitude towards the election tends to be skeptical, apriori, and apathetic. One of the contributing factors is the voter education implemented by the general election commission and political parties only focusing on the electoral techniques instead of the substantive electoral section. Therefore, integrating the voter education to the existing relevant subject without adding new subject is needed as it can develop the awareness and participation of the voters to use their suffrage. The research method used is a document study using content analysis towards the 2013 curriculum on social sciences for the Senior High School. Data verification is carried out through Focus Group Discussion (FGD). The results of this research are (1) The analysis of competency-based learning that the voter education cannot be integrated to all social sciences subjects in senior high school; (2) The voter education can only be integrated and implemented on Sociology.

**Keywords:** Voter education, Beginner voter, Political participation

## INTRODUCTION

Political participation is an important and main instrument for measuring the quality of a country's democracy [1]. Participation is not only measured by the quantity of the voters but needs to consider the quality of political participation. The principle of election being in honestly, transparent, fair, and accountable. It produces the choices of the political leader who is own competent and integrity. To actualize it is important to creating the voter's performance that smart and critical. Therefore, the preferences of political be rational [2].

The rational voter is the user of suffrage who has knowledge, electoral awareness, and substance awareness of democracy. The rational voter is regardless of the various of intimidation; Do not do transactional politics that money politics: and understand about the votes that they own and consequences that they are going to choose. Mapping the two typologies that establishment of voter referencing in election; 1) The tendency of an appearance of the patronage voters that the base choice of the voters are figure and leadership who can imagine themselves as the leader; 2) The appearance of the phenomenon that voters who have not rationality and became the follower voters that it follows majority votes [3].

The irrational voters can give a negative contribution to the democratic country. The impact that implementation of election result what have not quality; the election that has transactional practices that as money politics and mobilization; the election became the many elected candidate (as of legislative election and executive election) that incompetent. Irrational voters who have not the categories of smart and critical that it is scattered to beginner voters segment. They are the voters that in an election. In demographically, the beginner voters segment that majority are students or young people both of them are 17-22 years old that is doing election.

Referring to the info graphics released by KPU on the official twitter page, the number of voters aged 17-22 years or new voters registered in the 2019 election was 17,501,278 people. The number increased when the election was held on April 17, 2019. According to data from the Ministry of Home Affairs,

voters were predicted to increase by 5,035,887 people on April 17, 2019. Thus the number of first-time voters in the 2019 elections was 12.5% of the total voters. This figure is a significant number in the contest for the contestation of votes by political party contestants and candidates. That is why every time an election event is held, political parties and candidates make new voters get an important position in their socialization and campaign. Therefore also, the novice voters need to get attention to be increased in their intelligence and critical power as voters so that their political choices (voting behavior) fall into the category of rational voters who themselves will contribute positively to a quality election produced with participation performance which is also quality.

Considering that their participation was considered strategic, the KPU issued General Election Commission Regulation number 10 of 2018 regarding socialization, voter education, and public participation in elections. In the regulation, novice voters are stated as important and main target groups in conducting voter education and socialization. To increase the intelligence and critical power of first-time voters, various parties, especially the KPU and Bawaslu as the election organizer, the government and election participants (especially political parties) have conducted various voter education efforts mainly through socialization activities. It's just that, due to the limitations of time-space, media and methods, these socialization activities practically lack a meaningful impact on growing intelligence and critical power (political literacy) of the novice voter.

The general, electoral socialization has only succeeded in increasing electoral knowledge and technical awareness such as when, where and how to vote on the day and date of the vote. While the substantive aspects of the electoral such as the importance of each vote given; the importance of building political autonomy and independence; the adverse effects of unhealthy political transaction practices such as money politics; and the impact or consequences of future political choices, tend to be ignored and fail to grow massively as a form of substantive awareness among novice voters.

While the percentage of novice voters who do not exercise their voting rights in elections is very high. Novice voters who use their voting rights, mostly to get money and/or mobilization by certain political forces[4]. The phenomenon of the behavior of beginner voters like that, allegedly related to political education to novice voters is very limited, both in terms of space, time, and the model used.

Based on the background above, it is important to look for and strive for a continuous model of socialization activities as part of political education that can foster and strengthen the intelligence and critical power of beginner voters more broadly, deeply and meaningfully. In the context of this need, the authors offer the application of the integration of voter education with the subjects of the Social Sciences group as an instrument of learning to increase substantive political awareness among novice voters, especially in the segment of high school students.

## **RESEARCH METHOD**

This research is the result of document studies and library research. Data, information and conceptual ideas are compiled from curriculum documents and various literatures, such as scientific articles/journals, books, research reports, and various relevant media. In this connection, the curriculum content analysis is first performed through content analytic techniques to obtain opportunities to include political education material. Then the results of the mapping were confirmed and verified through FGD with teachers in the related fields of study and were assessed using the concept/theory of political participation.

In short, this research analysis adopts a qualitative approach, and the results are presented descriptively-analytically. Furthermore, the results of the study were revealed in the development of learning materials as a supplement to sociology learning book packages that were issued or received legitimacy from the Ministry of Education and Culture of the Republic of Indonesia.

## **LITERATURE REVIEW**

In general, voter education by related parties in Indonesia is only limited to increasing the technical knowledge of elections such as when, where and how to vote in elections. Meanwhile, regarding the importance of each vote given; the importance of building political autonomy and independence; the

adverse effects of unhealthy political transaction practices such as money politics; and the consequences of a political choice later on, tend to be neglected and fail to grow massively as a form of substantive awareness among novice voters.

The KPU should establish cooperation with schools through assemblies of citizenship education subjects to manage electoral classes [4]. Similar research conducted by the beginner. Try to develop a voter education model that involves educational institutions. The results of his study show that the contextual learning approach is very potential and effective as an instrument of citizenship education to improve the political literacy of beginner voters in the high school student segment [3].

The two studies above have inspired inspiration to involve schools in implementing voter education. However, this research still leaves some problems that have not been resolved. First, the election classes recommended by Suryanef and Alrafni are very difficult to implement. The reason, the implementation of formal education must refer to applicable laws and regulations, even learning must be designed and implemented following curriculum guidelines. In principle, the school curriculum is the heart of education which includes what is taught by the teacher and learned by students for students' self-development [5]. While Sutisna's research also leaves a problem, because not all learning materials can use the same learning model, but must be chosen based on careful consideration[6]. Departing from such considerations, this study offers a new alternative to voter education, namely the voter education model that is integrated with sociology subjects in senior high school.

In connection with the key concepts in this study, it is necessary to explain the following two concepts. First, Voter Education. In essence, education is a medium of transforming values to shape attitudes and behavior from one generation to the next [7]. In a democratic country, ideally, educational institutions can be used as a vehicle for the development of voter education as a manifestation of democratic principles. Voter education in the context of organizing elections is nothing but a process of inculcating electoral values along with democratic principles[8].

Second, first-time voters are citizens who, based on statutory provisions, have met the requirements for the first time exercising their right to vote in a general election (national or local). Beginner voters are those who are in the age range between 17-22 years; and those who are married even though they are not yet 17 years old. In this study, novice voters are restricted to high school / MA students as prospective novice voters in the election.

## **RESULT AND DISCUSSION**

### **Urgency of Voter Education to novice voters**

In every election in Indonesia political participation tends to fluctuate: 92.99% (1999); 84.07% (2004); 70.99% (2009); and again increased to 75.11% (2014). Then in the 2019 legislative election, the General Election Commission claimed that political participation rose significantly to around 81%, but in terms of quality it was full of issues of fraud and manipulation[9].

In the dynamics of elections in Indonesia, the study of political participation is an interesting topic to be studied more deeply, especially about novice voters. This is based on novice voters in the General Elections in Indonesia, which are groups that can determine the winner of both the legislative and presidential elections. This argument is based on the number of newbie voters that increases in each election. Referring to the infographics released by KPU on the official twitter page, the number of voters aged 17-20 years or new voters registered in the 2019 election was 17,501,278 people. This

number increased when the election was held on April 17, 2019. According to data from the Ministry of Home Affairs, voter voters were predicted to increase by 5,035,887 people on April 17, 2019.

The large number of first-time voters, making participants and election organizers make them objects of socialization and political campaigns. Political parties and candidates make various efforts to get support from novice voters. But in reality, there are still many beginner voters who have minimal knowledge about the substance of elections and in general beginner, voters are considered a floating mass. In practice, the political choices of newbie voters tend to change or even choose not to use their voting rights. The amount of hope for the novice voter turns out to be inversely proportional to the reality of what is

happening. In several studies, it was revealed that the percentage of new voters who did not exercise their voting rights in elections was very high. Furthermore, novice voters exercised their voting rights based on money politics and the mobilization of certain political forces [4].

The magnitude of the effect of novice voters on the success of the election led the KPU to place novice voters as the main voter education target group. This commitment is stated in the Election Commission Regulation number 10 of 2018 concerning socialization, voter education and public participation in holding elections. Implementation of these regulations, the KPU has carried out various methods and models of voter education with the aim of voter education for novice voters to increase knowledge and rational political attitudes to increase political participation of novice voters.

The voter education can be carried out in a structured and systematic way the KPU also issued a guidebook for the administration of voter education. In the book the scope of the material is determined including:

1. Democracy, discussion of this theme includes: understanding democracy; characteristics of a democratic country; the position of citizens in a democratic country; obstacles to the implementation of democracy; and strengthen the effectiveness of democracy
2. The State Institution, Discussions on this theme include at least: an understanding of state institutions; branch of state power; state power in the constitution; state institutional challenges; the role of the people over state institutions
3. Election, description of this theme includes understanding of elections; election principles -free and fair; electoral system, electoral institutions, and functions; election stage, making elections effective as people's sovereignty and political participation.
4. The Voter Participation, Discussion on voter participation includes understanding participation; participation function; forms and arenas of participation; election period and post-election period; challenges of participation; and streamlining voter participation.

Considering the large and wide scope of voter education material determined by the Indonesian KPU, voter education is not possible in a limited space and time. These limitations implement voter education carried out by the KPU, only at the level of socialization to increase knowledge and electoral technical awareness such as when, where and how to vote when elections are held. While the substantive knowledge of elections as in the voter education manual cannot be implemented.

The organization of voter education to novice voters is not only the responsibility of the General Election Commission. Limited space and time KPU in organizing voter education for beginner voters must get help from other social structures, one of which is an educational institution. Schools have more opportunities to be able to hold voter education to their students who are the first-time voter candidates in each election.

### **Integration of Voter Education in Subjects**

According to Benjamin S Bloom, educational goals must be internalized in the cognitive, affective and psychomotor domains of students [10]. The cognitive domain is essentially related to intellectual or thinking / reasoning aspects which include knowledge, understanding, application, decomposition, integration, and assessment[11]. While the affective domain includes emotional aspects such as feelings, interests, attitudes, adherence to morals which include acceptance, greeting, values, organizing, and characterizing[12]. Furthermore psychomotor is a domain that is related to aspects of skills that involve the functioning of the nervous system and psychic. This domain consists of readiness, imitation, habituation, adjustment, and creation, as well as internalization of certain values within itself [13].

Education can be used to promote an idea, political institution, understanding or others. Cultural transmission is the main task of a society's education system. The values, beliefs, and norms of a society are preserved and continued in the next generation not only by teaching it but also by expressing it in the operation of the education system [14].

According to Dewey, education is a means to perpetuate and improve society with the experiences of students. This is the fundamental responsibility of educators: to be aware of general principles, sharpen

actual experiences, and to understand conducive environments so that they can gain experiences towards growth. further Dewey explained, experience must be programmed appropriately, because it will influence the formation of expected behavior or attitude [15].

School and curriculum are two things that can not be separated from one another. Likewise the curriculum relationship with the community. However, social structure also has a significant influence on the curriculum, content, learning activities and evaluation[16]. On the other hand, the curriculum must also be able to influence the social structure of society [17].

The implementation of education in formal schools in Indonesia today, using the 2013 curriculum as a guide in carrying out learning. In the curriculum has been arranged the order of subjects to be taught and the scope of the content or content of these subjects. In running the curriculum in the School, the teacher has a big role in developing curriculum content but does not have the authority to change the subjects set in the curriculum.

In the 2013 curriculum structure, it cannot be added with new subjects such as Alquran Education, Minangkabau Natural Culture, Anti-Corruption Education, Disaster Awareness and Voter Education. But the transformation of values in these lessons can be integrated into existing subjects. In contrast to the previous curriculum which is the education unit level curriculum, in the curriculum, the subject of character strengthening which accommodates the local culture can be taught to the Local Content subject group.

Since the application of the 2013 curriculum, local culture-based character education has been implemented in educational institutions. One example of the Integration of Al-Qur'an Education and the Natural Culture of Minangkabau in every High School subject in West Sumatra. Based on an in-depth study of the 2013 curriculum component, the authors found that the same integration patterns can also be applied in the organization of voter education to novice voters.

The integration of voter education referred to above is to include voting education materials designed by the general election commission with relevant subjects in high schools. The integration process begins with analyzing the material/study material for each Basic Competency (KD). Furthermore, these materials are associated with Voter Education. The integration of voter education is strived to be a motivation in learning and facilitate the achievement of student competencies and avoid additional learning burdens. Efforts to integrate Voter Education in subjects in high school are predicted to be implemented in the Social Sciences specialization group which consists of subjects that stand alone (monodisciplinary ) namely Geography, Sociology, Economics, and History.

The concept of integration of voter education with social studies specialization subjects does not affect the learning burden of students. Every week students continue to learn by guiding basic competencies in the ministerial regulations on education and culture Number. 24 of 2016. In this case, there is no addition of learning material content according to the applicable curriculum structure. Not all Basic Competencies (KD) can be integrated with voter education. Determination of BC that can be integrated is done after analyzing the interrelationship of SKL, KI, KD, and Competency Achievement Indicators. The product of this analysis produces a syllabus for each subject that has been integrated. Next, the syllabus is followed by designing a Learning Implementation Plan to be applied in classroom learning. The RPP is supplemented by voter educational teaching supplement which has been made by the general election commission. While the steps to make the syllabus and lesson plan remain in line with the mandate Permendikbud No.22 tahun 2016.

### **Integration of Voter Education with Sociology Subjects**

Indeed education in Indonesia can be run a vehicle for developing human resources knowledge, attitudes/characters, and skills. In Article 3 of Law No. 20 of 2003 concerning the National Education System, it is stated that the aim of national education is to develop the potential of students to become human beings who believe and fear God Almighty, have good morality, be healthy, have knowledge, be capable, be creative, be independent, and become democratic citizens. and responsible.

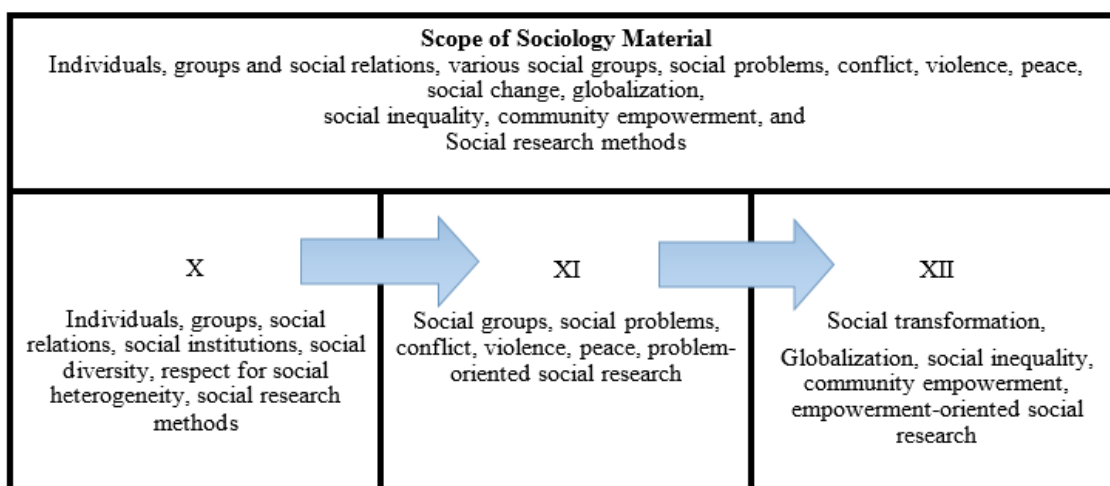
The purpose of national education is then translated into the National Education Curriculum which consists of: Graduates Competency Standards, Content Standards, Process Standards and Assessment Standards. Thus, the formation of democratic citizens as one of the goals of Indonesia's national education actually becomes an inseparable part of the Social Sciences subjects in schools.

Being a democratic citizen can certainly be understood as "a sovereign citizen," both in politics and government. If so, the involvement/participation of citizens in the political decision-making process is a necessity. According to Huntington, political participation is the activity of citizens acting as individuals and groups to influence government decision making in a democratic country [18]. In this regard, educational institutions are seen as needing to work together with the general election commission to implement voter education.

This research found a solution to the implementation of voter education integrated with subjects in schools, especially in social studies (Sociology, History, Geography, and Economics) in high school. But after an analysis of the Basic Competencies of social studies subject groups, it turns out that only Sociology subjects have the opportunity to integrate voter education.

Characteristics of Sociology subjects, containing material that aims to foster individual and social awareness of students as adults and citizens, as well as foster their sensitivity and concern for social problems, sustainable development, environmental sustainability, and increase their capacity to conduct social empowerment [19]. Overall the scope of the material can be described as follows:

**Picture 1. Scope of Material as a Derivative from KD Mapel Sociology**



Source: [19]

As illustrated above, the growth of individual and social awareness in class X is emphasized on learning-related material about individuals, relationships between individuals, groups, relationships between groups, social relations, social institutions, heterogeneity or social diversity, respect for social heterogeneity.

Meanwhile, sensitivity, concern, and responsibility for solving social problems in class XI are emphasized on learning materials related to social problems, conflict, violence, peace, and social cohesion. Meanwhile, in class XII the ability to do social empowerment is emphasized in the main materials, among others, about globalization, social change, social inequality, and community empowerment.

Learning in the subject of Sociology emphasizes the practice of Sociology knowledge rather than Sociology as mere knowledge. It was especially directed at mastering the knowledge of Sociology to solve social problems. Through the practice of knowledge, it is hoped that religious attitude and social ethics will grow in terms of students' responsibility for the surrounding social problems.

Based on the characteristics and scope of sociology subjects above, voter education that includes democratic values, state institutions, elections, and voter participation is very possible to be integrated

with sociology subjects. The integration begins with analyzing the material/study material in the Basic Competency Sociology subjects. By analyzing the KD of Sociology subjects, it turns out that the voter education material recommended by the KPU above has the opportunity to be integrated into all the basic competencies of sociology subjects in high school. By integrating this into the subject matter of learning, it will not add new subjects and learning burden student. But it can be a motivation and acceleration of achieving social competence, knowledge, and skills of students.

For example, in class X competence is expected that students understand the knowledge of Sociology to foster self-awareness and social responsibility. Enrichment of material regarding political participation can explain the roles and functions of individuals who have the responsibility of determining the destiny of the Nation and the state. While competence in Class XI emphasizes the practice of solving social problems. The enrichment of voter education materials that can be done is related to the role of citizens to determine the country's leader through elections. The participation of citizens to choose a good leader means to participate in solving social problems in the community. Furthermore, the learning process that emphasizes social empowerment is done in class XII. In this case, the material content and learning process of each level is carried out according to the level of development of students as adults and citizens.

One of important thing to emphasize from this learning process is that learning that is carried out not only introduces the knowledge of Sociology in its conceptions or theories which are abstract and memorized. Rather, it emphasizes the dimensions of affection, or concern and attachment of students to social problems faced and encouraged to use knowledge of Sociology to solve social problems. For example, in class XI, caring for conflict and the need to overcome conflict, build peace and community development are developed. Likewise, caring and responsibility overcoming inequality and empowering the community is done in class XII.

Through learning practices as predicted above sociology, learning can be run in conjunction with voter education. This means that learning sociology will be able to achieve its objectives by enriching voter educational materials. Likewise, the goal of voter education is achieved through integration with sociology subjects without burdening students with the addition of teaching material.

## CONCLUSION

The results of the analysis on social studies subjects BC show that the Voter Education is only possible to be integrated into the subjects of History and Sociology because they have higher chances for integration through several basic competencies. As for the Geography and Economics, the basic competencies is focused more on the scientific substance as a result it has limited opportunity for the integration. However, Sociology is most likely to accommodate voter education because History has 28 basic competencies. The analysis of Sociology basic competencies shows that the substance of voter education issued by the Indonesian General Election Commission has the opportunity to be integrated with the basic competencies in Sociology. Furthermore, the mapping and results analysis can be used as a basis for writing a special book as a supplementary Teaching Materials which can be recommended to the authorities in the Indonesian Ministry of Education and Culture. The voter education materials then can be integrated into learning and if it broadens students' knowledge on the basic principal of elections and democracy, then it will be submitted to the Education Department for further action.

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# INDIGENOUS WOMEN'S RESPONSE TO MODERNIZATION IN KAMPUNG NAGA TASIKMALAYA DISTRICT

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## Abstract

Indigenous women in Indonesia are very interesting to study, one of them is in the Kampung Naga indigenous community. At the moment Kampung Naga with the label of the Cultural Heritage area of the indigenous people is a place of tourism, based on that researchers interested in conducting research with the title Response of Indigenous Women to Modernization in Kampung Naga, Tasikmalaya Regency. This research is expected to be able to describe the response of indigenous women to modernization so that they can provide input to the government to formulate policies regarding the empowerment of indigenous women. The method used in this research is descriptive qualitative research method using informant retrieval technique used by purposive sampling, while the analysis technique uses interactive methods and data is explored in depth through the main requirements of informant knowledge will be the focus of research (purpose method). The response of women to the Kampung Naga traditional community is basically accepting new things, related to their modernization being open to the entry of new things, such as the entry of electronic devices, communication tools and even cooking utensils. Even in terms of education, women in Kampung Naga are allowed to study even at the bachelor level. However, what is interesting from the indigenous women in Kampung Naga, they are still very strict to uphold the values of customs that have existed since hereditary. The clash between modernization and traditionality in indigenous communities, especially indigenous women, no longer has to create conflict. Modernization even in indigenous communities can go hand in hand, this phenomenon can be a reference to how the state manages indigenous peoples, especially indigenous women in ASEAN in the face of the ASEAN Community 2025.

**Keywords:** Indigenous Women, Modernization, Women's Empowerment, ASEAN Community 2025.

## INTRODUCTION

The study of indigenous study in Indonesia was born along with the awareness of social scientists about the position of indigenous peoples in Indonesia. The indigenous peoples' movement in Indonesia did not experience the historical continuity of colonialism, especially in the form of the direct presence of colonial rulers in the newly formed country. In addition, the criteria regarding distinctiveness also have their own problems in the midst of an increasingly open society. There are characters and criteria that are inherent in the indigenous peoples' movement in Indonesia. Three criteria are attached and need to be used as a reference. First, the indigenous peoples' movement is a movement from non-dominant groups. Second, the indigenous people's movement is a movement to demand sovereignty over land, territories and resources. Third, the indigenous community movement uses tradition as a tool for its struggle. Traditions in a broader sense include the relationship of origins to land and ancestors, as well as practices that were applied long ago which are practiced until now to be passed on to the next generation. But in many cases the tradition has begun to be cut, therefore efforts to revitalize or modify the tradition are natural to create sustainability as a community.

This research is a research which focuses on the Indenuous Study study focused on the response of women of the aadat to the modernization that began to enter their communities, one of them is by making Naga village a Cultural Heritage that can be visited by outsiders widely. This of course will cause changes both socially and economically to the people of Kampung Naga especially the indigenous women of

Kampung Naga. This research emphasizes several things, First, how the response of the women of Kampung Naga indigenous people to the entry of modernization. Second, provide recommendations to the Government to create a policy format on empowering women in indigenous communities that empower but not undermine the local wisdom of indigenous peoples.

## **RESEARCH METHOD**

This study uses qualitative methods aimed at obtaining data in the form of speech, writing, and behavior descriptions, as well as an emphasis on subjective aspects that can be observed from people (subjects) themselves, when their findings cannot be obtained from statistics (quantitative). Another reason with this method is the stability of researchers based on previous research experience. The approach taken uses the feminism approach. This method departs from the theory of Social Criticism which criticizes the views of sexist social science and ultimately gives birth to gender biased research. Rosalind Sydnie formulated the grand agenda of feminist methodology as a way to find the basis of validity for women's experiences, and formulate ways to constitute this experience into the process of "discovery" and "defining" reality [1].

This method allows women to study women in an interactive process without any subject / object gaps raised between the researcher and the investigator. Judith Lorber stressed that the only way to enter and understand the reality experienced by women is that feminist researchers must be able to be friends and not strangers to female informants. So that sensitive research can be explored and get answers for research.

### **Research Locations and Objectives**

The research location was carried out in Kuta Kampung, Tasikmalaya Regency, while the target of the Research was the Indigenous Women of Kampung Naga.

### **Research Focus**

Qualitative research requires a focus of research for this purpose, a) Determination of the focus to be able to limit the study, b) Determination of that focus aims to meet the inclusion-exclusion criteria. (Entering and releasing information that has just been obtained in the field. Guidance and direction of a focus, a researcher knows which data needs to be collected and which data, although interesting, because they are not relevant to the problem, do not need to be input into a number of the data that is being collected, so by establishing a clear and steady focus, a researcher will be able to make the right decision about which data will be collected and which data is unnecessary or which will be discarded [2].

### **Determination of Informant Techniques**

The informant retrieval technique used was purposive sampling, where researchers tend to choose key informants who are considered to know the problem being investigated in depth.

### **Data collection technique**

Collecting researcher data using three types of techniques namely:

- In-depth Interview (Indepth Interview)
- Observation
- Documentation

### **Analysis Method**

In analyzing data, this study uses an interactive analysis model. Data in the form of interviews, observations, and documents are the stages of permanent data collection in the form of data not ready to be used in analysis, so in conducting interactive data analysis required three components that must be considered and understood in depth. These components include:

- Data Reduction
- Data Presentation
- Conclusion Withdrawal
- Data Validity

### **The Concept of Indigenous Women**

In indigenous peoples the concept of gender is still based on adat law, which has been passed down from generation to generation. Women in indigenous communities are now beginning to experience a shift in roles, in some indigenous communities as quoted from the Journal of Discourse through the deafness of Mia Siscawati under the title Fighting Forest and Indigenous Women's Struggle. In the article, the story of Asih's mother residing in the Kasepuhan Kidul Banten region in defending customary forests from forest conservation policies by the government through Perhutani. Then the most recent struggle by women who demanded the cessation of construction of a cement factory in the Kendeng region. This shows that indigenous women began to experience a shift in gender roles. The term gender is still fairly new in the tradition of social, political, legal and especially religious dictionaries in Indonesia. On the other hand, gender themes still tend to be understood pejoratively. Many people are still very antipathy and a priori towards the term gender. For many people, the word gender nuances the spirit of the rebellion of women adopted from Western values that are immoral and not religious.

Far from what many people have already accused about gender issues over the years, in fact the gender discourse concerns primarily, social, cultural, legal and political relations between men and women. Therefore, one thing must be stressed that the notion of gender, in essence, only wants to understand, position and respond to the relations of men and women more proportionally and more justly in the relationship between the two as servants of God. As in the case of political participation according to Law No. 10 of 2008 concerning Legislative Elections and Law No. 2 of 2008 concerning Political Parties (Political Parties), the quota for women's involvement in politics is 30%, mainly for sitting in parliament. Even in Article 8 Item d of Law No. 10 of 2008, it was stated that the inclusion of at least 30% representation of women in the management of political parties at the central level as one of the requirements for political parties to be able to participate in the election.

The concept of gender itself is actually very simple although it is often obscured by understanding gender. Society generally identifies gender by sex (sex). As a first step it needs to be emphasized that gender issues cannot be separated from gender; even sociological gender begins with gender differences. Gender is a biological concept as a categorical identity that distinguishes male (male) and female (female).

Gender identity is constructed naturally, naturally, which is a distinctive gift that we carry from birth. As a result, sex is permanent, permanent, and universal. Whereas gender is a set of socio-cultural attributes and roles that show others that we are feminine or masculine. Unlike natural sex, gender is constructed socially and culturally through a very dynamic social process. In accordance with its origin, the formation of gender is based on the expectations of social and cultural values. Therefore, gender can change (changeable) at any time along with changes in the dimensions of space and time

### **Modernization Concept**

Its history of modernization is carried out as a way to test the future prospects of development carried out by third world countries. Modernization first appeared in the 1950s after the second world war. The emergence of modernization is carried out in a country to develop an area from primitive stages (often interpreted as a very simple society) to a more advanced and modern stage (industrial society), and to make society have similar forms and structures. In a number of indigenous peoples in Indonesia modernization has begun to enter the community as more indigenous people are opening up with the entry of outside communities in these indigenous peoples. As happened to the outside Bedouin indigenous people and Kampung Naga indigenous people who have begun to be exposed to modernization, one of which is the inclusion of communication and television technology.

Modernization is the process by which individuals change from traditional ways of life to more complex and theologically advanced and fast-changing lifestyles. Here we want to continue the modernization of studying and researching attitudes and opinions or aiming at technological change, that is, changing the socio-economic community.

The definition of modernization is developed from sharing knowledge, Modernization implies change. The term modernization comes from Latin which means developed and developed. So modernization comes from the modern word which means something new before there is no progress into being, and something that exists is then repaired and renewed to modernization. However, not all modernization is in accordance with what is expected and even needs gradual changes so that it can be an effective modernization [3]. According to J.W. Schoorl Modernization is the application of scientific knowledge to all activities, fields of life and social aspects. The most striking aspect of the modernization process is the high change of science and technology.

There are several conditions for modernization [4], namely :

- a. The scientific way of thinking that has been institutionalized and is deeply embedded in the government and the wider community.
- b. State administration system that is good and truly embodies bureaucracy.
- c. A good, regular and centralized data collection system in a particular institution or agency such as BPS (Statistics Indonesia).
- d. The creation of a favorable climate for modernization, especially the mass media.
- e. High level of organization, especially self-discipline.
- f. Centralized authority in social planning that is not concerned with personal or group interests.

Modernity includes the processes of industrialization, urbanization, rationalization, bureaucratization, democratization, the influence of capitalism, the development of individualism and motivation for achievement, increasing influence of reason and science, and various other processes. Modernization in this case means achieving modernity, getting closer to special features. This means the process of transformation through which traditional or pre-technological societies go to become societies characterized by machine technology, rational and secular attitudes and highly differentiated social structures. The most specific meaning of modernization only refers to backward or backward societies and illustrates their efforts to catch up with the most advanced societies who coexisted with them in the same historical period in global society. In other words, modernization portrays the movement from the periphery to the core of modern society.

## **RESULT AND DISCUSSION**

### **Geographical Conditions of Kampung Naga**

Kampung Naga Administratively under the administration of Neglasari Village, Salawu District, Tasikmalaya Regency, West Java. Geographically, Kampung Naga is located in a valley which is  $\pm 1$  km from the highway with a height of 488 meters from the sea surface. This area consists of residential land, rice fields, fish ponds (balong), hills and forests. To the west, Kampung Naga is bordered by the Naga hill. The east is bordered by the Ciwulan river and the protected forest of Leweung Larangan (the boundary between Kampung Naga and Kampakan Babakan). The south is bordered by hills and the Tasikmalaya Bandung highway, via Garut.

Neglasari Village consists of four hamlets, namely Naga, Cikeusik, Surakarta, and Tajuk Nangsi. Dusun Naga has five Pillars and Ladders (RT), namely Lodok Gede, Babakan, Pondok Wani, Batar Sani, and Kampung Naga. Kampung Naga is located in the Naga Village area. The area of Kampung Naga is  $\pm 10$  hectares, consisting of forests, agriculture and fisheries. As for the residential land area of 1.5 hectares. The number of buildings in Kampung Naga 115 buildings, consisting of 113 houses of residents of Kampung Naga in the form of a stage, stretching from west to east with the door facing north or south, one building is a mosque used by residents to perform religious activities and 1 building is a building which is called Bumi Ageung, Bumi Ageung is intended as a building that stores objects that are sacred and must not be entered by just anyone, and only entered for certain activities.

## **Kampung Naga Community and Knowledge System**

The social organization system in Naga Village consists of formal and informal organization leaders, formally Naga Village is located in the Naga hamlet area and is led by the Hamlet Head, RW Chairperson and RT Chairperson, the Kampung Naga community is one of the indigenous communities that recognizes state Institutions as formal leaders . In addition, traditionally the Kampung Naga community is led by a key, Punduh and Lebe. Kuncen has full responsibility for the continuity of the customs and culture of Kampung Naga, every major activity is always led by Kuncen. The selection of Kuncen is based on heredity with the requirements that must be met, that is, an adult male, mastering the customs of customs and obtaining the inheritance from his ancestors.

Punduh has the duty of Ngurus Laku to respond to the term in the Sundanese language which means that Pownload is as a continuation of the customs and norms that apply in Naga Village. Kampung Naga. In addition, Lebe has duties related to religion, such as the maintenance of the body and marriage contract, religious activities will be led by Lebe.

## **Kampung Naga Women's Response To Modernization**

Studies on communities and indigenous peoples in Indonesia are increasingly diverse. This condition was strengthened by the presence of civil society organizations that helped encourage efforts to recognize indigenous peoples. The development of studies on communities and indigenous peoples certainly does not stop at one point. The conditions that influence, for example, modernization and industrialization, also influence their existence. At least, there are two choices they can make to respond to these conditions, namely adaptation or resistance.

Women in Naga Village have adapted to outside cultures, they do not resist modernization in terms of new cultures or new equipment, by making the Naga Village as a cultural heritage area by the Tasikmalaya Regency Government, inevitably there will be social changes to the Naga Kampung Indigenous Peoples. Women usually become one of the parties affected including changes in the mindset in getting education for women. Based on the results of an interview with Ms. Ros, stated that: "Education issues are no longer different from men, now there are many girls from Naga Village who even go to school up to S-I, even when their work has started related to the community, including those who work as teachers and midwives"

Based on the results of the interview are in line with what has been stated by J.W. Schoorl who stated that Modernization is the application of scientific knowledge to all activities, areas of life and social aspects. The most striking aspect of the modernization process is the high change of science and technology

In addition, in terms of women's technology in Kampung Naga began to adapt to modern equipment namely communication tools and even household appliances, one of the modernization products that is no longer foreign to most of the residents of Naga Village is the Handheld Phone, many of which already have communication tools This is for the reason to facilitate communication with families who are not in Kampung Naga, besides, in terms of the work of women Kampung Naga is no longer just farming or cooking, but for the latest generation has begun to experience a shift towards modernization.

However, despite many social changes towards modernization, the traditional women of Kampung Naga still adhere to traditional values that have been passed down for generations. For example, prohibitions aimed at women include being banned from coming out at dusk and other prohibitions. In addition, for the traditional village of Naga who live outside Kampung Naga will always attend 6 ritual times at Kampung Naga.

Modernity includes the processes of industrialization, urbanization, rationalization, bureaucratization, democratization, the influence of capitalism, the development of individualism and motivation for achievement, increasing influence of reason and science, and various other processes. This modification process in Kampung Naga has little influence on women in Kampung Naga, especially when talking about the things mentioned above. In the case of customary democratization of women, they are not allowed to become adat leaders as happened to patriarchal indigenous peoples.

Modernization in this case means achieving modernity, getting closer to special features. This means the process of transformation through which traditional societies or pre-technology societies become societies characterized by machine technology, rational and secular attitudes and highly differentiated social structures. These markings do not occur in indigenous communities in Kampung Naga, especially in women, even though they are familiar with modern technology, this does not make them rational and does not result in differentiation of indigenous peoples in Kampung Naga. Because indigenous women in Kampung Naga still adhere to their customs even when they are considered to have a rational attitude when attending formal schools. When they return to the Naga village they will bow to the customs prevailing in the Naga Village.

Indigenous women in Kampung Naga actually feel more protection from customary rules that apply in Kampung Naga, this is the same as adat which gives more privilege to women. For example, the rules in Kampung Naga require women who make talismans to reject reinforcements that must be installed in every house in Kampung Naga. This is a symbol that women also become one of the important aspects in the continuation of adat in Kampung Naga, women in Kampung Naga are not portrayed as a complement to men but women also have an important role in the life of the Kampung Naga traditional community.

Seeing from the phenomenon of modernization in indigenous women in Kampung Naga, the clash between modernization and traditionalism no longer has to be clashed because it can go hand in hand as happened in Kampung Naga. This happens because no matter how insistent the incoming culture is, indigenous peoples, especially women in Kampung Naga, can balance it with traditional teachings that they still hold.

### **Indigenous Women in Kampung Naga as the Inspiration of the ASEAN Community Vision**

Women's lives in Kampung Naga that can balance between lives affected by modernization and traditional life that already existed, namely by maintaining the customs that apply in Kampung Naga from generation to generation can be an inspiration for women in indigenous communities in ASEAN. This can show that modernity and traditionality no longer have to be clashed, but can go hand in hand.

Welcoming the ASEAN Community Vision 2025 the lives of indigenous women in Kampung Naga as part of the ASEAN Community 2025 can be one of the references for women in other indigenous communities spread across ASEAN. One of them is about how they can balance human needs with nature, by still making nature part of the lives of indigenous peoples in Kampung Naga. So that the survival of humans and nature can continue.

Life in the Kampung Naga indigenous community can be an inspiration for ASEAN Community 2025, because according to the ASEAN Community Vision 2025 We resolve to consolidate our Community, building upon and deepening the integration process to realize a rule-based, people-oriented, people-centered ASEAN Community, where our peoples enjoy human rights and fundamentals our sense of togetherness and common identity, guided by the purposes and principles of the ASEAN Charter.

We envision a peaceful, stable and resilient Community with enhanced capacity to respond effectively to challenges, and ASEAN as an outward-looking region within a global community of nations, while maintaining ASEAN centrality. We also envision vibrant, sustainable and highly integrated economies, enhanced ASEAN Connectivity as well as strengthened efforts in narrowing the development gap, including through the IAI. We further envision ASEAN empowered with capabilities, to match opportunities and address challenges in the coming decade. We underline the complementarity of the United Nations 2030 Agenda for Sustainable Development with ASEAN community building efforts to lift the standards of living of our peoples.

### **CONCLUSION**

Women in Kampung Naga adat communities are quite open to modernization, one of which is marked by the opening of women to education. Even in societies with a close patriarchal culture, men allow women to go to school and have jobs. However, even so it does not mean that women in indigenous communities

in Kampung Naga still uphold the customs that exist in Kampung Naga. In addition, the traditional women of Kampung Naga can maintain harmony between humans and nature so that they can be an inspiration for the ASEAN Community 2025.

Recommendations for the Government in ASEAN, the lives of women in Kampung Naga Indigenous Communities can be used as an example to deal with indigenous communities in ASEAN. One of them, there needs to be training based on empowerment for indigenous women in Kampung Naga, given that Kampung Naga is now one of the most popular cultural tourism destinations, so that economically and culturally women in Kampung Naga indigenous communities can sustain indigenous communities themselves.

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# **ASEAN 2025: CHALLENGES IN THE ESTABLISHMENT OF THE ASEAN IDENTITY**

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## **Abstract**

ASEAN Community 2015 is program agreed upon by ASEAN member countries to accelerate the progress of ASEAN member countries. ASEAN Community has three main pillars namely ASEAN Political Security Community, ASEAN Economic Community, and ASEAN Socio-Cultural Community. The application of the 2015 ASEAN Community has run well to provide accelerated developments for member countries. This good achievement is expected to be more massive with the continue program. The next program is ASEAN 2025, which is expected to have a better impact on all ASEAN member countries. The acceleration of the improvement of several sectors that are the focus of the ASEAN Community will be easily achieved if this vision is implemented properly through the one ASEAN Identity which is owned by all ASEAN members. This establishment of one ASEAN Identity becomes an interesting thing to be discussed in this paper. The diversity in various fields including multicultural, multi-ethnic, and multilingual owned by ASEAN member countries becomes a challenge in creating one ASEAN Identity. This paper will focus on looking at the challenges facing ASEAN in shaping the one ASEAN Identity to achieve ASEAN 2025. To find answers of this paper, it will begin by explaining the diversity conditions that exist within ASEAN. From this explanation, it can be seen the potential and challenges faced to form an ASEAN identity to achieve the vision of ASEAN 2025. This research will use an identity construction approach as tool of analysis. This research uses a quantitative methodology with descriptive analysis type. The findings from this study are expected to be the answer to the problem of ASEAN identity which is difficult to form in a forum.

**Keywords** : ASEAN, Identity, Regional Identity, ASEAN Community, ASEAN 2025.

## **INTRODUCTION**

ASEAN Community 2015 Agenda has been implemented in ASEAN member countries. The implementation of the ASEAN Community is based on three main pillars namely the ASEAN Political Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community. The implementation and implementation of the ASEAN Community 2015 is expected to improve the development of ASEAN countries in various sectors agreed upon. This implementation has been very good by giving a good impact to ASEAN member countries. After the implementation and implementation of the 2015 ASEAN Community, ASEAN launched a big vision to accelerate the growth and development of countries in various sectors for ASEAN member countries. The follow-up program is named ASEAN 2025. The aim of the implementation of ASEAN 2025 is to improve growth and development more efficiently in ASEAN Member States.

The first part of this paper will explain ASEAN Community 2015 and the achievements that have been made. In addition, this section will also describe about ASEAN 2025 as an advanced program to achieve progress for ASEAN member countries. The next section in this paper, will try to explain the most important part in achieving ASEAN 2025 through the establishment of one ASEAN Identity for all ASEAN member countries and the communities. This section will explain the concept of One ASEAN Identity that can be used to accelerate the achievement of the vision and goals of ASEAN 2025.

The last section in this paper, tries to describe the challenges faced by ASEAN in the formation and Implementation of One ASEAN Identity based on the diversity possessed by ASEAN member



countries including multicultural, multi-ethnic, and multilingual. Through mapping related to the challenges in the formation of One ASEAN Identity, it is deemed necessary to be investigated, because it needs to find a solution in facing challenges in the formation of One ASEAN Identity to accelerate the achievement of the vision and goals of ASEAN 2025.

## **RESULT AND DISCUSSION**

### **ASEAN Community 2015 to ASEAN 2025**

The Association of the South East Asian Nation (ASEAN) which is an intra-regional organization in Southeast Asia which consists of ten countries with a total population of 600 million people, GDP of 2.2 trillion US dollars, and a total trade of US \$ 678.2 trillion [1]. In 2015 an ASEAN Community was formed which aimed to further strengthen ASEAN integration in facing the development of international political constellations. ASEAN is fully aware that the need to adjust the perspective, in order to be more open in dealing with internal and external problems, and to increase solidarity, cohesiveness and effectiveness of cooperation becomes an important matter. ASEAN, which initially only focused on economic cooperation, began to increase other cooperation in the field of political security and socio-culture. This is what later underlies the formation of the 2015 ASEAN Community, which is based on three pillars, namely the ASEAN Political Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community [2]. As part of the realization of the 2015 ASEAN Community, the community which will initially be planned for 2020, accelerated its implementation into 2015 which was inaugurated through the Cebu Declaration on the Acceleration of the Establishment of the ASEAN Community by 2015, at the 12th ASEAN Summit in Cebu Philippines in January 2007. Therefore, in order to accelerate the establishment of a well-connected ASEAN, which will contribute more competitively and stronger, and be able to bring people, goods and capital to be more integrated together, an idea is formed for a program called ASEAN Connectivity [3].

ASEAN Connectivity is a term used for physical, institutional, and individual connectivity that will facilitate the flow of capital, goods, services, and people in the region to achieve greater economic development, facilitate security and political problems, and support social and cultural initiatives in the context of the realization of the ASEAN Community 2015. The idea of ASEAN Connectivity itself was first introduced by the Thai Prime Minister, Abhisit Vejjajiva at the opening of the 42nd ASEAN Foreign Minister's meeting, on July 20, 2009 in Phuket. As chair of ASEAN, Prime Minister Abhisit proposed that a "community connectivity" should be one of the goals of the 2015 ASEAN Community.

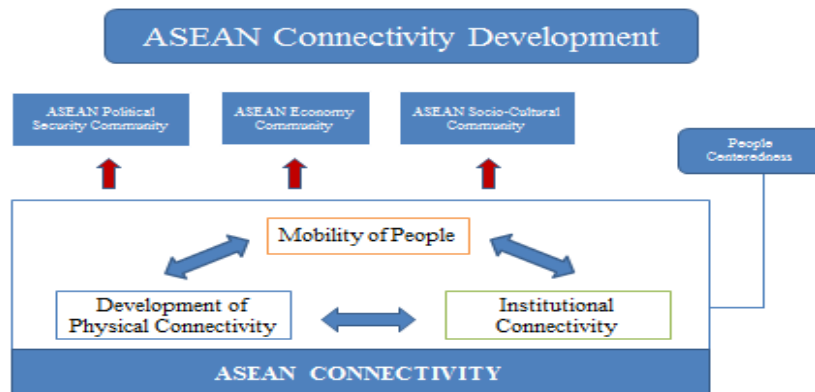
Therefore, in realizing the ASEAN Community 2015, ASEAN which is fully integrated economically as a single market and production base must have good connectivity in all aspects, both physical and institutional. In addition, it is hoped that through a well-connected community, ASEAN can realize its economic potential to the fullest and also get the maximum benefit from a strategic location that connects two major economic bases in South and East Asia [4].

In implementing ASEAN Connectivity, ASEAN leaders drafted a Master Plan on ASEAN Connectivity (MPAC), which contains strategic documents to achieve maximum ASEAN Connectivity and implementation planning for the 2011-2015 period, which aims to connect ASEAN through improving physical connectivity or development infrastructure, linking connectivity between institutions, and the connection of human resources. In addition, ASEAN connectivity also aims to encourage economic growth, reduce development distance between countries, accelerate ASEAN integration and community formation processes, and enhance ASEAN competitiveness, promote social and cultural understanding, facilitate human mobility, and connect member countries with the world outside [4].

The formation of the ASEAN community as an ideal with countries in Southeast Asia is based on three pillars, namely the ASEAN Economic Community (AEC), ASEAN Security Community (ASC), and the ASEAN Socio-Cultural Community (ASCC). As a guide, the Master Plan was formulated on ASEAN Connectivity which contained achievement targets and also barriers that could

potentially interfere with the realization of the 2015 ASEAN Community. The implementation of the activities in the Master Plan had a period of 2011-2015 where there were strategies to connect ASEAN to more closely, which includes physical connectivity including increasing physical infrastructure development, institutional connectivity includes effective institutions, processes and mechanisms as well as people-to-people connectivity, namely increasing interaction between citizens in ASEAN countries. The simple scheme of the idea of ASEAN Connectivity can be referenced in the following diagram.

**Diagram 1. ASEAN Connectivity**



This diagram is used in the context of the 2015 ASEAN Community to conduct growth and acceleration for ASEAN countries. The impact produced by this agenda provides many improvements for ASEAN member countries. The development and acceleration carried out in the context of the 2015 ASEAN Community is felt to still need to be improved by forming a new agenda that further accelerates the development and growth of countries in ASEAN. The agenda is named ASEAN 2025.

ASEAN 2025 is simultaneously endorsed by the Leaders at their 27th Summit, charts the path for ASEAN Community building over the next ten years. It is a forward looking roadmap that articulates ASEAN goals and aspirations to realise further consolidation, integration and stronger cohesiveness as a Community. ASEAN is working towards a Community that is “politically cohesive, economically integrated, and socially responsible”. The ASEAN 2025 Document is the outcome of a year of planning and intense discussions, and reflects the determination of Member States to forge ahead with the next phase of ASEAN’s evolution.

### ASEAN Identity

There are three community envisioned by the ASEAN community that will encourage development in Southeast Asia. The first is the ASEAN Political Security Community (APSC), which aims to bring ASEAN's political and security ties to a higher place, build the region to live in peace with a democratic and harmonious environment. The second ASEAN Economic Community (AEC) which is the goal of regional integration. AEC intends to strengthen economic integration in the region and make ASEAN as a single market and production base. It is believed to narrow the development gap among member states and the creation of the livelihoods and prosperity for the citizens of ASEAN as a whole. The third is the ASEAN Socio-Culture Community aims to complement and strengthen the second pillar before. ASCC intends to contribute to the realization of the ASEAN Community based on community, anticipating the effects that arise as a result of economic integration in the region, forming enduring solidarity and unity among the nations and peoples of ASEAN by forging a common identity, and building a caring community, inclusive and harmonious, where the livelihoods and improved livelihoods (Roadmap for an ASEAN Community 2009-2015). The formation of the ASEAN Community is a great idea for the realization of a solid and stable integration of the region. However, how the effort to make the area a very multicultural and multiethnic, significant gaps economic growth, the political systems and ideologies different, into a single community.

In a study of the social sciences, community terminology refers to the notion of shared values, norms, and symbols that give identity or sense of we-ness. Because it is simple, the term community development can be defined as the development of sense of we-ness. According to Emanuel Adler and Barnett Michel, the community has three characteristics. First, community members come from a variety of identities, values and ideas. Secondly, those who are in the community have a direct relationship in a variety of circumstances and procedures. Third, the community showed a certain degree of reciprocity that express long-term interests and may even be altruism [5].

In other ways, term of identity [6], like the regional concept of Southeast Asia and ASEAN, is an essentially contested [7] concept owing to its fluidity, indeterminacy, and complexity, thus making its analytic utility somehow problematic [8]. Its essential contentedness can be explained by at least four problems. First, there is a problem of definition - leading to questions such as how to define identity, what is its differentia (defining characteristics that separates it from a wider concept, i.e. ideational, where it falls under), and what are its denotation (the logical term for the examples of the definiendum) as evidence of its unequivocal manifestation. Second, there is a problem of measurement. How exactly to measure identity, despite it being qualitative, and with what quantitative methodology and assessment indicators to use in understanding and explaining it is not an easy task [9].

Third, there is a problem of causation and correlation, that is, whether to take identity as an independent variable, dependent variable, intermediate variable, and/or intervening variable and for what grounds. And fourthly, there is a problem of identification and delineation— how to identify and delineate identity in order to have a better grasp of its nature, nuances, and complexities. Southeast Asian efforts to become a community can certainly be a difficult challenge, even showed ambiguity in implementation. The ambiguity comes from the existence of ASEAN member countries themselves. Community collaborative effort spanning traditional relations in the political-security, economic integration, and trying to make a socio-cultural community together to show a saying that is often expressed, that is unity in diversity [10]. “Unity” refers to oneness, wholeness, or of being formed of parts that make a whole, essentially around a consensus of shared values as they relate to the whole state. “Diversity” on the other hand refers to variety and difference. Our theme “Unity in Diversity” suggests a harmonious and peaceful community consisting of individuals from different backgrounds. It could also be seen as a call for homogeneity among the people of ASEAN [11].

ASEAN Community can be considered as what is popularly introduced by Benedict T. Anderson, as an "imagined community" [12]. That in the context of the ASEAN Community, the community is something that is imagined because the members of even the smallest nation will not know most of the other members, will not be face to face with them, may not even have heard of them. But in the mind of every person who became a member of the community, living in a image of togetherness. However, communities as "imagined community" in the context of ASEAN Community is also still contains a very subtle ambiguity, because the terminology used Anderson also presupposes the presence of a unifying element that is also pictured, along with the desire born of suffering occupation. While in the context of the ASEAN Community, it is still very difficult to determine an imagined anything as a unifying element and forming a common identity.

In other words, the ambiguity of the ASEAN Community building lies on the difficulty of finding a common identity that becomes the main element forming a community. Though, the effort to find a common identity is being conducted, it is difficult to imagine what the entity and of the historical and cultural heap who among ASEAN members to be used. Even if the most likely solution is to create a shared identity which is completely new, which is not built from the noble values of the past, but the construction of the creative actors who join in this community, the identity has been and will be contested over time. Development of the ASEAN region's identity will be contested not only as an indication of the state-society conflicts but deeper, between "communities" being built by ASEAN and the individual.

## Challenges in the Establishment of the ASEAN Identity

Joining the community is a process of self-identification as a part of the community that wants to build and it is impossible is realized when there is no common perception among the actors who will be involved. The impression that emerged from the ideals of the formation of "caring and sharing society" is a utopian impression, because the basic elements that enable the growth of the feeling it has not been established.

This is the biggest challenge the current ASEAN Community; ensure awareness, understanding, and acceptance of the public towards this issue. 226 The formation of the ASEAN Community drew sharp criticism from some scholars, because of the tendency that emerged in the process only involves politicians, policy makers, community's certain elite, but not the general public as the most important foundation that supports the formation of the community. In other words, the association is more elitist and state centric in comparison based on community. There are several factors which according to the author to be an obstacle in the formation of the ASEAN identity, such as: First, there is diversity among the 10 ASEAN countries. ASEAN people share different political systems, cultures, ethnicities and religions, which can make it difficult for one of the members of the ASEAN community to share in common with other members.

Various principles of ASEAN coherent with the "ASEAN way" as particularly respecting the sovereignty of member nations. Among the wide range of values, the most important values that are applied in the "ASEAN way" are the notion of noninterference, informality, and consensus building (*Musyawaharah dan Mufakat*) in the diplomatic process, ASEAN supports the principle of non-interference; respect the interests of each country and try not to interfere and violate the national interest the ASEAN members. This area is rich with myriads of diversity, including religion, population, political system, population, and geographical conditions. Malaysia, Indonesia, Philippines engage seriously in the face of ethnic, linguistic, religious differences that hinder agreement both on a national, or even an internal region. One of the most significantly sensitive differences is in terms of religion and society.

Thailand is a Buddhist country while Islam is common among the Malay population in Malaysia and Indonesia. Singapore supports Confucianism, and many Catholics take part in the Philippines. Populations in Southeast Asia is mainly composed of Austronesia, Tai, and Mon-Khmer-speaking immigrants who migrated from Southern China during the Iron Age, but it also includes a large number of Chinese, European, Papuans, Eurasians and their hybrids. Political systems varies among member states is no less a problem in ASEAN. Colonialism took part in encouraging the adoption of various systems. Compared with other countries, Thailand is the only country that escaped from colonial rule. The rest of Southeast Asian countries have been colonized under the control of various countries - Indonesia under the Dutch, Malaysia and Singapore under the British, and the Philippines under Spain and then the United States - they have different administrative, political, and legal systems. International relations of each country pursue on matters relating to its former "motherland" which often lead to clashes [13]. Second, the diversity of languages that becomes 'major obstacle' in the integration process.

Various languages are spoken in ASEAN, with each ASEAN country having their own official languages and wide ranging list of dialects. There are about 900 different languages and dialects. Without a common language, of course, will be very difficult in the process of interaction between the peoples of ASEAN. The latest developments related to the ASEAN identity is the use of English as the official language of ASEAN (working language), either as an official language and the lingua franca ([www.asean.org](http://www.asean.org)). English usage is done at the level of formal institutional use in accordance with the rules of general official accepted by various countries in the world. While its use as a lingua franca emphasizes the functional communal -- use in accordance with the style, competencies, and level of local needs, to achieve the purposes of daily communication. Third, ASEAN countries themselves face a lot of problems associated with the process of nation building. Some have argued that ASEAN countries remain inward-looking and overwhelmed by their own domestic problems, as a result, the concept of an ASEAN community is familiar only among the government elites.

The formation of a common identity is not given, the existing and perceived living. But this is a unification process to create a shared understanding of the values, norms and shared vision of ASEAN as a whole community. Thinking, feeling and acting ASEAN mindset requires a process of changes not only among business and political leaders, but also among a larger constituency, including the poor who need to be more aware of the opportunities and consequences of the integration.

## CONCLUSION

Regardless of the complexity issue establishment of a common identity, the creation of the ASEAN Community is the most significant developments in the long history of the ASEAN way. Urgency and relevance perhaps more decisive than a solid and steady building of a common identity, although this issue should not be forgotten because it is actually illustrating a very fundamental problem of this community. I mean urgency and relevance of ASEAN Community is related to the utility as a community that will facilitate relationships, connection, and integration of the three pillars especially in favour. The urgency and relevance of ASEAN moves towards better cooperation and closely, come from global challenges and the rise of China and India are getting closer as a world economic power. Therefore, it is important for ASEAN to get rid of all obstacles that would hinder integration and cooperation in order to prosperous society. For this, ASEAN has had a set of institutions that will manage and be the involvement of members of ASEAN corridor. Implementation blueprint agreed by each member state should be manifested in concrete actions, so that the blue print was not only a document in black and white, formless nothing. And most importantly, efforts to realize the ASEAN Community as a common issue (common issue) should be more incentive to be done because it is important for the formation of public sentiment. Promotion and dissemination of the project should continue voiced through various media, so the project is not only a major initiative of a group of actors, but the ideas and initiatives involving the community as a whole.

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# PSYCHO-PRAGMATIC FACTORS OF THE ACTION OF VERBAL VIOLENCE AGAINST WOMAN: A CASE ASTUDY IN DKI JAKARTA

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## Abstract

Verbal violence is a kind of activity in which not all people realize that they are doing violation or being violated verbally. Usually, the verbal violation is regarded as something common because it is the right of husband to scold his wife with whatever the ways. Even, the society just look and let such violation occur. What husband does toward the wife is under the domain of the household. Nobody may interfere. Such way of thinking makes the perpetrators tyrannize. They courageously violate the wives. Nothing to be afraid. This brings about the phenomena of verbal violation like an iceberg. The violations look small but in fact many women become the victims. These women seem helpless. They mostly keep and recover the pain by themselves. The actions of verbal violence are due by several factors. This paper is aimed at describing the psychopragmatic factors of the domestic verbal violation toward women in DKI Jakarta. As the capital city of Indonesia, the verbal violence might occur in every part in many countries in ASEAN. However, the cases are not revealed yet. This writing may be one indication and consideration for the public and policy maker how to save women (wives) from the violence. The research was conducted in DKI Jakarta. The data were taken by having interview, note-taking, and recording. The respondent are 15 women (victims of violence), 20 members of society, the government, and community leaders. The data are analyzed by using the Law Number 23 of 2004 concerning the Elimination of Domestic Violence and concept or psycho-pragmatic. Having analyzed the data, it is found that there are at least four general psychopragmatics factors of the action of verbal violence toward women. They are 1) from the perpetrator; 2) from the victims; 3) family; and 4) environment.

**Keywords** : Verbal violence, Victims, Women.

## INTRODUCTION

Human beings are created equal in which nobody may discriminate nor be discriminated. Everybody has right to be treated humanely. Whatever reason, there will be no logical background todo what is so called as the violence.

Violence is defined as the use of physical strength and power, threats or actions against oneself, individuals or groups of people or society which causes or is likely to result in bruising/trauma, death, psychological damage, developmental disorders or deprivation of rights(World Health Organization). Most of the victims are women [1].

A number of research reveals that violence against women is a continuing threat for women everywhere in the world. About 42 percent of women in Kenya, 38 percent of women in Korea, 35 percent of women in Egypt, and 28 percent of women in America reported molested by their husband / partner. WHO also estimates around 52 percent women suffer from physical violence committed by their male partners [2]. Next is research on domestic violence in Calcutta, which revealed as much as 79 percent of women experienced physical violence, violence sexually, or both in their marriage [3].

In Indonesia, Annual Record of National Commission on Violence Against Women 2019 noted that there was a 14% increase in case of violence against women, from 348.446 in 2018, into 406,178

cases, in 2019 [4]. This record is very surprising in which when Indonesian government works hard to cure the victims and prevent the activities of violence against women, the number is even getting bigger.

The violence occurs in various domain such personal, public, and state. However, the highest number of violence occurs in personal domain [5]. The violence that occurred in the private or personal sphere was 71%; the public or community domain was 26%, and the state domain was 1.8%. The occurrence can be seen in Table 1 below.

**Table 1. The Occurrence of Violence Against Women in Indonesia in 2018**

<b>Domain of Violence</b>	<b>Number of Case</b>	<b>Percentage</b>
Private	9.609	71
Public	3.528	26
State	247	1.8

Source: [6]

This number is only for the cases which were reported. There are still some other victims whom just keep the violence as their suffer and tried to recover the pain by themselves [1].

Why does the violence against women keep existing in the society? There are several factors. One of them is psychological-pragmatics in which the violence is not only externally triggered but also internally caused. The triggers are difficult to be identified when the violence is verbally done [7].

Verbal violence against women is a kind of activities in which the power and strength are used to threat someone psychologically through verbal action. The victims are possibly to be in bruising or trauma, death, psychological damage, developmental disorders or deprivation of rights [7].

## **RESEARCH METHOD**

This article is aimed at describing the psycho-pragmatic factors of the violence against women. The research was conducted in DKI Jakarta. Based on the record of Komnas Perempuan. DKI Jakarta was found as the highest province in Indonesia with the violence against women. There were three places as the sample, namely Jakarta Timur, Jakarta Barat, and Jakarta Utara. These three areas are noted as the highest area of the violence in DKI Jakarta.

The data weretaken by doing interview, note-taking, and recording. Some questionnaires were also used to drag information about the background of respondents. There were 15 victims, 20 members of society, the government, and community leaders as the respondents. The analysis was done by using the concept of psycho-pragmatics [8] and Law Number 23 of 2004 related to the protection of the women from the violence. The result of analysis was descriptively presented.

## **RESULT AND DISCUSSION**

Violence against women is like an ice berg in which the top looks very small. In fact, the activities are getting larger and larger. Many women still become the victims of the violence [7]. The lack of understanding and knowledge about the violence as well as the right as the members of the society make the perpetrators keep violating.

There are three main theories about the violence against women. First is Biological Theory [9] that aggressive behavior is determined by certain processes that occur in the brain and central nervous system. Humans already have an aggressive instinct that has been brought since birth, including actions to hurt and kill other people and themselves.

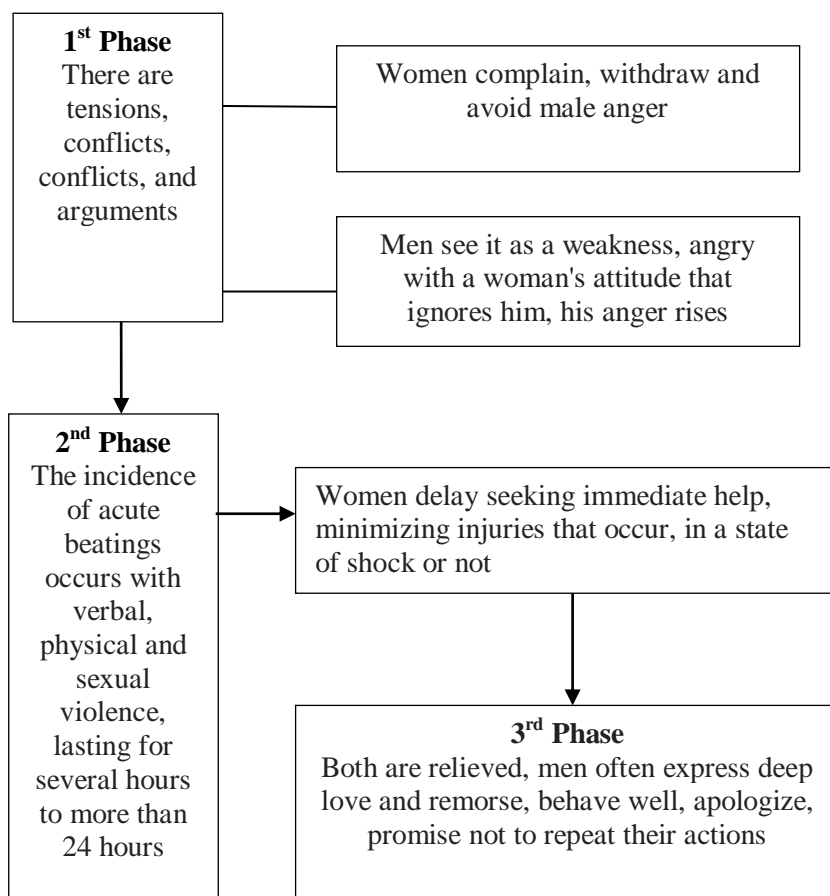


Secondly is frustration aggression theory [10] which states that violence as a way to reduce the tension produced by frustrating situations. Someone who is frustrated often takes aggressive actions. Frustrated people often attack their source of frustration or move their frustration to other people. For example, the unemployment who cannot get a job might hit his wife or child.

Thirdly is that people whose relationships with others are unsatisfactory and inappropriate can easily be forced to resort to violence when their attempts to deal with others face frustrating situations. This theory is in line with the concept of those who personally have relationship with others tend to be able to control their impulsive behavior [11].

Ironically, the ‘crime’ of violence against women is like the circle in which its cycle is divided into three phases. It can be seen in the following Figure 1.

**Figure 1. The Cycle of Violence against Women**



Source: [12]

This clearly demonstrates that the violence begins when there is conflict between the spouses that the wives try to avoid the problem. The husbands regard this reaction as the disobedience and ignorance. The husband gets angry and the physical, psychological, and sexual violation occurs. The victims (wives) recovers themselves and try to minimize the injury even with the feeling of shock. In the last phase, the perpetrators ask for apology, express their love, and promise not to do violation again. The wives then forgive this and they begin to live normally. However, the same action may occur with similar phase but the level is getting worse. Husbands do not only do a bit hit but more sadistic. This happens in all kinds of violence, physical, psychological, and sexual. From time to time, the level of violence getting more sadistic.

These three phases will sometimes be decreased becoming two phases. The perpetrators will never regret what they had done. There is no more regret for any violence he did. This happens repeatedly

and continuously. It will end when the victims ask for the legal protection. Unfortunately, their condition is mentally and physically injured [13].

DKI Jakarta as the capital city of Indonesia is regarded as the city of the highest of the violence [6]. The number of violence against women until August 2019 is as depicted in the Table 1 below.

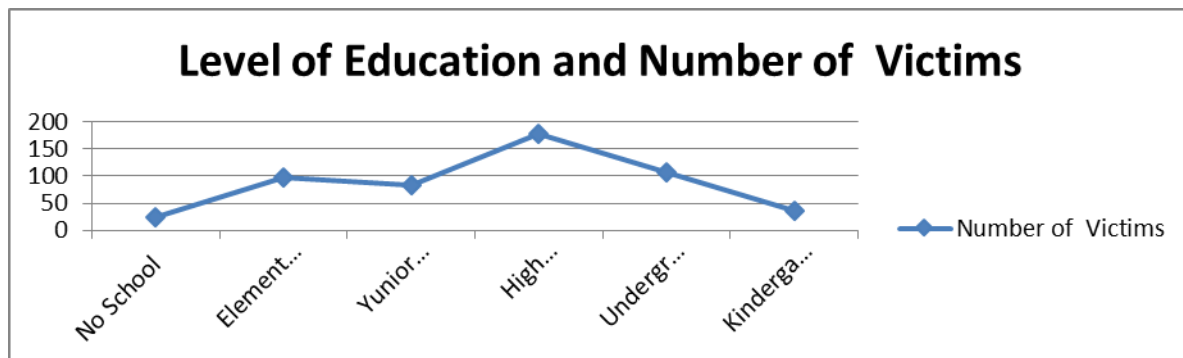
**Table 1. Perpetrators and Victims of Violence against Women in DKI Jakarta until September 2019**

Level of Education	Number of Victims	Number of Perpetrators
No School	24	18
Elementary School	97	12
Junior School	83	35
High School	178	269
Undergraduate	108	165
Kindergarten	36	15
Total	526	514

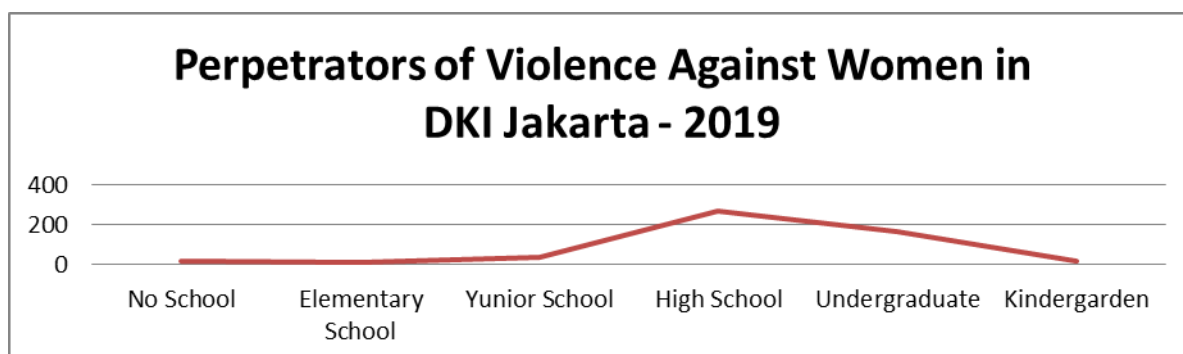
Source: [14]

The perpetrators and the victims are those from various level of education. This begins from the lowest level of education—kinder garden until university level. The map of the violence based on the victims and the perpetrators are seen in the following Figure 2 and 3.

**Figure 2. Victims of Violence Against Women in DKI Jakarta - 2019**



**Figure 3. Perpetrators of Violence Against Women in DKI Jakarta - 2019**



These figures reflect how the victims of the violence do not consider the age and level of education. The victims come from every level. However, the highest number is from high school, around 33.8% followed by from university level, 20.5%. Meanwhile, the number of the perpetrators is 514. The highest percentage is from high school, 52.3% followed by university, around 32.1%. Ironically, these perpetrators are also those from kinder garden. The kids around 4-6 years old dare to do the violence. From table 1, it can be stated that the number of the violence against women in DKI Jakarta occurs 1.64 a day. This implies that, 2 women (including children) become the victims of the violence every day. Meanwhile, the perpetrators do violence 1.61 %. It means that two perpetrators violate women every day.

Although the number of the perpetrators and the victims seem small, only two per day, when it is calculated, there will be 730 women become the victims of violence every day violated by 730 perpetrators. This just happened in Jakarta. What about in Indonesia, South East Asia, and this world? How many more women will be the victims?

This situation must be prevented soon. Beside recovering those who had become the victims, there must also be preventive action. Women cannot be allowed to be under pressure because of violence. Nor, women are not be insulted and injured. Unfortunately, the number of violence against women get higher and higher [15]. Many women suffer due to the violence. Moreover, the perpetrators are those close to them. They can be husband, uncle, brother, even father [16].

There are some factors that bring about the occurrence of verbal violence. These factors are due to the psychological aspect. When these psychological aspects become the internal consideration to do verbal action, this is called as psycho-pragmatics. Psycho-pragmatics is related to the psychological aspects based on the implied purpose of various speech acts delivered by speakers in various speech contexts. The context refers to any background of speakers when saying something containing the violence. Thus, the violence against women is due to these psycho-pragmatic factors.

There are four psycho-pragmatic factors that cause the verbal violence against women in DKI Jakarta. They are 1) from the perpetrator; 2) from the victims; 3) family; and 4) environment. Semantically, perpetrators are those who causes injury or death to others or causes physical damage or the damage of one's property. The injury and physical damage through the verbal action. Some utterances produced by the perpetrators made the victims inconvenient. Even, what the perpetrators did can cause mental illness due to the pressure of the language used. For example, the use of terms *anjing* 'dog', *setan* 'devil', and *perempuan hina* 'despicable woman' to address the women.

These terms are not supposed to be used even to be addressed to the wives. A wife must be loved and cared not to be insulted. The perpetrators were husbands [17]. The characters as well as educational and cultural background of the husbands influence the attitude in communicating something. This is also reflected by the way they speak and the way they express the dissatisfaction toward the spouse. Victims are mostly women because these women are of great potentiality to be hurt. They are regarded as weak creatures even though in some cases these women are strong physically [18]. Many women work in which the power is needed; being construction laborers, security, or tire repairman.

The work of these women sometimes made them far from perfect of being wives. They have to prepare all things before going to work. They have to go back home after working outside spending a lot energy. Consequently, the house work cannot be fully done. This brings about the anger of the spouses. Physical and psychological violence then occurred. What the wives do outside, when they must do it, can be categorized as economical violence. The wives have to meet the needs of life. They also have to do all house work. When the wives feel inconvenient with those all, this can be categorized as economic violence [17].

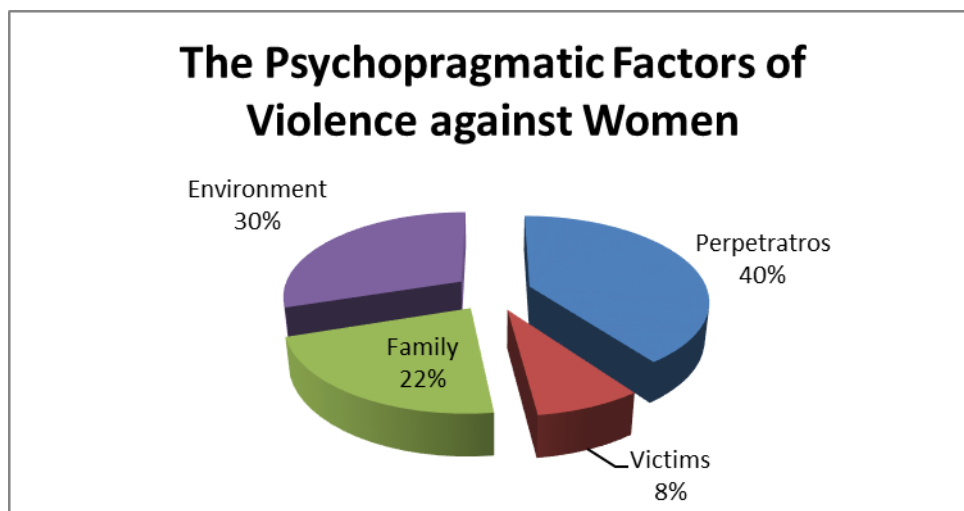
In Indonesia, family refers to consanguine family which comprises nuclear and extended family [19]. The diversity of people at home implies the various characters. These characters can trigger the differences at home. When one says yes, others may refuse and deny. Psychologically, this might give rise to anger and cause quarrel. The quarrel and anger can lead to the violence if it is not controlled.

Ironically, the family may also provoke the married couple in which one of them is goaded to anger. This is a seed of contention which led to violence physically, psychologically, sexually, and economically. Family may influence the attitude of the members of that family, including the husbands. Law No. 23 of 1997 concerning Environmental Management states that the notion of the environment is the unity of space with all objects, power, conditions, and living things including humans and their behavior that affect the continuity of life and welfare of humans and other living creatures.

The environment does not only deal with non-living things but also living things. These living things cover human beings. As the unique creature, every human being has different character and characteristics. These differences are in line with the formation of community. Thus, each community has their own uniqueness with their distinctive features. Such situation indirectly creates the characters of the members of the society. This also relates to the way the society thinks and deal with the problem [20], [21].

Violence is also much influenced by this society. Society is commonly in line with the tradition, norms, and values implemented in the way the members behave and see the world [22], [23], [24]. The violence due to this society is associated with these traditions, norms, and values including how to overcome the problem of life [25].

**Figure 4. The Psycho-pragmatic Factors of Violence against Women**



Violence against women in DKI Jakarta can be the representation of phenomena in the world where many women become the victims. The activities of the violence is like an iceberg where many people might not realize that there is violence around them.

There are some factors are due to psychological-pragmatic aspects. They are perpetrators, victims, family, and environment. Perpetrators is the dominant psycho-pragmatic factors in the activities of violence against women in Jakarta. This is in line with the main actor in that violence in which most of the perpetrators psychologically have problem. They seem disable to control themselves because of psychological urge. This urge makes the perpetrators commit violence even uncontrolled. There were around 40 % of perpetrators do violation toward the wives.

Environment also become the psycho-pragmatic factor in violation against women, around 30%, followed by family, 22%. The last is the victims (wives) themselves, 8%. Even though in the last place, as the victims, the wives suffered a lot. They do not only endure the pain but also the mental stress [26]. The women suffer from two sides, not only as the victims but also considered as the triggers.

## CONCLUSION

Violation against women is an unacceptable act. Whatever the reason, the activities are illegal and illogical. Women are not the objects that can be insulted, hurt, or be a place for discomfort. Women should be protected. Thus, the violence against women clearly breaks the rule and opposes the right of women as human beings. None is allowed to violate women. Women are creature of the leader of the future. Women give birth and firstly educate the children with 'love'[16]. So, The world must commit to say 'no' to the violence against women.

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# INTERPROFESSIONAL EDUCATION IN MEDICAL AND HEALTH SCIENCE EDUCATION: REVIEWING THE PROGRESS IN ASEAN

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## Abstract

The Interprofessional Education (IPE) has potential efficacy to foster the collaboration between health workers from different professions and improving health outcomes. The World Health Organization (WHO) encourages all nations to integrate IPE in their existing curriculum to yield its effects. Most evidence of IPE came from developed countries and insufficient to examine barriers and challenge in developing countries. We reviewed 20 papers about the evaluation of IPE program in medical or health science institution in ASEAN's countries. The articles were searched from Google Scholar, Garuda, Science Direct, Pubmed and Proquest with time publication limit from year 2010-2019 in either English or Indonesia Language. The IPE in ASEAN's countries was running on several stages. Some run in the planning stage while others in the evaluation stage. The articles showed the challenges during the program including different perception, unequal participation, lack of face-to-face interaction, and overlapping roles. In general, the climate in ASEAN's medical and health science education is used to be uniprofessional rather than interprofessional. The IPE recommendation should be upgraded into the strong one in the next five years Regional Strategy to foster the development of IPE in the South-East Asian region.

**Keywords:** ASEAN, Education, Health science, Interprofessional education, Medical.

## INTRODUCTION

Interprofessional education (IPE) is a situation when students from two or more professions learn about, from, and with each other while collaborative practice is happened when multiple health workers from different professional backgrounds work together with patients, families, carers, and communities. The existence of IPE is important to improved health outcomes by producing health workforces who collaborative practice-ready. They will be able to provide optimal health service by collaborative practicing which create stronger health system and lastly improve health outcomes [1].

WHO already understand the importance of IPE and suggested the idea to be implemented in all regions [1],[2]. The strength of recommendation for Inter-professional education (IPE) in both undergraduate and postgraduate programmes is 'conditional' with low quality of evidence as stated in Regional Strategy on Strengthening Health Workforce Education and Training in SEAR (2014-2019) [2]. Reflecting the target in present day as the final year of the target mentioned before actually is a way to evaluate how far we achieve the goals and identified the challenges in actualizing it. Then, some recommendation could be suggested for the next strategy.

Today, we can see that ASEAN's countries are trying to apply the concept of IPE in their medical and health science education. Even a country like Singapore already had a well maintained IPE's program and creating a sustainable IPE's platform for Asian university [3]. Narrowing the area into Indonesia, several journals were reporting the implementation of IPE in medical and health science curricula, assessing the outcomes and deliver some suggestion for that [4], [5], [6], [7], [8] However, the main problem in implementing IPE is to change the uniprofessional culture to interprofessional culture in the higher education institution [9].

## RESEARCH METHOD

The method of this study was mini reviewed with narrative analysis. We delivered the research question as: How far we implemented IPE? Then, we undergo date searching by using keywords 1) Interprofessional Education and Model and ASIAN; 2) Interprofessional Education and Model and ASEAN; and 3) Interprofessional Education and Malaysia or Thailand or Singapore or Philippines or Indonesia or Vietnam or Brunei or Laos or Cambodia or Myanmar. We only achieved related journal published in 2010-2019 through several engine such as Google Scholar (15,200), Science Direct (1,662), Pubmed (6), Proquest (72), and Garuda (16). Total 20 journals were selected which covered almost all ASEAN's countries as follow: Indonesia (9), Malaysia (4), Philippine (3), Laos (1), Singapore (1), and others (2). Then, we describe the result narratively in this study.

The IPE is a solution to professional fragmentation and potential to provide patient-centered care. In order to achieve the goal, the appropriate teaching learning methods should be applied in IPE [8]. The situation of IPE's implementation in ASEAN's countries was varied and it showed by the result of several studies. As we reviewed the published studies, the stage of IPE implementation in ASEAN could be summarized into planning stage and implementation stage. In the planning stage, studies usually reported the readiness, either students or lecturers. While in implementation stage, besides explained how the program work, it also reported the evaluation of programs.

## RESULT AND DISCUSSION

### 1. Planning: Readiness

A Study in Malaysia's private university showed significant differences in attitude and readiness towards interprofessional learning among students of various healthcare professions. The result in Interdisciplinary Education Perception Scale domains showed the students had a difference in opinion related to interprofessional learning and it depended on the students' year of study. However, the students expressed that shared learning with other healthcare professional students will increase their ability to understand clinical problems

Another study in Malaysia also showed that the healthcare lecturers, in the Faculty of Medicine, Faculty of Dentistry, Faculty of Pharmacy and Faculty of Health Sciences, had a positive perception and ready in implementing the IPE. All based the average mean scle obtained that was greater than 3.0 [11]. Still in same country, a journal also published the favourable attitude towards IPL exist among the medical, nursing and pharmacy students and this provides support for the introduction of IPL in their undergraduate curriculum. Groups analysis with ANOVA showed there was a statistically significant difference between the healthcare groups on the subscale —teamwork and collaboration (F2.833 = 16.35, P< 0.001). Post-hoc comparisons with Tukey test indicated medical students (M=36.21, SD = 5.50) had significantly the least score on this subscale compared to pharmacy (M= 38.21, SD=4.31) and nursing students (M=38.47, SD= 4.73).The medical students also agreed that they have to acquire much more knowledge and skills than other healthcare students [12].

We also reviewed report about initiative implementation of IPE in the University of Health Sciences in the Lao People's Democratic Republic. In that project, three faculty members from the university and two from Gunma University, Japan, set up an IPE steering group and reviewed the community-based programme. The professions which were participating together in the education program were medical, pharmacy, dentistry, and nursing. The planning for IPE was divided into four phases-sharing the key concepts of IPE, designing the programme, organizing the interprofessional programme committee, and evaluating the effectiveness of the programme. The result in the initiative project showed that the program would not be successful without appropriate and effective role models [13].

In Indonesia, we scoop down several studies related to the readiness in IPE implementation. The students already know about IPE and showing a good perception, the faculty members also had a good attitude towards IPE [14], [15]. The study was also able to identify the problems in the continuation of interprofessional learning in IPC. The main problems were differing perceptions of



the needs of patients among professionals; unequal participation in decision-making; lack of face-to-face interaction; and overlapping of roles and responsibilities. Faculty members agreed that IPE has the potential to remedy these challenges as long as opportunities are provided to inculcate equal power and contribution in meeting patients' needs [15].

A study also reports that the Asian context ready to implement IPE [16]. The readiness was assessed by administered the Readiness for Interprofessional Learning Scale (RIPLS) to 398 in approximately 470 students from a range of health professions (medicine, nursing, midwifery and dentistry) and followed by focus group discussion (FGD) to enhance the understanding [16]. Medical students seemed to be the most prepared for IPE among others. Theirs were conditioned by the study programme they took, their GPA, intrinsic motivation and engagement in the student council connoting experience of working with students from different programmes. Focus groups further revealed that: 1) early exposure to clinical practice triggered both positive and negative perceptions of IPE and of its importance to learning communication and leadership skills, 2) medical students caused insecurity and disengagement in other students, 3) medical students felt pressured to be leaders, and 4) there was a need to clarify and understand each other's profession and the boundaries of one's own profession [16].

## **2. Implementation and Evaluation**

The IPE has been recognized internationally as a 'best practice' in undergraduate education, creating a collaborative practice-ready healthcare workforce [3]. Many efforts to implement IPE in undergraduate training are limited to a small number. A platform to create a sustainable IPE effort was able to achieve by adopting an internationally recognized competency framework, alignment of various teaching and learning activities in the involved disciplines. The platform's form is a centrally coordinated two-pronged approach [3].

The evaluation of IPE implementation gave us the data related to the strategies and themes for IPE project. The three most commonly used strategies in IPE were case discussion (clinical setting), small group discussion, didactics, and case discussion (community setting), while the use of didactics and case discussion (community setting) yielded more agreeable attitudes towards IPC [17]. The years of practice and professional background had no relation to the attitude towards IPE [17]. The themes that should be included in IPE programs due to the usefulness was assessed. Themes on the useful aspect of the project were learning about collaboration, appreciation of roles, holistic care, service to the community, and unique learning experience. Themes on the least useful aspects were coordination requirement, patient management, program structure, and community setting limitations [18].

The evaluation of IPE program in Indonesia was seen by the outcomes in the healthcare service. Both qualitative and quantitative studies were reported the impact of community-based interprofessional learning. A qualitative study done where the subject were patients and their family who receive health service in IPE FK Universitas Negeri Sebelas Maret while a quantitative study with the observational method using a design one group pre-post test design done to determine the increase in maternal attitudes about infant health after the application of IPE in the Class Mother Toddler. People perceived that the the outcomes of health care service was good and also improving the health attitudes (average value of pre-test -0.02 to 2.46 average value post-test) [6], [7]. Also, a mixed method concluded that IPE could be implemented successfully in a longitudinal community-based education curriculum. It evaluate students' attitude and showed that most of the students strongly agreed that they learned a lot about interprofessional during the program. Among three profession (medical, nursery, nutrition), medical and nursery students had higher means score, except in the subscale of community-centeredness [5]. Actually, by using IPE programs, the students had some potential to solve complex community problems [4].

In the last part, we are summarizing our finding in literature review journals. The IPE program is different to each country [19]. The developed countries had more IPE initiatives the developing countries. Mostly, the programs are implied at the undergraduate level. For clinical placements, it based in hospitals, community, or both. The contents of the curricula were mainly designed to provided IPE knowledge, skills, and values [19]. The IPE improved interprofessional collaborative

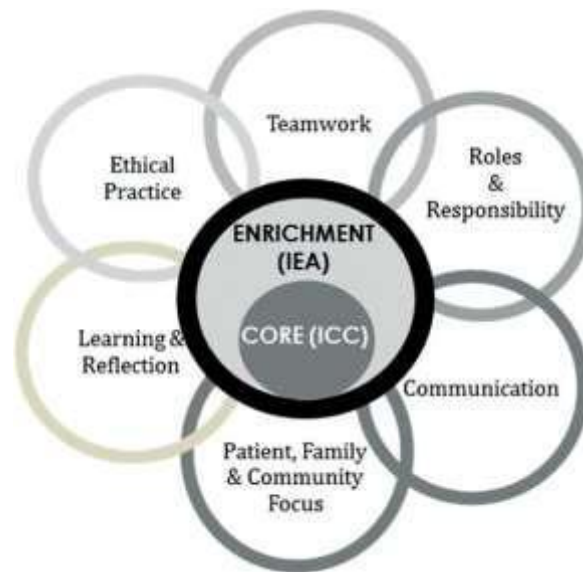
knowledge, skills, and behaviour. Its effectiveness was assumed to be related with the complexity of learning material, appropriateness of program design, and referral to specific standard of competence [20]. There are several challenges found on implementing IPE, curriculum, leadership, resources stereotypes, students' diversity, IPE concept, teaching, enthusiasm, professional jargons, and accreditation [21]. But, the foremost challenge is changing from traditional uniprofessional to interprofessional.

To overcome the challenge, there is a need for leadership model for developing IPE in a predominantly uniprofessional curriculum [9]. After the IPE is implemented, the medical and health sciences institutions are ready to take a step forward in patient-centeredness care while making the best use of various disciplines in health professional [9].

### 3. The IPE's Project

Each country is handling the IPE program differently through certain projects. It is likely because they are adjusting with their resources and situation. An interesting project was brought by Singapore through Interprofessional Core Curricula (ICC) and Interprofessional Enrichment Activity (IEA) to smoothen the collaboration learning [3]. However, the ICC component would not bring various health professional training programs altogether. Thus, IEA was developed to compensate the problem. The principles which were established through the platforms are stated in the figure below.

**Figure 1. Conceptual outline of development of Interprofessional Education (IPE) at the National University of Singapore**



Source: Adapted from [3]

In Indonesia, mostly the reports were related to community-based IPE. For example, the institution tried to implement IPE in the Class Mother Toddler, took students from Midwifery, Nursing, Nutrition, and Environmental Health into the programs. The students did the field practice in the community after given lectures and discussions [7]. Another institution tried the community-based IPE by collaborating students from medical, nurse, and nutrition through the Community and Family Health Care Program [5].

All of previous studies conclude that IPE was able to implement in community. Personally, we thought that it is linear with the next stage of IPE that is a professional collaboration.

### 4. A Link Back of IPE

The IPE's implementation in ASEAN were different depend on countries' conditions. The programs also vary between one and other countries [19]. In the context of Asia, it is ready to implement the IPE and the students of health professions will likely be able to reap its benefits.

However, for an initiative IPE's program to be successful, it needs appropriate and effective role models from the faculty. Thus, the needs for continuing development in term of faculty development, materials, and resources are existed to support it [13], [15].

In the starting point, the readiness to implement IPE and the attitude toward it should be assessed. All to ensure the program will be accepted and operate well in the educational system. Positively, the studies shown that the students were ready to implement IPE and they also showed favourable attitude [16], [10], but another finding shown that there were less students who ever participated in IPE activities despite knowing it [14], [12]. In line with the students, the lecturers also showed positive perception and readiness to implement IPE [11]. While some still unfamiliar with the concept and need some support later [12]. The benefit of its implementation and readiness to imply it conclude that the developing plan of IPE should be advocated [8].

The IPE programs provided an educational platform for students and teachers to develop and prepare their graduate to be 'collaborative practice-ready' [3]. The problem wasn't exist only in beginning state, during the program was running in the educational system, we would be able to see the opportunity and challenge for its implementation while evaluating the program to develop more [21].

The opportunity and challenges were demonstrated by the students' appreciation of the IPE's project [18]. The evaluation also resulted the IPE initiatives within the institutions to enable the evidence-based approaches, in IPE and also IPC [17]. It also suggested a series of teaching methods to suit the IPE program while using principles from adult learning [22]. But, the main goal of evaluation was to assess the outcomes of IPE learning in the institution as the theory offer that the IPE would bring better health outcomes in practice. Supporting it, the report stated that the IPE implementation in community practice could improves the health attitude of people and provide a good health care service [6], [7]. Also, the IPE program not only able to implemented in class-based education curriculum but also successfully implemented in a longitudinal community-based education curriculum. The students would benefit in studying interprofessional attitudes, promotes equal participation and equal contribution among learners, and solving complex community problem [4], [5].

Interprofessional collaborative practice and education actually represent a step forward the patient-centeredness and make the best use of various health professional disciplines [9]. The educational institution acted as the place and source for IPE itself. The IPE program may has perfect goal while showing imperfectness during the implementation. Thus, the evaluations are continuously needed to gradually improve the programs, creating better outcomes. The studies had reported several recommendations for future development of IPE, including a specific suggestion for its development in Asia region [20]. The learning approach also vary to suit the institution condition while keep the IPE implementation as the goal, including improvising the education model to implement the IPE [23]. Implementing IPE in medicine and health sciences institution is a challenge to shift the uniprofessional education to interprofessional education [9]. Despite all the challenges and hardship, the IPE is needed to improve health outcomes in related region.

## **CONCLUSION**

The conclusion is intended to help the reader understand why your research should matter to them after they have finished reading the paper. A conclusion is not merely a summary of the main topics covered or a re-statement of your research problem, but a synthesis of key points and, if applicable, where you recommend new areas for future research. For most essays, one well-developed paragraph is sufficient for a conclusion, although in some cases, a two or three paragraph conclusion may be required.

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# IMPORTANCE OF EARLY INFORMATION IN EARTHQUAKE DISASTER RISK REDUCTION: LEARNING FROM EXPERIENCE WEST SUMATRA EARTHQUAKE 2009

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## Abstract

Padang City is one city that has a high risk and prone to earthquake and tsunami because it is situated on three tectonic plates of the world and is the path of the Pacific ring of fire where frequent earthquakes occur. Under these conditions the government of Padang certainly needs to take steps to mitigate the worst effects caused by the earthquake and tsunami. Learning from the experience of West Sumatra earthquake in 2009, at the time of the earthquake, people panicked, roads became jammed, and people do not know where to go because they do not get clear information about the earthquake occurred, whether or not a potential tsunami. To the question of dissemination of information at an early stage is important, the government needs to prepare facilities and infrastructure in the dissemination of information accurately, quickly and accurately at the time of the earthquake, so people do not panic and can direct them to the area more comfortably. Cooperation with various types of media and channeling information becomes important so that if disaster strikes and one media broke then there are still other media. Cooperation with radio, local television and especially mobile operators become an important point when disasters occur. Society must know this cooperation there. So that when disaster strikes they know where to find official information and trustworthy. All this is happening is an information vacuum, even for hours community haunted by uncertainty as to whether a tsunami is threatening or not, but should have half an hour already safe statement. For that, the local government needs to make a clear communication system to anticipate the impact of disasters that can give peace to the community when a disaster occurs. Information from an early age is important to provide information to the public as early as possible in order to reduce the impact of future disasters.

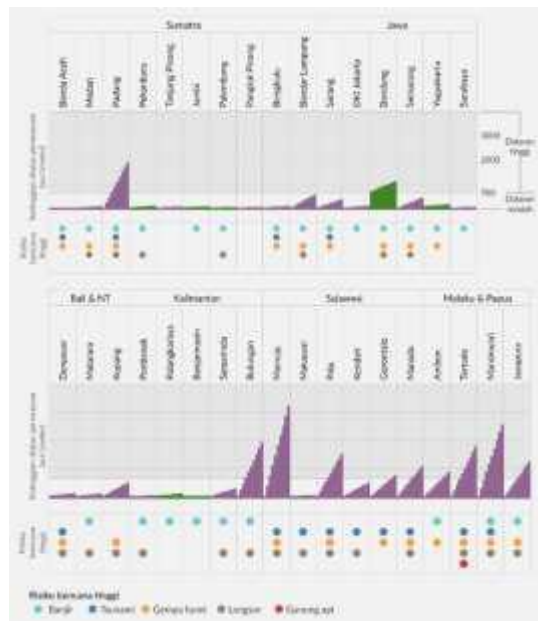
**Keywords:** EWS, Disaster Risk, Padang City.

## INTRODUCTION

Various natural disasters such as earthquakes, tsunamis, volcanic eruptions and flood events often hit several countries, including in the Southeast Asia region, including Indonesia, which has opened the eyes of all parties to the importance of managing disaster risk in the future. Experiences of the Natural Disasters of the Earthquake that struck Aceh (2004) and the West coast of Sumatra, for example, were felt in several ASEAN countries such as Malaysia, Thailand, Singapore. This disaster caused severe damage to several countries exposed to the disaster. Padang as one of the cities on the west coast of the island of Sumatra is also famous for being at risk and prone to natural disasters, especially earthquakes. Geographically, Padang City is in the Pacific ring of fire or also called the Pacific Ring and is flanked by three tectonic plates, namely the Indo Australian, Eurasia and Pacific Plate. This is what makes Padang City a vulnerable area for earthquakes, tsunami waves and high-intensity ground movements. Because of the location of the city of Padang which is in the sub-zone so that the city of Padang is an area that has a source of destructive earthquakes [1]. This can be proven by the following disaster risk index graph.

Based on Graph 1.1, it can be seen that the disaster risk index compiled by BNPB from 34 provinces, there are several districts/cities that have a high disaster risk index, one of them is Padang City. According to the graph, it can be seen that for Sumatra Island, Padang City has a high level of risk for disasters, one of which is an earthquake.

**Graph 1. Graph of Disaster Risk Index in Indonesia**



Source: [2]

The city of Padang as one of the areas that has a high level of vulnerability and vulnerability to earthquakes [1]. Then it is necessary to take steps to be able to anticipate the worst possible impacts that will be caused by an earthquake disaster that will occur. For this reason, disaster mitigation is a matter that needs to be prepared by the Government of Padang, especially since the way of thinking in the disaster management system has changed from the paradigm of "relief" and "response" to "contingency planning", reducing vulnerability and disaster risk ultimately towards more comprehensive disaster management [3]. The experience of the Padang earthquake in 2009 provided valuable lessons for the city of Padang, at that time many fatalities with details of 316 people died, 181 people were seriously injured, and 425 people slightly injured, the number of fatalities was allegedly because the city of Padang was still weak in mitigation and early warning systems so that people have difficulty in getting disaster information early.

Learning from this experience, the Padang city government, from day to day, began to improve itself by establishing a regional disaster management agency. It is this body that simultaneously provides understanding to the public in early information about disasters through disaster programs that are implemented.

Studies from various experts say that early warning is an important strategy to save lives. However, the magnitude of the task of designing, implementing and maintaining an early warning system in the community is enormous. An effective system requires that early warning and risk reduction be mainstreamed into the policy process and that government agencies have the capacity to be able to design and implement effective policies. An effective early warning system policy process also requires the participation of local communities to ensure that people at risk receive adequate information and warnings. The early warning system protects the community by combining a scientific monitoring and detection system with social design factors and components to notify the public at risk. Early warning systems can be seen to have scientific, managerial, technological, and social components that are integrated with the communication process [4].

Basically, the existence of EWS with complete and effective components certainly supports four main functions, namely risk analysis, monitoring, information dissemination, and communication as well as the ability of the response system around. Failure in any one part of the chain can mean a breakdown of the whole system. Good early warning systems have strong links between these four elements [5].

The Early Warning System (EWS) has become an important component in disaster risk management. They are a combination of tools and processes that are integrated in the institutional structure and coordinated by international, regional and national institutions. EWS is peoplecentric and focuses on risk knowledge, monitoring and warning services, disseminating warning information, and public awareness and readiness. The purpose of establishing the EWS is to prevent loss of life and property from the impact of the disaster. In January 2005, the World Conference on Disaster Reduction adopted the "Hyogo Framework for Action 2005-2015: Building Nation Resilience and Communities against Disasters". This includes clear references to the importance of early warning and encourages the development of "people-centered early warning systems, especially systems that warn on time and can be understood by those at risk including guidance on how to act on warnings" [6].

But how can an early warning system (EWS) help in doing this task? EWS can be defined as including the following factors: integrated monitoring, estimation and prediction of hazard systems; disaster risk assessment; communication; and readiness. This involves a number of activities, systems, and processes that can enable individuals, communities, governments, businesses, and other sectors of society to take timely action for DDR. The purpose of the EWS is to provide information about damage that can be caused during a dangerous event, even though it was operating before the hazard occurred.

Literally a scientific field angle, one expert said that the EWS was implemented as a chain of information communication systems consisting of a collection of sensors, event detectors, and decision sub-systems. These systems work together to predict signal disturbances that can have a detrimental effect on system stability. In addition, these systems provide time tolerance for the response of the surrounding system in preparing the needs and minimizing the side effects of the disaster [7]. Based on this explanation, this article intends to see the role of the city government in giving early warning to the public about natural disasters, especially earthquakes.

## **RESEARCH METHOD**

The research method used in this study is a qualitative method with a descriptive interpretative approach [8], [9]. The unit of analysis in this study is the institution that has authority over disaster management. The data source comes from primary data in the form of interviews with various parties involved in disaster management and secondary data in the form of documentation or literature review. The selection of informants is done by determining the informants who are deliberately researched, because of their knowledge of the desired information. Meanwhile for data analysis used interactive model data analysis techniques proposed by Miles, Huberman and Saldana, namely the data that can be field sorted and categorized, because not all data obtained can be used as analysis material [9]. From the data that has been sorted according to need, then afterwards a data analysis framework is prepared.

## **RESULT AND DISCUSSION**

For the people of Padang City the Early Warning System is very important considering the city of Padang is one of the cities that has a high enough threat of natural disasters. With this early warning system, it is expected that appropriate efforts will be developed to prevent or at least reduce the impact of natural disasters on society. Delay in handling disasters can cause greater losses for the community. In the disaster management cycle, an early warning system for natural disasters is absolutely necessary in the preparedness stage, an early warning system for each type of data, approach method and its instrumentation. The goal is to create an early warning system so that people living in disaster areas can be safe in their activities because early warning of disasters is already known, so that people can also take precautions to save themselves when natural disasters occur.

In relation to the four main functions of the EWS, namely risk analysis, monitoring and warning, dissemination of information and communication as well as the ability of the response system around, the City of Padang has made efforts to reduce disaster risk.



Efforts to analyze risk, the City of Padang through the Regional Disaster Management Agency has carried out the name Disaster risk assessment (2014-2018) where the City of Padang has determined the steps to be taken in the event of a natural disaster, from the study provides several policies or recommendations namely administrative policies and technical policies whose elaboration contains steps and follow-up for disaster management.

Monitoring and warning carried out by BPBD as the leading sector for disaster management in the regions is by monitoring the tools used for EWS. The tools in question are Seismic Intensity Meters. This tool is a help from the Japanese government which can be used to detect earthquakes. This tool is connected to BMKG. Based on the explanation from the Kuranji Subdistrict, the tool was installed in all sub-district offices in Padang City, city hall office, social service office, and BPBD Emergency Operation Center. The superiority of the tool is that it can detect earthquake power in real time, when an earthquake occurs, the earthquake strength will then appear on the screen. Can be seen in the following figure.

**Figure 2. Earthquake Detection Equipment**



The effort undertaken by the City of Padang in the context of Dissemination of Information is to create an EWS Standard Operational Procedure (SOP) on Natural Disaster Management for earthquakes. With the existence of the SOP, it is hoped that the efforts of Padang City in early warning of natural disasters can go well, so that the possibility of victims can be minimized. Based on the experience of the earthquake that struck Padang City in 2009, the lack of a disaster early warning system caused huge losses to the community. The following is the Standard Operational Procedure figure for Earthquake Early Warning in Padang City.

**Figure 3. SOP for Earthquake and Tsunami Early Warning in Padang City**



Other steps taken by the Government of the City of Padang in the context of early warning of natural disasters is to collaborate with Telkom University. The form of cooperation is in the form of the implementation of the Patriot Net Project which is an early warning system for natural disasters based on the Internet of Things (IOT). In this case the city of Padang is the first city in the use of this tool, of course, hopes in the future with this tool can help the readiness of the city of Padang in the face of natural disasters. In addition, collaboration is also carried out with local media, namely with radio, which presents interactive programs around disasters as well as with local TV such as advertisements about community steps if a disaster occurs. Thus, this EWS requires support from various aspects to be able to run more effectively. Some of these supports include active community involvement, public education facilities for awareness of risk situations, effective dissemination of warning information and always-on preparedness [11]. With these efforts it is expected that in the future disaster risk reduction efforts by optimizing the EWS can minimize the impact of disasters. The experience of Padang City can be a lesson for other regions which are prone to natural disasters.

## CONCLUSION

Various activities and programs that have been carried out by Padang City in the framework of EWS so far have been going well, but there are still some constraints, namely: (1) The community still does not care about these EWS activities, even though the EWS cannot run well without community involvement, so that the cooperation of various parties is needed in the framework of implementing EWS. (2) The community still thinks that the disaster is God's will, so there is no need to think about it, so that with this assumption the disaster program carried out by the government is ineffective

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# DELIBERATIVE LEADERSHIP MODEL OF INDIGENOUS PEOPLE IN KAMPUNG NAGA TASIKMALAYA DISTRICT

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## Abstract

This research is intended to find an explanation of practice deliberative leadership in a traditional society that strongly adheres to traditional values. In general, an indigenous or traditional community applies an authoritative concept of leadership usually held by Ketua Adat or Kuncen. But what happened at the research location, which are in Kampung Naga, are not applying the concept of an authoritative leadership but more can be seen as the practice of the deliberative leadership. This research uses the theory of indigenous people and leadership and deliberative democracy. Research method used is a descriptive qualitative research method. The results of the study illustrate that the deliberative leadership model in Kampung Naga is related to decision making not held by one person and not also given to all residents of Kampung Naga. Deliberative leadership in Kampung Naga is given to three important elements, namely; Punduh Adat, Kuncen and Lebe. The three leader elements in Kampung Naga jointly carried out a deliberative leadership model by inviting representatives from the community to discuss matters that were deemed necessary to be resolved because they were related to hereditary traditional values which were faced with modernization. An important feature that shows in Kampung Naga is using deliberative leadership is that there is a special place that is intended to discuss joint issues related to matters relating to relationships and also decision-making, one of which concerns the use of new technologies such as gas conversion and the permissibility of electricity for enter Kampung Naga. The results of the study show that in order to achieve the ASEAN Community Vision 2025, there needs to be an inclusive policy formulation among ASEAN countries that guarantees indigenous communities as part of ASEAN people who enjoy basic human rights and freedoms as well as developing, democratic and harmonious in accordance with democratic principles, and rule of law

**Keywords:** Deliberative Leadership, Indigenous Peoples, Indigenous Leaders

## INTRODUCTION

Kampung Naga is a traditional humlet located in Neglasari Village, Salawu Sub-District of Tasikmalaya Regency, West Java. It is called a Traditional Humlet because its people still uphold the customs and traditions inherited from their ancestors. The community of Kampung Naga still maintain the simplicity and local wisdom. Its existence which is far from the city makes Kampung Naga as if isolated from the hustle and bustle of the bustling era of development and the flow of modernization and technology. Along with the increasing political hubbub in Indonesia, will Kampung Naga community still maintain the original tradition of its ancestral heritage or will they begin to experience re-actualization with culture outside the humlet? These questions arise because there is a tendency of cultural shifts in the life of the people in Kampung Naga.

The indication of the change is related to the type of traditional leadership in Kampung Naga. Customary leadership in Kampung Naga has been considered to have a classical leadership style in the era of deliberative democracy. There is a possibility that the classical leadership style in Kampung Naga has begun to experience actualization, since the wider open access to information making this deliberation process occur. In principle, the deliberation leadership style occurs when the legal products that are fairly achieved begin to be obeyed by the local community. As is the case with other traditional villages, the leadership system in Kampung Naga is still based on the adat or kuncen leader. This is in line with what Subhan Agung revealed in the 2011 Alliance Journal that "there is

something unique about leadership in Kampung Naga, that is, in addition to customary leaders or formal leadership, they also recognize *punduh* and *lebe* leadership." These three types of traditional leadership were found to be included in the structure of traditional leadership.

The three leadership in Kampung Naga has their respective working areas or roles. Still quoting what Subhan Agung explained in the 2011 Alliance Journal, Kuncen has the legitimacy and authority to regulate traditions and customs and rules that have been running for a long time. Whereas the *punduh* has full legitimacy and authority in managing social life in everyday relationships in order to maintain order in the traditional village. Meanwhile, *lebe* has the legitimacy and authority to regulate all matters relating to religious issues and various religious rituals in Kampung Naga.

Regarding the selection of kuncen or adat leaders, based on observations by researchers, it shows that kuncen or adat leaders or formal leadership in Kampung Naga are chosen based on lineage. Usually have to be male sex both children and grandchildren. The process of selecting kuncen is usually carried out at the *patemon* hall (Meeting hall) in a meeting session attended by the elders of Kampung Naga. Kuncen or adat leader is formal leadership other than *punduh* and *lebe*. *Punduh* himself is one of the leaders in Kampung Naga who acts as an amplifier of tradition in Kampung Naga. *Punduh* has the duty to maintain security and to regulate social issues. The requirement to be a *punduh* also has to be blood-related with previous *punduh*, such as the requirement to be a caretaker that must also be blood-related with the previous caretakers. Still according to Subhan Agung in the Alliance of 2011, states that the authorization of someone to be *punduh* is caretaker, the endorsement was attended by all elements of the leadership of Kampung Naga from the level of RT, RW, *Lebe* and other traditional leaders of Kampung Naga. In addition, it was often attended by various representatives from the local government both village and district level.

Besides Kuncen and *Punduh*, leadership in Kampung Naga also known as *Lebe* who deals with the religious field. The selection mechanism is the same as Kuncen and *Punduh* and based on descent from the previous *lebe*. Based on leadership theory by quoting Weber's opinion in Henry explains that there are three types of leadership, namely: Charismatic, Traditional and Legal Rational. Leadership in Kampung Naga Communities is indicated to have been re-actualized from Traditional leadership to rational Legal leadership. These indications lead to changes in the leadership system which leads to a deliberative model of the leadership system which means to weigh up or deliberation. The deliberative concept solicits to increase the participation of citizens in the process of forming aspirations and opinions so that the policies produced by the government party come closer to the expectations of the governed party [1]. Deliberative leadership is considered to improve the Traditional leadership style because in a democratic country like Indonesia that the process of forming political decisions is always open to public opinion.

The community leadership model is generally centered on one person such as the leader or traditional leader. Beyond that, traditional communities in Indonesia generally implement a paternalistic system so that all decisions are more determined by the customary leader or leader. However, what happened in Kampung Naga was a little different. As has been explained a little above, all decisions are not decided by the customary leader in an authoritative manner but also see the consideration of the opinions of other leadership elements such as *punduh* and *lebe*. Therefore it is interesting to examine how the deliberative leadership model and how the decision making process in indigenous communities in Kampung Naga, Tasikmalaya Regency.

## **RESEARCH METHOD**

The research method used is a qualitative research method by conducting in-depth interviews, observation and documentation. The informant determination technique used is purposive sampling and snowball sampling techniques. This research was carried out in Kampung Naga, a hamlet inhabited by indigenous people located in Neglasari Village, Salawu District, Tasikmalaya Regency. The research process through interviews, observations and documentation, the data collected is then analyzed using an interactive analysis model through three main components of analysis, namely data

reduction, data presentation and drawing conclusions. To guarantee the high level of truth, this research uses a source triangulation technique by two ways namely comparing the data of observations with the results of interviews and comparing the results of interviews with the contents of a different document.

## **LITERATURE REVIEW**

### **Deliberative Leadership**

Before we discuss deliberative leadership, we should understand the meaning of leadership. We must also understand the meaning of leaders. Sketchily, a leader is categorized as someone who is able to get his subordinates to do what they are told. Or simply about leadership in Robbins says leadership is an attempt to use a type of influence rather than coercion to motivate others through communication to achieve certain goals [2]. According to the definition, there are three important things contained in the concept of leadership, namely; influence, communication and certain goals in an organization.

Max Weber divides the concept of leadership into three types [3], namely:

1. **Traditional Leadership**

This type of leadership is usually born on the basis of traditions or traditions of ancestral heritage that have always been carried down through generations. As in the pattern of election of kuncen or adat leader, it is conducted through customs on the condition that they must be of the same generation as the previous kuncen or can be said to have blood ties. This is also a habit in Kampung Naga community in choosing a leader or kuncen (caretaker). This traditional leadership pattern is usually strongly held by traditional community.

2. **Charismatic Leadership**

Charismatic leadership model is appointed based on a belief that a leader must bring a blessing to his people. This type of charismatic leadership is usually embraced by a primitive society where the leader must look fascinating and have strong leadership that tends to be authoritarian.

3. **Rational Legal Leadership**

This type of leadership is considered a more deliberative model of leadership in its recruitment process which is considered more competitive and professional. This type of leadership has two principles namely legal or legally written, and rational in terms of its designation which is based on certain agreed criteria.

Leadership deliberation has been compatible with this current era of digital. In deliberative democracy theory, this deliberative democracy model is considered to improve the pattern of traditional model democracy. In deliberative democracy, in line with the idea of Habermas so that the deliberation process is fair, it is better that every policy taken by the leader must be tested firstly with a model of public discussion or in other words, deliberative democracy is a long process of an acquisition of a legitimacy through discursivity [4]. Deliberative democracy strongly emphasizes the existence of public discourse in various social and political fields as an effort to increase citizen participation as an element in a country that contributes the articulation of interests to then be followed up into an aggregation of interests in a system called the state. Therefore, deliberative democracy is a particular procedure in the political and legal fields where legitimacy lies not only in the majority's truth but in how to obtain that legitimacy fairly.

### **Kampung Naga As Traditional Village**

Kampung Naga is geographically located on an inter-city transportation route, namely Tasikmalaya City and Garut City. Its strategic location facilitates the rate of mobilization for all parties who wish to visit Kampung Naga. Kampung Naga is one of the Traditional Villages that still strongly adhere to local customs so that it is categorized as a traditional community. Demographically, if we want to see

the number of families in Kampung Naga no more than 99 families which inhabit an area of 1.5 hectares [4].

Even though the flow of information and technology is changing rapidly, the people who live in Kampung Naga still maintain the traditions of their ancestral heritage. For indigenous people, especially Kampung Naga, their customary rules must not be violated and it becomes fixed prices. They never mix local customs with foreign cultures that come from outside the village.

The people of Indigenous Villages until now still refuse access to electricity to their villages despite repeated offers by the local government. The reason they refused was very simple, so that there would be no social jealousy for those who could afford electricity bills or those who could not. This wise answer implies how the people of Kampung Naga can respect each other, both among fellow Kampung Naga communities and parties outside Kampung Naga. It is feared that the existence of electricity will change the lifestyle of indigenous people to be consumptive and vying for wealth that can not be satisfied. However, in Kampung Naga, there are several families already have a television to simply find important information that is outside Kampung Naga. This television does not use electricity but the battery, so it is allowed.

According to Mesnawa [5], the strong commitment of Indigenous Village Communities is a manifestation of their love and awareness to their cultural heritage. In line with what was conveyed by Ningrum in Kampung Naga Community, for example, they still uphold cultural heritage, such as pamali, ancestral wills, and other traditions, in order to maintain the harmony in living among fellow humans and also with nature [4]. Until now, the people of Kampung Naga have not yet converted their fuel for cooking from kerosene to gas because they still maintain the furnace for cooking and also use kerosene as fuel of torch that is used for lighting as a replacement of lamps.

In June 2009, the people of Kampung Naga took an action because the government revoked kerosene subsidies. They used their courage and active participation unmitigatedly in voicing opinions through actions to refuse tourist arrivals until the government was willing to provide kerosene at affordable prices. The courageous action made the government finally issued a special policy to meet the daily needs of kerosene of the Kampung Naga community at an affordable price. Another special feature of the Kampung Naga Indigenous People is that they never beg. They feel they can afford to buy kerosene as long as the price is affordable [4].

Kampung Naga in terms of religious that all of its population embraced the religion of Islam and obeyed the five daily prayers and the other pillars of Islam. But on the other hand the Indigenous People of Naga village continues to carry out the customs and heritage traditions of the ancestors such as; the grave pilgrimage ritual in the forest which is sacred by the community to Sambeh Dalem's grave which is conducted six times a year. Kampung Naga also has a traditional house called Bumi Ageung, where ancestral heritage objects are stored. This house is very sacred and only certain people are allowed to enter it in like kuncen and elders. If there is a violation then the sanction will be issued from Kampung Naga.

## **RESULT AND DISCUSSION**

Kampung Naga is located in a valley about 500 meters above sea level, with its shape resembling a large bowl. The air in the Kampung Naga is cool with an average temperature of 21.5 to 23 degrees Celsius [6]. Kampung Naga is a part of Neglasari Village, Salawu District, Tasikmalaya Regency, West Java. Kampung Naga is bordered by Nangtang Village, Cigalontang Village, Cigalontang District in the north, and the hill and the Tasikmalaya-Garut highway in the south. The eastern part of Kampung Naga is bordered by Bukit Naga which is the boundary separating Kampung Naga from Kampakan Babakan. Kampung Naga has a distance of about 30km from Tasikmalaya, and if taken from Garut is about 25km [7].

**Figure 1. Valley to Kampung Naga**



Referring to the data collected by the Tasikmalaya Regency Tourism Office as of October 2012, it was mentioned that the area of Kampung Naga settlements was approximately 1.5 ha, the forest area was around 2.5 ha, consisting of protected (sacred) and production forests. Kampung Naga people are included in the Indigenous Peoples group which still highly upholds the heritage of their ancestors and local customs. The population of Kampung Naga is 314 people with 108 families. The belief system of indigenous peoples such as Kampung Naga Community is still closely related to taboos which in Sundanese is called "pamali" or taboo. Discussing Kampung Naga is the same as Discussing Kampung Adat which is now one of the destinations for traditional tourism objects. On the journey of the researcher to the Indigenous Village, the researcher had to report to the Office of the Kampung Naga Guides Association which is abbreviated as "Hipana". After reporting, "Hipana" gave recommendation of using a Tour Guide to accompany the researchers through Kampung Naga to solicit various information as well as did direct observation. At the end of the parking lot, a Kujang Pusaka monument will be seen standing which was officially inaugurated by the Governor of West Java on April 16, 2009 or Maulud 1430 H.

**Figure 2. Kujang Monument**





The picture of Figure 2 is a Kujang-shaped monument which was made of approximately 900 heirlooms originating from the entire Pasundan region [8]. On the left side of the Kujang monument there are steps that will connect us to descend another 400 steps to get to Kampung Naga. The next trip after we go down 400 steps then we will walk along the Ciwulan River opposite the Larangan Forest. Entering Kampung Naga, we will find a field with two houses on the left and three houses on the right. Kuncen House is located on the left of the second sequence from the entrance to Kampung Naga. What we can see first when entering Kampung Naga is the mosque to the right and Bale Patemon to the left of the mosque as shown by figure 3.

Walking up to the left of the patemon hall going up the stone steps, we will find "Bumi Ageung", which is one of the buildings that is saved and can not be photographed. Not just anyone can enter the building including residents of Kampung Naga though.

**Figure 3. Mosque and Bale Patemon in Kampung Naga**



### **Customs of Kampung Naga**

It can be seen on its social organization, kampung is led by a caretaker (kuncen) named Ade Suherlin. Kuncen is responsible for the survival of the customs and culture of Kampung Naga. The position of kuncen is obtained through certain conditions such as; be a hereditary position, must be male, have been of late puberty or adulthood, and understand the customs and accept the prophecies of the ancestors [9]. In his routine of carrying out the work, a Kuncen is assisted by a Punduh and a Lebe. Currently serving as Punduh is Maun and as Lebe is Ateng Jaelani.

Unlike Kuncen who is fully responsible for the continuity of customs and culture in Kampung Naga, a punduh is trusted to maintain the continuity of customs and norms prevailing in Kampung Naga. Punduh is also tasked with guarding the village if there are residents or visitors who violate the traditional boundaries of "pamali". According to Ajat, one of the residents of Kampung Naga who also works as a tour guide, he said there had been tourists who violated the "Pamali" by breaking a tree branch in the forbidden forest and spoke improperly after three months coming back to Kampung Naga and said they often experienced "possessions" of the "ancestors" of Kampung Naga, so they must be treated in Kampung Naga. These taboo or "pamali" things must be guarded and reminded by the punduh to every citizen both guests and residents of Kampung Naga.

The Lebe usually take care of technical matters related to celebrations or other traditional events such as marriage contracts, carrying out the management of bodies if there are residents of Kampung Naga who died and other religious matters. In addition to traditional leadership, there is also a formal leadership of the government, namely the Head of the RT (neighbourhood) which is currently held by Mr. Uron. The function of the RT Chairperson is as a facilitator or liaison between the residents of Kampung Naga and the local government at both the sub-district and district levels. In addition, the other tasks of the Head of RT are to become an agent of socialization for programs made by the government, for example the PKH program or an abbreviation of the Family of Hope Program. However, indeed as an agent of socialization, this formal leadership will always consult with

customary leadership related to programs from the government and from other private sectors, such as the offer of build free public toilets from the private sector which was finally rejected by residents after the results of a joint discussion because it was considered to be damaging to the environment. because it would reduce the water catchment area by the construction of the public toilet.

The religious system of the Kampung Naga community has a belief in ancestors through the religion of Islam. The entire Kampung Naga community embraces Islam. The mosque in Naga Village is in the middle of the settlement right at the entrance to Kampung Naga as shown in Figure 3 and is the center of religious activities such as the commemoration of Islamic holidays such as Eid al-Adha, Eid al-Fitr, Nisfu Sya'ban, Maulud Nabi and Other worship services routines such as compulsory five daily prayers, tarawih, juma'atan and so forth. The mosque is also the center of the implementation of the sasih celebration which hold six times a year. That Islamic religious celebrations are always related to the traditions and customs that have been their ancestral heritage. Kampung Naga people still believe in supernatural things, sacred places, and prohibitions and "pamali". The prohibitions or rules that are still adhered namely; the prohibition of entering the prohibited forest, the grave of the Sembal Dalem Eyang Singaperna, Bumi Ageung and the sacred forest. These places are sacred that not just anyone can enter and moreover damage it. Kampung Naga community also has a unique home layout that is facing each other between neighbors in front of the house and only has one exit. In addition, anyone who sleeps is prohibited from extending his feet towards the west because of "pamali". There are a lot of various rules that are not written but are very understood by the people of Kampung Naga.

## **Hajat Sasih as A Traditional Being That Never Missed**

### **1) Submission of Pahajat**

The Pahajat tradition in Naga Village is in the form of giving agricultural products and others to the elders namely Lebe and Pownload. Lebe and Punduh themselves will give Pahajat to Kuwu (village head). This tradition has been carried on for generations and is a symbol of giving tribute to government officials who have taken place in the days of the kingdom in Indonesia and is a symbol of wisdom to the "Darigama" government.

### **2) Beating Kokol at the Beginning of the Ritual**

Kokol or known as kentongan is one of the communication media in the life of traditional communities such as the people of Kampung Naga. It is very important because the community are still not evenly touched by technology especially digital communication technology. The role of kentongan or kokol is a sign of togetherness in Kampung Naga it Gathers citizens, media of spreading disaster information and other communications can be done through this Kentongan tool.

### **3) Bathing in the Ciwulan River Before Hajat Sasih**

The Bathing tradition in the Ciwulan River is a tradition that was carried out before the Kampung Naga Community held a Sasih celebration ceremony. They are required to bathe in the Ciwulan River as a symbol of cleaning themselves from dirt and khadas. Ciwulan River is a river adjacent to Kampung Naga and Larangan Forest and is the only oasis for them. After they bathe and perform ablution and wear special clothes, then they regularly walked to the mosque.

### **4) Waiting at the Mosque**

After the tradition of bathing in the Ciwulan River, participants hurriedly headed for the mosque. Before entering they wash their feet first and go inside while nodding their heads and raising both hands. This was done as a sign of respect and humility, because the mosque is a place of worship and it is a holy place. Then each took a broom stick that is available there and sit holding the broom stick.

### **5) Performance on Bumi Ageung**

After The kuncen, lebe, and punduh or Village Elders finish bathing, perform their ablution and wear their ceremonial clothes, they do not go to the mosque, but to Bumi Ageung. At Bumi Ageung they prepare lamareun (proposal) and parukuyan (Sesajen) to later be brought to the tomb.

### **6) Clean the Tomb, Pilgrimage and Tawasul**

After the ritual in Bumi Ageung is finished, Lebe, Punduh and Kuncen exit from Bumi Ageung to the tomb. Lebe brought lamareun and Punduh took Parukuyan to the tomb. The participants inside the mosque came out and followed kuncen, lebe, and punduh one by one. They walked together while each carrying a broom stick. When passing through the gates of the tomb marked by a large stone, each participant bowed his head in tribute to the grave of Eyang Singaparna. Upon arrival at the tomb besides kuncen no one can enter into it. As for Lebe and Punduh after handing over lamareun and parakuyan to Kuncen then waiting outside the grave with the other ceremony participants. Kuncen burns incense for demonstrations (asking permission) from Grandyang Singapyang, "the ancestor". He did a show while facing the west, towards the tomb. West means to point to the Qibla. After Kuncen performs the demonstration, then he invites the participants to start cleaning the sacred tomb together. After cleaning the tomb, kuncen and the participants sit cross-legged around the tomb. Each one prayed silently to ask for each participant's safety, well-being, and will. After that, Kuncen invites Lebe to lead the reading of the verses of the Holy Qur'an and to end the prayer together. After praying, the participants take turns shaking hands with kuncen. They approach Kuncen by walking around, crawling. After shaking hands the participants exit the tomb, followed by punduh, lebe and kuncen. Parukuyan and broom sticks are stored in the "para" (roof) of the mosque. Before being stored, the broom sticks are washed by each participant of the ceremony in the Ciwulan river, while lamareun is stored in Bumi Ageung.

### **7) Eat the Tumpeng**

The next event is held at the mosque. After the ceremony, participants enter and sit in the mosque, a woman called a patunggon come and bring water in a jug, and then hand it to her. Other women come with rice pudding and put it in the middle. After the woman come out, the key is just scrubbing with jars and burning incense. He pronounces the blade as an opening. Then read his prayer after he first smells the same water from the jars. The prayer reading concludes with an Al-Fatihah recital. Then end the Thanksgiving party. The ceremony ends with a meal of rice with all the villagers of Naga Village. Some of these rice noodles are eaten directly at the mosque, some are taken home for dinner with their families.

### **Social life that is synergistic with nature**

Most of Kampung Naga people still depend their lives on the surrounding natural conditions. Kampung Naga community has the principle that what we take from nature must be returned to nature, such as if you want to cut down trees must first plant trees so that the natural state is always balanced. Simple and unpretentious life is very visible in everyday life in Kampung Naga. Even home buildings are made from materials that take from nature. The building of a house in Kampung Naga even though it was simple proved to be earthquake resistant. This can be proven no matter how many times there are earthquakes in Tasikmalaya, buildings in Kampung Naga remain strong. The boundary of Kampung Naga with other villages is also made with a fence made of bamboo pieces taken from nature and made cooperatively every year.

Regarding the livelihoods of some of the Kampung Naga community, according to Ekadjati [8], it is stated that the livelihoods of the Kampung Naga Community are farming and making handicrafts. The farming methods of the Kampung Naga community are also far from environmental pollution, they come from nature to nature. It is Abstinence for the people of Kampung Naga to use chemical fertilizers and pesticides to keep the rice flourishing and away from insects or pest. Farmers in Kampung Naga use organic fertilizer derived from processed animal dung to make rice fertile and use natural methods to eradicate pest control.

In addition to farming and cultivating, Kampung Naga people also work as bamboo craftsmen for household appliances, especially the kitchen. The equipment included; boboko / rice container, fan, trash bin, tampah / nyiruan, broom stick, broom brush, straw broom and even other handicrafts such as shell glass, ulegan for chili sauce and so forth. Due to its location which is in the valley and far from other villages, Kampung Naga becomes a homogeneous village which tends to be homogeneous and has no pluralist nuances. Anyone who enters the territory of Kampung Naga must obey the rules and traditions of the ancestors of the Kampung Naga community. The logical consequence of this condition is the process of cultural change and various influences from outside the Kampung which they can hamper. For example, until now Kampung Naga has no electricity and is free from the gas conversion.

The dynamics of the social life of Kampung Naga is also inseparable from the problem of social coating. The type of social coating in Kampung Naga is different from the type of social coating of ordinary people who are more concerned about one's position in terms of differences in economic factors. Social stratification in Kampung Naga does not really concern to the economic establishment as an important value in social status. For all of them, they have the same position and the same way of dressing. Based on traditional provisions that have been hereditary and they believe, the social layer that gets the highest recognition Orang Naga (the term for the Village Kampung Naga) is how a person in his daily life can worship ancestral advice, one form of which is adherence to the custom personified to someone with the rank of Kuncen, Lebe and Punduh and also some people who are believed to be able to assist in the implementation of traditional ceremonies. This is the form of social and cultural convention that they rely on the sublime provisions of the Naga People that they strictly adhere to.

### **Leadership in Kampung Naga**

Although the Naga Village community strongly adheres to local customs and informal leadership, they are also very committed to formal leadership. This is because the Orang Naga are fully aware that they are part of the integral State of the Republic of Indonesia which makes them adhere to the rules of the nation. There are two types of leadership in Naga Village: formal leadership in the NKRI region and informal leadership of the Naga Village.

The formal leadership of Kampung Naga is held by the head of the RT and the head of the RW who directly connects the Naga People with the local village government system. Like other communities, Orang Naga are also active in presidential elections, regional head elections, central and regional legislatures. As a society they are fully aware of their rights and obligations as citizens. As citizens in formal leadership ties, Orang Naga have a Family Card, Resident Identity Card, Marriage Certificate, Driving License and securities as proof that they comply with formal government rules.

### **Deliberative Leadership Model in Kampung Naga**

Kampung Naga adheres to two models of leadership, formal leadership and informal leadership. As explained earlier, the two models of leadership go hand in hand and are balanced. The Naga people are very strict with their customs and obey the rules of their ancestors, they are also aware of their rights and obligations as citizens who enter the territory of the Unitary Republic of Indonesia. Informal leadership in Kampung Naga is determined according to customs and traditions and usually through lineage.

Although there are two patterns of leadership, formal and informal leadership, but in this section we will only discuss matters relating to informal leadership. This is because we assume that formal leadership has been governed by rules that represent the formal rules of the state. Unlike the case with formal leadership, non-formal leadership is not governed by formal rules but rather comes from traditional values. Therefore this discussion on deliberative leadership will focus on non-formal leadership.

In the customary leadership model in the village of Naga there appears to be a division of power among the indigenous leaders namely Kuncen, Punduh, and Lebe. These indigenous leaders have their own powers, duties, and functions. Kuncen plays the role of a custom. Thus, a kuncen (caretaker) has the authority to convey the rules of custom. In addition, a Kuncen is the place where the traditional lives of the Naga community live. In any matters that is faced by the residents of the Naga Village community, Kuncen has become an important reference in solving the problems. Even what Kuncen said or wanted could be a non-formal law for the *Kampung Naga* community. No one can be a Kuncen, this is because in order to be a kuncut there are certain conditions other than hereditary. The terms of the Agreement include:

1. Male
2. There is a blood relationship with the previous kuncen.
3. Supported by at least three specific people who get the dream.
4. An adult or older than 35 except when the previous Kuncen dies or the Kuncen candidate is young.

In addition to the key elements of the customary community leaders in Kampung Kuta is Punduh or Custom Punduh. Punduh is an element of indigenous leaders who have the authority to organize daily activities of the people including organizing rituals or rituals or managing social affairs and protecting the community. Lebe, meanwhile, is a person in charge of the remains of the deceased *Kampung Naga* community. All processions relate to deceased person are the responsibility of the lebe from the care of the body to the conduct of the funeral. A Lebe also deals with religious issues.

Kuncen, Punduh and Lebe represent traditional institutions that play an important role in the lives of indigenous peoples in Kampung Naga. All decisions are determined by the consideration of the three elements of this customary leader. Even if there is a government policy that must be implemented in the Customary Kampung environment of customary village, but according to the consideration of these three elements, the policy is contrary to traditional values, norms and rules, the government policies cannot be implemented in the Kampung Naga environment. An example of this is the rejection of the electricity network from the National Electricity Company (PLN) and the policy of kerosene to gas conversion.

One of the basic human needs is the need for energy. All humans need energy. One source of energy needed by humans is electricity and fuel. But even so the source of electrical energy is not used by the people of Kampung Naga. Even though the government has issued a policy to install electricity networks for the people of Kampung Naga for free, the people of Kampung Naga reject it. The rejection of the electricity network was decided based on the consideration of the traditional leaders, in this case are Kuncen, Punduh and Lebe. This rejection is closely related to the value system that they adhere to. The rejection of the entrance of the electricity network is actually not solely because the indigenous people in Kampung Naga do not accept technology or fear of fire if there is a short circuit. The rejection of the electricity network is more caused by their guarding against social jealousy among the community which in turn will greatly affect how they interact.

In terms of the electricity network, in fact the government, especially the Tasikmalaya Regency Government has repeatedly offered the facility but the people of Kampung Naga still refuse it. There was even an institution from the Netherlands that would provide free electricity generating turbines with installation and maintenance, but they were still not accepted by the Kampung Naga community. The traditional leaders of Kampung Naga are worried that if the electricity network entering Kampung Naga will change people's lives and leave the traditions, customs, mandates and wills of the ancestors. The existence of electricity is believed to change the lifestyle of the Kampung Naga community as a lifestyle that always uses sophisticated equipment. In addition, the inclusion of electricity will make members of the Kampung Naga community buy household appliances that use electricity such as color television, rice cookers and so forth. If this happens then in the end there will be a gap that will lead to social jealousy, as explained earlier.

In addition, a government policy that cannot be implemented in Kampung Naga is a policy of converting kerosene to gas. The energy source that has long been used by the Kampung Naga community is kerosene. Kerosene is used as fuel for lighting, used in temple lights and petromax

lamps. Therefore, when the government issued a policy of oil to gas conversion, the people of Kampung Naga rejected it.

The decision to reject the government's policies was not immediately decided by one or two people but through deliberations which were previously deliberated among elements of the traditional leaders and elders. The decision of the adat leaders' deliberations will then be obeyed by all residents of the Kampung Naga community. In fact, not only in these two cases did the community have to implement what was decided by the adat leaders. It can be said that every community activity cannot be carried out if there is a ban that is decided by elements of the adat leader. This is important because every activity of Kampung Naga community is determined by the authority of customary elders. Activities such as religious activities, activities related to customs, childbirth, death and various community life rituals are determined by the authority of the customary elder. In addition, the authority of customary elders also includes aspects of community life in meeting basic needs such as raising livestock, farming and even entrepreneurship. If in the aspect of meeting these basic needs there are things that are prohibited by traditional elders, the community will not do it and remain obedient to the prohibition of traditional leaders and elders.

What was decided on the various problems that exist in Kampung Naga through the joint consideration of traditional leaders or traditional elders shows that there are deliberative democratic practices in the customary community in Kampung Naga because all decisions made by indigenous peoples in Kampung Naga are collective decisions. As explained by Hardiman [1], the term *deliberasi* is defined as consultation, deliberation or deliberation. Theoretically deliberative democracy does not focus on compiling a list of certain rules but rather on the procedure for producing those rules. In the context of customary rules in Naga Village that affect all aspects of the activities of the lives of its citizens, there are no written or unwritten rules that are decided only by someone, such as Kuncen. But every customary law is decided together so that it gets strong legitimacy to be obeyed by all members of the community.

As is well known, Indigenous people in general in every aspect of their lives are strongly influenced by the values of traditions inherited from generation to generation. However, over time and the development of time, not all indigenous peoples' can translate or interpret the traditional values when actualized in each of their activities. Therefore the question arises how the procedure in interpreting or translating these traditional values when actualized in each activity of the indigenous peoples. The residents of Kampung Naga community, as is well known, are a group of people who hold traditional values or traditions. The indigenous people in Kampung Naga consider themselves to be from the same ancestor, Eyang Singaparna. Although the existence of their ancestors could not be found physically, the inherited customs still remained in the lives of the residents of Kampung Naga community. These customs are passed down from one generation to the next. Customs which are passed on directly to the next generation are usually in the form of expressions which are confirmed as a mandate or will. Mandate is an expression accepted by the people of Kampung Naga to be carried out according to ancestral rules. Meanwhile a will is a burden that is received and must be done and disseminated to all members of the community of Kampung Naga.

In addition to being inherited directly there is also a form of inheritance of customs which is done indirectly but reflected through certain symbols that are implemented into various types of traditions such as ritual ceremonies. Custom inheritance through certain symbols, of course, cannot be directly carried out because it must go through the meaning of symbols that are not uncommonly difficult to understand. Therefore, efforts to translate these symbols are very important.

The process of translating symbols that cannot be interpreted or translated directly is done through a process of deliberation between three elements of adat leaders namely Kuncen, Punduh and Lebe. The three elements of the traditional leader held a meeting in a building called Balai Patemon. This Patemon Bale if interpreted into Indonesian then the meaning is the Assembly Hall. Bale Patemon is a building that functions as a gathering place for the Kampung Naga community to discuss various problems faced by the community. This building is also often functioned to receive guests, especially guests with large numbers or groups.

When finding symbolic issues such as the one above which are crucial for the life of Kampung Naga community, it is often for the three elements of customary leaders (Kuncen, Punduh and lebe) to involve other

traditional elders and also community members to hold a discussion to consider solutions to each problem. In the deliberations held at Bale Patemon, each community can express their opinions as material for consideration by traditional leaders in making certain decisions. The existence of the Bale Patemon and the collective leadership system (which consists of Kuncen, Punduh and Lebe shows the existence of a deliberative leadership model. Bale Patemon is an actualization of the public sphere imagined by Habermas, which became a vehicle for public discourse to express opinions or interests with debate substantively. In the deliberation process, the participants had rational thinking in selecting every public argument [10].

### **Inspirational Exclusive Life**

Kampung Naga community is an exclusive traditional society. It is said to be exclusive because there live 108 families, each of whom occupies one house. If there are family members who are married, they must leave Kampung Naga even though they are traditionally still bound by the same customs. In addition, other people outside of Kampung Naga residents cannot stay and build houses in the Kampung Naga area. In addition, not all value systems and technology can enter and influence the lives of the Kampung Naga community, when the value system and technology are considered to be in conflict with traditional values, the value system and technology are rejected.

Nonetheless, the community of *Kampung Naga* lives with high values of wisdom that are full of virtues. The *Kampung Naga* community has its own deeply held philosophy of life including:

1. Be peaceable and avoid conflicts. The people of *Kampung Naga* love peace and are always striving to avoid strife. Despite the insults the villagers of the Kampung Naga may not resist but must try to avoid. However, if they have violated the customs, the people of Kampung Naga have the obligation to defend the dignity and integrity of the customs.
2. Obey the government. Although the community life has its own rules of customary life, the *Kampung Naga* community always strives to obey the government as long as it does not violate the rules and regulations. In this case, the community of Kampung Naga has a kind of idiom in the local language " *Parentah gancang lakonan, panyaur gancang temonan, pamunut gancang caosan* " which means orders to execute immediately, calls or invitations are visited immediately, requests are fulfilled immediately.

Kampung Naga people also live in togetherness. This can be seen from the close friendship that can be seen from their interactions. Apart from that mutual cooperation is also a characteristic of their lives. There is no work specifically related to adat which is not done with mutual cooperation. Besides mutual cooperation, simplicity is also a characteristic of their lives. In general, the development of contemporary society in Indonesia has recently been marked by an increasing tempo of social life as a result of economic and information globalization. Increasing the tempo of people's lives is the widespread use of communication technologies such as television, mobile phones and the internet. In these conditions, the functions of adat, taboo, ideology and even religion as social glue appear to be shifted by the functions of status symbols, prestige and images conveyed through mass media such as television, video or film. However, this matter which is generally reflected in Indonesian society does not occur in the Kampung Naga community. Their lives are still very closely related to traditional functions, taboos and values and norm systems derived from their ancestors.

In living their lives kampung naga people have the awareness that as citizens and descendants of Kampung Naga, they must obey certain rules that have been passed down for generations. Without questioning the reasons why they should do so, the people of Kampung Naga are very obedient to these rules. Therefore, how they dress, talk, build and organize their homes is based on their belief systems that come from ancestors that have been passed down for generations. For example, although

developments in the form and design of houses and technology have developed so rapidly, the people of Kampung Naga still maintain the shape of their homes, which have not changed long ago. Their house is still made of bamboo and wood, not using cement. The shape of the house was all still a stage house. The color of the house was never painted with colors other than white. Roofs made of thatch and palm fibers have never been turned into tiles or other materials such as houses mostly in Indonesian society. An explanation of the lives of indigenous peoples in Kampung Naga can be an inspiration to be used as a model for building a community. By learning from Kampung Naga, the built communities will live with virtue, togetherness, upholding human values and far from individualistic feelings.

In addition, in the previous section, it was explained that in terms of leadership and political life, the people of Kampung Naga practice what is now known as deliberative leadership. This deliberative leadership is also very inspiring for the formation of a community where every decision taken is a joint decision because it is taken

with full consideration and through deliberation in which the ideas of each participant are thick. Decisions are not determined individually let alone just to meet the interests of individuals and groups, but the common interests above all else. Therefore all decisions are a shared responsibility. The life that has been carried out by the Indigenous People of Kampung Naga can be an inspiration for ASEAN Community 2025 in relations between communities as well as government and community relations.

## CONCLUSION

Kampung Naga adheres to two models of leadership, formal leadership and informal leadership. As explained earlier, the two models of leadership go hand in hand and are balanced. The Naga people are very strict with their customs and obey the rules of their ancestors, they are also aware of their rights and obligations as citizens who enter the territory of the Unitary Republic of Indonesia. Informal leadership in Kampung Naga is determined according to customs and traditions and usually through lineage. Leadership and political life in the Kampung Naga community have practiced deliberative leadership. This deliberative leadership is also very inspiring for the formation of a community where every decision taken is a joint decision because it is taken with full consideration and through deliberation in which the ideas of each participant are thick. Decisions are not determined individually let alone just to meet the interests of individuals and groups, but the common interests above all else. Therefore all decisions are a shared responsibility. The life that has been carried out by the Indigenous People of Kampung Naga can be an inspiration for ASEAN Community 2025 in relations between communities as well as government and community relations. This is in line with the ASEAN Socio Cultural Community listed in the ASEAN Community Vision 2025 regarding A dynamic and harmonious community that is aware of and proud of its identity, culture, and heritage with the strengthened ability to innovate and proactively contribute to the global community.

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# THE EFFECT OF MATRIARCHAT CULTURE, MENTOR PROCESSING, AND DEVELOPMENT PROGRAM ON FIRM PERFORMANCE OF FAMILY BUSINESS SUCCESSION IN MINANGKABAU WEST SUMATERA-INDONESIA

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## Abstract

FB is the type of business that is the most compared to the other type of business. Compared to all existing businesses, the percentage of business families in Indonesia is 96%. This study aims to examine the effect of Matriarchat Culture (MC), Mentor Processing (MP), and Development Program (DP) variables on Firm Performance (FP) of family business succession (FBS) in Minangkabau West Sumatera-Indonesia. MC, MP, and DP are independent variable that group in to Process-succession, because done before succession. The method of this study is quantitative method. The number of sample is 146. Location of sample are Kota Padang, Bukittinggi and Payakumbuh. The respondent of this study are Family Business (FB) in Minangkabau (West Sumatera) that are at second generation, third and next generation in West Sumatera Indonesia. Analysis technics use SEM-PLS version 3. The finding in this study shows that the MC, MP and DP affect on FP significantly. The contribution of this study related the matriarchat culture in Minangkabau (West Sumatera-Indonesia). Matriarchat culture in Minangkabau West Sumatera is a unique culture that only use in West Sumatera Indonesia. All research independent variables (3) significantly influence the success of the FBS. The results of this study show the factors MC, MP and DP effected on FP. It indicated that this model can be used to FB in Minangkabau to plan the succession of FB.

**Keywords:** Matriarchat Culture, Mentor Processing, Development Program, Firm Performance, Family Business succession

## INTRODUCTION

FB is the type of business that is the most compared to the other type of business. The role of family businesses in the world is very significant. From the results of some researchers showed that the role of the family business between 65-80% [1]. In fact, there is research states that ninety eight percent (98%) of companies that exist in America is a private company and the majority of private companies is dominated by family businesses [2]. Approximately 96% of companies that exist in Indonesia is a family business [3].

FB is important to economics but the sustainability of FB after the inventor was not able to run his business was very small in probability. Telling [4] is reviewed literature from 114 peer-reviewed journal articles and dissertations and observed the of cited formula: —only 30% of family businesses survive into the second generation, and even less than 10-15% make it to the third generationl. The family business contributed greatly to the formation of the Gross National Product (GNP). In Indonesia the contributed of FB to GDP is 84% [5].

The Family businesses are very important in economics world, therefore family business sustainability or succession of family business needs to be a concern for the education and government of a country. The general research question do the MC, MP, and DP affect on FP? The general objectives of the study are to identify the effect of the MC, MP, and DP on FP of FBS in Minangkabau.

## RESEARCH METHOD

This research is quantitative research using SPSS version 2.0 and SEM\_PLS version 3.3. The variables in this study adopted from previous study that is qualitative study, and then developed to be variables in this research. The previous study is study of factors influencing family business succession, that are MP, DP, MC and FP.

### Conceptual Framework

Figure 1: Conceptual Framework



### Data Collection Method and Sampling Technique

To collect primary data, researcher conducts field research in order to obtain directly from the object, that is through questionnaire. The questionnaire is to be distributed to small family business, at least in the second generation, manager of family business (successor/owner) in Kota Padang, Bukittinggi, and Payakumbuh. This research uses purpose sample.

## LITERATURE REVIEW

Based on the previous study, the research indicated the topic of family business succession continues to dominate the field; more than 20% of the articles refer to the succession process [6].

### Family Business and Family Business Succession Theory

According to Austin [6], there is no precise definition of a family business. Chua et al. [7] defined a family business as being in pursuit of a particular business vision that is controlled by a family member(s) or a small number of families in a manner which is sustainable over a period through family generations. Family businesses refer to businesses that involve more than one generation [6]. Family business succession is the process of succession the management and the ownership of the business to the next generation of family members. The succession may also include family assets as part of the process.

### Firm Performance

The success of the family business is determined by looking at business performance [8]. To measure the success of the family business can be seen from the business performance. Several tools can be used to measure business performance. Dharmadasa [9] need the growth of sales, productions, and the rate of return on total assets to measure business performance.

### Mentor Processing, Development Program and Matriarchat Culture

Mentor is an activity to guide and give training. Hania [10] mentions that successors are an important stakeholder group in the succession process. In the absence of a successor who is managerially and

physically capable of taking over the ownership, succession within the family will rarely occur. Mentoring occurs when a more experienced, senior employee (mentor) takes an active interest in supporting and encouraging a less experienced junior employee (protégé) by providing direction and feedback regarding career plans and personal development [11], [12], [13].

The issue of successor development is great interest to researchers and practitioners [14]. Fiegenger et al. [15] compare successor development in family and non-family businesses, and family business concludes that favor more personal, direct, relationship-centered approaches to successor development, while non-family businesses rarely more on formalized, detached, task-centered approaches. To develop the new program, the successor needed to create new knowledge and proposed a creative concept called design thinking [16].

Faustine [2], and Astrachan, Klein, Smymios [17], stated that three important dimensions of family influence should be considered in the family business, namely: power (power/P), experience (experience/E and culture (culture/ C). By using a scale of F-PEC can be measured the level of family influence on the various companies. In this research, the cultural factors will be used to see the success of the family business succession. Minangkabau culture is unique, of course, will affect the success of the family business succession. The uniqueness of the Minangkabau culture is due in Minangkabau culture embraces matriarkhat, which follows the mother's tribe and family regarding marriage women who carry out the process of applying and after marriage the groom will stay with her family. This culture famous for Matriarchat Culture. Therefore,

Hypothesis 1: There is an effect of DP on FP.

Hypothesis 2: There is an effect of MP on FP.

Hypothesis 3: There is an effect of MC on FP

## RESULT AND DISCUSSION

### Respondent Profile

**Table 1: Demographic Profile of Respondents**

		Frequency	Percentage
<b>Business Type</b>	Trading	48	33
	Manufacturing	85	58
	Service	13	9
<b>Founder Gender</b>	Male	68	46
	Female	78	54
<b>Founder Education</b>	Elementary	41	28
	Junior High School (SMP)	31	21
	Senior High School (SMA)	61	42
	Higher Education (PT)	6	4
	Others/Unknown	7	5
<b>Existing Generation</b>	2.00	136	93
	3.00	8	5
	4.00	1	1
	5.00	1	1
<b>Existing Manager Gender</b>	Male	70	48
	Female	76	52
<b>Introduced to business</b>	Since childhood	81	55
	After Adult	31	21
	After Completion of Education	34	24
<b>Reason Entering Business</b>	Parents' wishes	32	22
	Own Desire From Childhood	73	50
	Love the family	13	9

## Descriptive Statistics

In this study, the data analyses conducted in two phases. In the first phase, the researcher used the Statistical Package for Social Science (SPSS) version 2.0 to perform basic data analysis. The result of basic analyses involved frequency analysis, descriptive statistic, and diagnostic for possible outliers in the data and checking for normality of the data. At the second phase, testing the hypothesized model with the Partial Least Square – Structural Equation Modeling (PLS-SEM). It used the Smart PLS version 3.3 as a statistical tool to assess the measurement model, structural model and mediating effects in the model.

There are three (3) independent variables and one (1) dependent variable in this study. Mentor processing conducted seven (7) indicators, development program has five (5) indicators, Matrchat culture has eleven (11) indicators, and firm performance has thre indicators (3). Minimum statistics for all indicators is 1.00 and the maximum statistic is 5.00. The mean statistics for all indicators more than three, and less than four.

## Measurement Model (Reflective Outer Model)

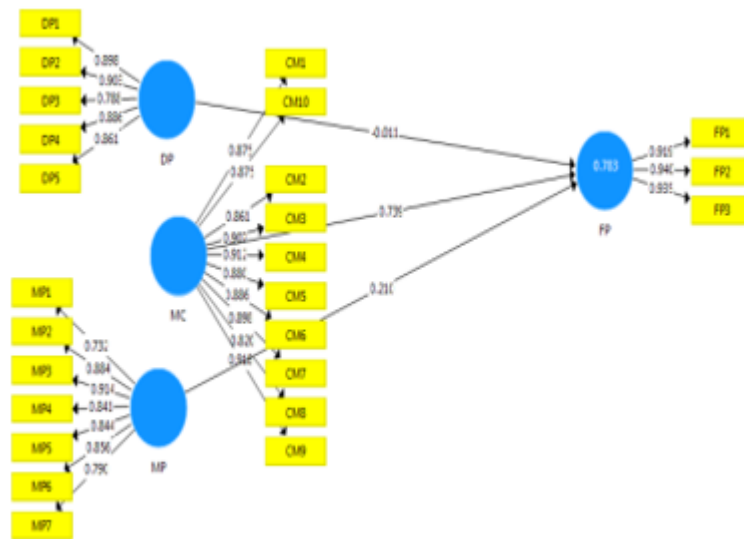
The indicator variables in the reflex model are highly correlated and replaceable variables. Evaluation of reflective model consists of indicator reliability, discriminant validity, internal consistency, and convergent validity. After evaluating the outer model, an inner model evaluation is performed. There are two basic evaluations at this stage, namely the t-test to examine the effect of latent variables on other latent variables. To see the magnitude of influence is to see the path coefficient. The coefficients of determination R<sup>2</sup> is used to measure how much variation in latent dependent variables is explained by the independent.

**Table 2: Evaluation of PLS-SEM Model Results**

Evaluation	Indicator	Appropriateness
Outer Model	1. Indicator reliability	Outer loading $\geq 0.7$ for research theory, and $0.5 - 0.7$ for exploration research
	2. Discriminant validity	- Cross loading of indicator variable to other variable more than other latent variable - Fornell-Lacker of latent variable more than correlation between latent variable
	3. Internal consistency	- Composite reliability $\geq 0.7$ for research theory, and $0.6$ for exploration research - Cronbach's alpha $\geq 0.7$ for research theory, and $0.6$ for exploration research
	4. Convergent validity	Average Variance Extracted (AVE) $\geq 0.5$
Inner Model	1. Coefficient determination	$R^2 \geq 0.75$ is good
	2. Significant	T test, $t$ value $> t$ table

Source: [18], [19], [20], [21], [22]

**Figure 2: Measurement Model (Outer Model)**



Indicator reliability refers to the size of the outer loadings on the constructs. Urbarch & Ahlemann [23], defined indicator reliability as the degree to which a variable or set of variables is reliable regarding what it intends to assess. Indicator reliability is shown by high outer loadings in the same group of convergent validity.

In this study, we decided to use the outer loading more than 0.7. So for indicator less than 0.7, that indicator must be deleted. The results of indicator reality in this study, all of constructs have loading value more than 0.7, that are 0.9. So this variables have good value.

At the internal consistency reliability, Composite Reliability is preferred among the researchers in PLS-based research. Compare to Cronbach's alpha, Composite Reliability may lead to higher estimate of true reliability. The acceptable of cut off for Composite Reliability is the same as for any measure of reliability, including Cronbach's alpha. Composite Reliability varies from 0 to 1, which is 1 being perfect estimate reliability. In model adequate to exploratory purpose, Composite Reliability should be equal to or greater than 0.6 [24], [25], [26], equal to or greater than 0.7 for an adequate model for confirmatory purpose [25], [27]. Predominantly, composite reliability values of 0.60 to 0.70 are acceptable in exploratory research [28], CR value is equal to or greater than 0.8 is consider good for confirmatory research for example Daskalakis & Mantas [29], Darson [16]. Values between 0.70 and 0.90 can be considered adequate [30].

The result of this study, all of Composite Reliability have value more than 0.7, that are 0.9. So this variables have good scale.

Convergent validity is the degree to which a measure correlates with the alternative measures of the same concepts. Theoretically, the two measures of constructs should be correlated, are indeed related. AVE may be used as a test of both convergent and divergent validity. AVE reflect the average communality for each latent factor in a reflective model. In an adequate model, AVE should be greater than 0.5 [24], [25], [26], as well as greater than the cross loading, which mean factors should explain at least a half the variance of their respective indicators. AVE below 0.5 means error variance exceed explain variance [26], [32]. Darson [26], Chin [24] and Hulland [31] said that, convergent validity is used to evaluate through inspecting the factor loadings of the measures on the corresponding constructs. Subsequently, the reliability of the measures can be evaluated using composite reliability (CR) and average variance extracted (AVE). Fornell and Larcker [32] proposed the AVE as a measurement criterion of convergent validity.

The result of this study, all of have average variance extracted (AVE) value more than 0.5, that are 0.7 and 0.8. So this variables have good scale. It shown at table 3.

**Table 3: Measurement Model**

Indicator	Cronbach's alpha	CR	AVE
MP	0.929	0.943	0.704
DP	0.918	0.939	0.754
FP	0.923	0.951	0.867
MC	0.969	0.973	0.781

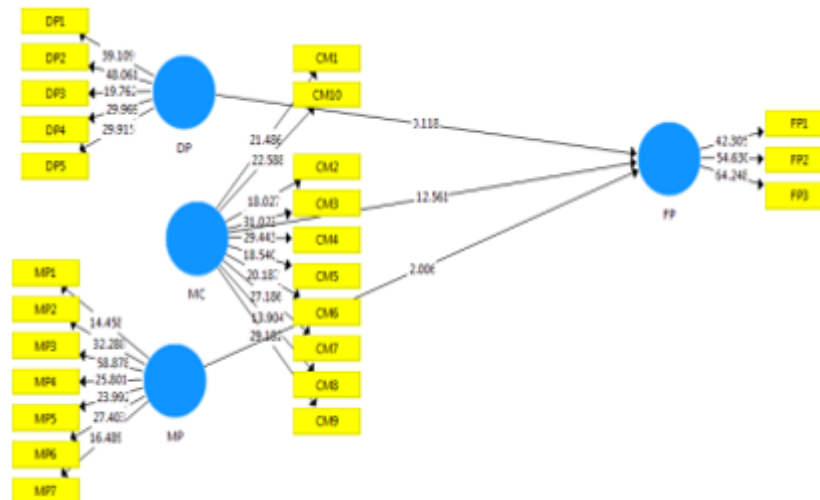
**Evaluation of the Structural (Inner)Model**

Structural model assessment evaluates systematically whether the hypotheses developed by the structural model are supported by the data or not for particular study, and the blindfolding procedure. This study assesses the structural model by following Hair [28] and Urbarch & Ahlemann [23] recommendation. The study will also be evaluated the mediation relationships that are being proposed in the research model.

**Table 4: Discriminant Validity/ Fornell-Larcker Criterion**

	DP	FP	MC	MP
DP	0.868			
FP	0.687	0.931		
MC	0.681	0.872	0.884	
MP	0.830	0.695	0.670	0.839

**Figure 3: Measurement Model (Inner Model)**



**Path Coefficient**

The following step of the structural model's assessment covers the evaluation of the path coefficients between the model's constructs. A path coefficient's value reflects the strength of the relationships between two constructs. According to Urbarch & Ahlemann [23], some researchers argued that the path coefficients should be more than 0.100 for a particular effect within the model. However, most researchers recommended the path coefficients should be statistically significant at the 0.050 level. Bootstrapping is a resampling technique to determine the path coefficient's significance [28].

After running the PLS-SEM algorithm, the path coefficients are estimated, which represent the hypotheses relationships linking the constructs. Path coefficient values are standardized between -1 to +1, with coefficients closer to +1 indicating strong positive relationship while coefficients closer to -1 representing the high negative relationship. A standard error must be attained using bootstrapping to test for significance even though path coefficient values close to +1 or -1 are statistically significant [28], [33]. The relevance of significant relationships should be identified after validating whether the relationships are significant. Many previous studies ignore this step, which justifies on the significance of effects [28].

**Table 5: Significance Testing Results of the Structural Model Path Coefficients**

	$\beta$	SE	t statistics	p value	significance
<b>DP -&gt; FP</b>	-0.007	0.096	0.118	0.907	<b>No significant</b>
<b>MC -&gt; FP</b>	0.744	0.059	12.561	0.000	<b>significant</b>
<b>MP -&gt; FP</b>	0.201	0.105	2.006	0.047	<b>significant</b>

Table 5 shows that there is no problem with the path coefficient in this study, because of the path coefficients ( $\beta$ ) were between -1 to +1 and significance for the structural model. All of the data were run using 146 bootstrapped samples to evaluate for significance. This means that there are relationships between two constructs. Not all of independent variable (MP, P, MC) significant relationship on Firm Performance. Not all of the path coefficients ( $\beta$ ) more than SE. It mean that there are a positive relationship between variables **MC  $\rightarrow$  FP** ( $\beta= 0.744 > SE=0.059$ ), **MP  $\rightarrow$  FP** ( $\beta= 0.201 > std=0.105$ ). There is no relationship between variables **DP  $\rightarrow$  FP** ( $\beta= -0.007 < SE=0.096$ ) on FP.

### Coefficient of Determination ( $R^2$ )

The coefficient of determination ( $R^2$ ) is one of the important measures used to assess the structural model. Consequently,  $R^2$  is a measure of the model's predictive accuracy [28] and is calculated as the squared correlation between a specific endogenous construct's actual and the predicted values. The result of  $R^2$  is FP=0.783

### Effect Size ( $f^2$ )

To measure of the impact of a particular predictor construct or exogenous/independent variable on an endogenous/dependent construct used to the effect size ( $f^2$ ). To evaluating the size of the  $R^2$  values of all endogenous constructs, the  $f^2$  can be calculated. The effect size measures the change in the  $R^2$  value when a specified exogenous construct (i.e., independent variable) is omitted from the model. It is used to evaluate whether the omitted predictor has a substantial impact on the  $R^2$  of the endogenous construct. The effect size for each path model can be calculated by using Cohen's  $f^2$  [34]. The  $f^2$  values of 0.02, 0.15, and 0.35 represent small (weak), medium and large effects, respectively, on an endogenous construct [24], [34], [35].

**Table 6: Total Effects**

	DP	FP	MC	MP
<b>DP</b>		<b>0.000 small</b>		
<b>FP</b>				
<b>MC</b>		<b>1.324 large</b>		
<b>MP</b>		0.027 medium		



## Predictive Relevance (Q2)

The Q2 is mean for assessing the inner model's predictive relevance and how well the omitted data are estimated by the model. Besides estimating the size of R2, the nonparametric Stone-Geisser test [36], [37] can be used as a criterion for predictive relevance effectively [38], [39]. The blindfolding procedure is used to obtain the Q2 value which is only applied to Latent Variable with a reflective measurement model specification. It is a sample reuse technique that omits part of the data matrix in the endogenous constructs and uses the resulting estimates to predict the omitted part when running the PLS [17], Henseler et al., 2009; Tenenhaus et al., 2005.

To analyze the value of Q2 is used the formula:

$$Q2 = (1 - (1 - R2) \times (1 - R1)).$$

In this study obtained Q2 by calculation,  $Q2 = (1 - (1 - 0.7592) \times (1 - 0.4772)) = 0.874$

Indicating the model has predictive relevance for a certain endogenous construct and this model can use for other research.

**Table 7: Results for the Hypothesis Testing**

	<i>t</i> statistics	<i>p</i> Values	Decision
<b>DP -&gt; FP</b>	0.118	0.907	Not Supported
<b>MP -&gt; FP</b>	2.006	0.047	Supported
<b>MC -&gt; FP</b>	12.561	0.000	Supported

## The Result of Hypothesis Analysis

H1 is not supported, there is no an effect of DP on FP. H2 is supported, there is an effect of DP on FP. H3 is supported, there is an effect of DP on FP.

## CONCLUSION

The result of hypothesis analysis:

1. H1 is no supported, there is no effect of Development Program (DP) on Firm Performance (FP) with *t* value is 0.118 and *p* value is **0.907**.
2. H2 is supported, Mentor Process (MP) effect on Firm Performance (FP) with *t* value is 2.006 and *p* value is **0.0.047**.
3. H3 is supported, Matriarchar Culture (MC) effect on Firm Performance (FP), with *t* value is 12.561 and *p* value is 0.000.

The contribution of this research can be addressed to academic and business field. Contribution in the academic field is the contribution that can develop a relevant theory of strategic planning developed into a family business succession model and associated with Minangkabau matriarchal culture. Succession in family business is long term plan. Therefore this condition succession family business as strategic planning theory.

Contribution in the field of business is the result of this study is needed for guidelines for business family actors in planning and determining the successor of his business. It aims to keep the business family in the next few generations. Business family entrepreneurs should have prepared a good replacement candidate so that the business can continue to the next generation. Expected by the results of this study in the next period, business family succession can be successful and more that up to the second generation, third and so on.

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# INDONESIA IN JAPAN REARRANGES INDONESIAN NATION THROUGH THE DIASPORA EXPERIENCE PERSPECTIVE

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## Abstract

This research began with experience during my doctoral studies in Japan from 2012 to 2017. I observed a number of changes in the behavior, attitudes and views of several diaspora who had settled there. The direct observation found that most diaspora did not seem to care about their national character. Like when whenever we discuss workers and diaspora, the discussion often only revolves around the normative character. From the State side, the slogan is always directed to always provide support to the State. Instead social activists actually inject a narrative that they (the diaspora) are exploited by the State. So that the meaning of nationalism according to them actually contradicts what the State wants. Thus, it becomes important to observe how the sense of nationality disappears from the diaspora and does not know how the practice of nationality itself. The problem that arises is how the Indonesian diaspora understands, negotiates, and practices their nationalism. So that their views of their native lands change with their daily experiences.

**Keywords:** Indonesia, Japan, Diaspora, Perspective.

## INTRODUCTION

Diaspora based on the definition of the Cambridge Dictionary [1] is a phenomenon when a person or group of people spreads from their home country to another country. There is no universally accepted universal understanding of diaspora. The term diaspora is often used to signify different phenomena depending on the interests and focus of the study. In the migration study, IOM and MPI interpret the diaspora as "emigrants and their offspring who live outside the country of birth or ancestors, but they still maintain a sentimental and material relationship with their home country" (Romdiati 2015). Diaspora can be interpreted as a phenomenon of human migration out of their home country to a new place that is not in their country.

But what is the perspective of the diaspora towards Indonesia itself, when the government has a big plan for the diaspora with a national foundation in uniting the Indonesian diaspora spread in various parts of the world. The Indonesian government and the ranks of the Ministry have a vision in utilizing and even repatriating the Indonesian diaspora to develop the Indonesian state. Nationality and patriotism are the main jargon of the Indonesian government calling on the Indonesian diaspora to contribute to development. The government believes that the Indonesian diaspora can be a force in driving exports. With a large number of Indonesian diaspora throughout the world, there are several forms of contribution and synergy to the progress of Indonesian trade [3]. In fact, how the views of the diaspora itself towards Indonesia, how the diaspora interpret the meaning of nationality when the Indonesian diaspora are individuals who have lived for decades and already have a family in the country where he is now, like the Indonesian Diaspora in Japan.

Diaspora is the nation's asset. However, the reality is that many diaspora actors who also have families in the country where they are, have lived there for decades, which then has consequences for how the Diaspora interpret nationality. The material cannot be released as one of the main aspects why the diaspora perpetrators survived, but of course there is a sense of longing to return to my hometown in Indonesia. The actors of the diaspora seemed to find it difficult to narrate, demonstrate, their nationalism to Indonesia. Facing two dilemma sides, on the one hand the vision of the Government of Indonesia which sees diaspora actors as assets and is expected to support the progress

of the Indonesian nation, on the other hand many of the diaspora actors who have felt the pleasure of being a diaspora in material terms. If the diaspora actors find it difficult to interpret the national character, what they have to narrate and show it to be in line with the Indonesian Government's vision of the Diaspora. Is Indonesia right in interpreting the jargon of nationalism aimed at the perpetrators of the Diaspora. Because the Diaspora perpetrators are not only successful people in other countries, but also diasporas who are still struggling like kenshuusei in Japan.

## **RESEARCH METHOD**

To achieve the objectives of this study the research method that researchers use is a qualitative research method, which is a method that relies more on linguistic data than numerical data, and uses the basis of meaning in data analysis [4]. Besides that the approach that the researcher chose was the descriptive qualitative analysis approach, where the purpose of the descriptive qualitative research was to produce a comprehensive conclusion regarding the specific events experienced by individuals or groups [5].

Descriptive research functions to describe, explain and interpret contemporary conditions, this research focuses on conditions, practices, structures and differences or relationships that exist, opinions and processes that are ongoing or become a trend at a certain time. The descriptive analysis research does not only stop at the description and explanation of conditions, but also involves the process of identifying and interpreting data that has been described previously [6].

## **LITERATURE REVIEW**

One scholar who gave his thoughts about the Diaspora was Paul Gilroy [7]. The concept of diaspora plays an important role in the process of analysis of inter-cultural and trans-cultural studies. Even so, the emergence of the term diaspora as something new is a matter of debate in the realm of political studies. Diaspora can be identified through a network of relations that are characteristically influenced by the process of transfer and dissemination that is coercive. The pressure factor plays an important role in the process. Diaspora is also colored by the gap that separates the destination area of origin and origin.

The process of cross-cultural transfer is a common thing in the world of the diaspora. For example, Edward Wilmot Blyden is an African citizen who returned to his home country after settling in the Danish West Indies region. Blyden returned to Africa with new ideas and was actively involved in the liberation process of the Liberian state. In addition, the diaspora is closely related to the environment involving cultural identity and identification. On the other hand, diaspora is also associated with gender issues. Stefan Helmreich identified that the process of cultural reproduction in the diaspora tends to be colored by the idea of masculinity. Gilroy in his conclusion stated that the presence of the diaspora has brought a new perspective on the existence of two separate poles, namely local and global. The presence of the diaspora gave rise to thoughts about the concept of the nation-state (nation-state) and the supra-national network (supra-national) along with patterns of power, communication, and conflict.

The thought of Gilroy ushered in the idea of forming an understanding of the diaspora actors towards the nation-state leading to the idea of how the form of national understanding for the diaspora actors towards the country where they came from. Contrary to Gilroy, Schiller put more emphasis on the transnational approach in seeing the phenomenon of the diaspora [8]. The study of transnational migration is very popular today which dominates discussions about the lives of migrants and their families in new areas. The discourse created from this discussion tends to portray migrants as actors who threaten the stability of the destination country. Furthermore, academics in migration studies are mostly ignorant of the social theory of the migration process. The results of their thinking contribute to understanding the challenges in the process of uniting migrants and local communities.

Schiller hopes that there will be a comprehensive study of migration discussed at the transnational level. This can be realized if academics in migration are willing to put aside the methodology of nationalism and not focus on the pros and cons of the migration process. Schiller also criticized the use of nation-state as a unit of analysis in the study of migration and he offered the concept of

transnational social fields that could be interpreted as a network that connects individuals with institutions that are located in more than one nation-state.

Analysis of the migration process that occurred today and in the past and focus of the study of the institutionalized force is expected to bring a new perspective in migration studies. Schiller summarizes his ideas in a framework he calls "global power analysis of migration" which is implemented as a discourse to bridge various arguments about migration. Academics can also be actively involved in policy making through this new perspective and not just follow the old tradition of thought.

## **RESULT AND DISCUSSION**

### **Diaspora as Asset to Indonesia**

The term diaspora in Indonesia is actually not new. Since the 1960s the term diaspora has been known in Indonesia, but is associated with the Chinese diaspora and has a negative stigma. Because of that, within a few decades the echo of the diaspora seemed to sink. The Diaspora only began to revive when Dino Patti Djalal, who was then serving as the Indonesian ambassador to the United States (2010 - 2013) initiated the 2012 First Diaspora Congress in Los Angeles, United States. The First Diaspora Congress held at the Los Angeles Convention Center turned out to be a fairly long process. As ambassador at the time, Dino often visited several regions in the United States and always encountered Indonesian communities in that area. Strangely, the communities of Indonesians in various parts of America at that time did not know each other, were not connected, and were under the radar. The government at that time did not have an active policy to embrace the diaspora [9].

In contrast to the legal and general definitions used by the Department of Foreign Affairs, Dino Patti Djalal said that diasporas are people of Indonesian blood and / or culture, one generation or so on, who live abroad except Indonesian diplomats and tourists. Furthermore, Dino also said that currently we are more focused on the diaspora (which is still) Indonesian citizens, although they still embrace foreigners (Indonesian citizens who have become foreigners) to participate in increasing the competitiveness of the nation. Sehat Sutarja, for example, has long been a citizen of the United States, but his potential as a successful businessman, even in Silicon Valley he is like a king, very useful for other Indonesian diaspora. For this reason, the new policy adopted to embrace the diaspora is from a legalistic approach (only Indonesian citizens) to a cultural approach (foreigners or citizens who have become foreigners but culturally still like and very Indonesian) [9].

According to Dino Patti Djalal, there are four Indonesian Diaspora groups, the first being Indonesian citizens living overseas legally (Indonesian passport holders); the second is Indonesian citizens who have become foreign citizens due to the naturalization process and no longer has an Indonesian passport. While for foreign nationals who have parents or ancestors who came from Indonesia in the third category. And the last is a foreign citizen who has no ancestral ties with Indonesia at all but has an extraordinary love for Indonesia like Paul Wolfowitz (Former US Ambassador to Indonesia), who is fluent Indonesian language is one of the examples of the fourth group [10].

Since the diaspora became very popular in Indonesia after the First Diaspora Congress, the government promised to empower the diaspora who wanted to return to Indonesia to build and improve the competitiveness of the Indonesian people. This was demonstrated by one of the ministries in Indonesia, namely the ministry of research and higher education (Ristekdikti). Kemenristekdikti summoned 57 diaspora scientists to return to Indonesia. They come from 15 countries which will transmit their knowledge in the World Class Scholar Symposium (SCKD) 2019.

This year, the activities will be held on 18-25 August 2019 in Jakarta. The 2019 SCKD will also involve the Indonesian Ministry of Foreign Affairs. The Director General of Science and Technology Resources and Higher Education, Ali Ghufroon Mukti, revealed that the series of SCKD activities was an attempt by the government to empower the nation's children wherever they are to contribute to the development of human resources, especially in the realm of higher education [11].

## **The Meaning of Nationality through the Experience of Diaspora in Japan**

In 2017 the number of Indonesian diaspora in Japan was ranked 11th of all foreign diaspora in Japan [12]. The Kenshuusei are a diaspora group that mostly dominates the number of Indonesian diaspora in Japan, after their work period ended, many of these Kenshuusei decided to extend their stay in Japan both legally and illegally. Indonesian Diaspora as if reluctant to go home, the high difference in pay in places where the diaspora is compared to Indonesia is very much different. Like one of the Indonesian Diapora in Japan who has an academic career at Tsukuba University, Japan. He can carry out an academic career at his alma mater, Tsukuba. He was proposed as a teaching assistant and had the opportunity to become a permanent lecturer. The payment as a teaching assistant reaches IDR 30 million per month if converted to rupiah. The calculation, for assistant level, is given 2,000 yen per hour and in a week can teach up to 40 hours [13]. The reality is then faced by the Government of Indonesia, however the Government has an agenda to use the Diaspora to contribute to Indonesia, but in reality the Diaspora actors themselves face the reality if it remains a Diaspora has its own advantages, not only talking about material issues, but the fact that the diaspora has a family.

The sense of nationality is then understood to be limited to identity by diaspora actors. Based on interviews that the author has done while in Japan, Indonesian Diaspora actors, especially kenshuusei interpret "Indonesia" as identity only. Identity in the sense, as a unifier with other diaspora actors. Many of the Diaspora practitioners in Japan are non-skilled or non-professional. Even though they are legally entering Japan, the income is much higher compared to being in Indonesia, making the diaspora perpetrators feel at home for a long stay in Japan. So in the view of diaspora actors, nationality is understood as unifying Indonesian fellow diaspora in Japan. Forming a collective identity that encourages mutual help and assistance between Indonesian diaspora in Japan.

Based on the results of interviews with diaspora actors in Japan, it can also be understood, in addition to a sense of nationality that is more inherent as an identity of solidarity between diaspora actors, and not a driver for diaspora actors to return to Indonesia. Diaspora actors in Japan are reluctant to return to Indonesia because of family ties and the benefits that are not earned by the diaspora in Indonesia, but can be obtained while in Japan. First a matter of family, not only married to other diaspora actors, they then have offspring and then have assimilated into Japanese culture and society. The fear of a kind of culture shock that will occur upon returning to Indonesia is also a reason why they are reluctant to return. Diaspora actors tend to be familiar with life in Japan, they have adapted so well that they are reluctant to re-adapt when returning to Indonesia.

Second, about the benefits that are not obtained by the diaspora when they are in Indonesia, but they get when they are in Japan. Japanese Diaspora actors can get high pay compared to the same job in Indonesia. For example, such as planting rice in Japan can make tens of millions of money every month. Then need to be underlined are two things, first the high pay that is received by the diaspora actors for the same work compared to when in Indonesia, and many diaspora actors are blue collar workers. This then becomes a challenge when the target of the diaspora of the Indonesian government is the diaspora actors with skills who have gained much experience outside the country of Indonesia.

## **CONCLUSION**

A Sense of Nationality for Japanese Diaspora is a unifying identity to help one another with other Indonesian Diaspora actors. So that the sense of nationality if used to make Japanese Diaspora returners to Indonesia will experience obstacles. The material benefits and reluctance to return because they have long lived in Japan are a challenge. The rearrangement of nationality based on the perspective of the Japanese diaspora is then understood as instilling a sense if to contribute to the nation does not have to go back to Indonesia. Diaspora actors can contribute in the country where they are and make a sense of nationality as a motivator for them to contribute.

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# **BELT AND ROAD INITIATIVE PROJECT IN MYANMAR: CHINA PUBLIC DIPLOMACY**

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## **Abstract**

China chooses Myanmar in the implementation of Belt and Road Initiative (BRI) project because of its strategic position that could bridge China into Southeast Asia. However, China faces challenges in implementing BRI in China in form of public rejection and distrust. This study aims to analyse Chinese public diplomacy in overcoming that challenges. This research is qualitative research with internet-based literature study data collection. The concept of Chinese Public Diplomacy (that consist of: Confucius institute instrument, student exchanges, international broadcasting, development aid and business deals) is used in analysing this issue. This research find that efforts of Chinese Public Diplomacy in overcoming the rejection toward BRI project in Myanmar is through several ways: the introduction of Chinese culture in Myanmar Confucius Institute, student exchange, the Myanmar Radio and Television (MRTV) and the health, education and infrastructure assistance.

**Keywords:** Myanmar, Public diplomacy, China, Belt and Road Initiative Project.

## **INTRODUCTION**

In March 2013 Chinese President Xi Jinping officially took office and had ambitions for his country to further dominate international trade. Evidenced by the planning of the program implementation of the Belt and Road Initiative program, also known as Yi Dai Yi Lu, which literally means 'One Belt, One Road' is a program that is the foundation of the Chinese President's foreign policy. BRI has a goal to put Asia and countries in the Middle East, Europe and Africa on a new path to increase economic growth and human development through infrastructure connectivity, increased trade and investment.

BRI set the targets above by focusing on the Asian and European regions, including the Southeast Asian region which is the main key in the sustainability of the BRI program. The Chinese government is optimistic that it will get a good response from regions that are part of BRI, such as Southeast Asia, South Asia, Central Asia and West Asia.

Myanmar as one of the developing countries in Southeast Asia is one of the countries that has welcomed BRI, by participating in supporting the implementation of an infrastructure development economic program aimed at promoting close regional trade and investment relations based on increasing physical connectivity between regions. This collaboration began with a meeting conducted by Myanmar President Htin Kyaw with Chinese President Xi Jinping in April 2013, besides that Myanmar Counselor Aung San Suu Kyi visited China to attend the Belt and Road Forum for International Cooperation on 14-15 May 2013 in Beijing which resulted a consensus of cooperation. Myanmar is a significant country for BRI because its position is seen as a country that connects the 21st Century Maritime Silk Road and the Silk Road Economic Belt. Myanmar is located at the crossroads between South and Southeast Asia, and between the Indian Ocean and China's southwestern Yunnan Province. Myanmar is the gateway to direct access to the Indian Ocean for China. The establishment of an economic corridor as a strategic route connecting China's Yunnan Province then extended to the central Myanmar city of Mandalay and then to Yangon and to the Kyaukpadaung special economic zone.

For China the cultural differences and reputation of the Chinese government projects that are not so good in the sectors of infrastructure and resource development become a challenge in implementing BRI in Myanmar. This has led to the attitude of anti-Chinese sentiments among the people of Myanmar, resulting in rejection in the form of demonstrations against the implementation of Chinese government development projects. The reputation of Chinese projects is seen as adding to the burden of Myanmar's own unstable state in the turmoil in border areas by existing ethnic groups. In fact, one of the Chinese projects stopped by the Myanmar government is the Myitsone dam construction project located 37 kilometers from the Kachin capital, Myitkina. The project has a total capacity of 6,000 mega watts. The construction of the dam is estimated to have a length of 152 meters, a height of 152 meters and a depth of 290 meters, so that the area is around 766 km. The area around the dam is known for its ecological richness and is one of the eight biodiversity conservation areas in the world. For the Kachin community, the site of the construction of the Myitsone dam is a much protected area and is used as a national symbol.

In 2011 since the start of the construction of the Myitsone Dam there have been various forms of rejection by the community, both within the surrounding area and the wider community of Myanmar. The continued rejection led to the emergence of conflict by the Kachin army against the Myanmar army. The conflict then marked the abandonment of a 17-year ceasefire agreement between Kachin and the Myanmar government. Most of the fighting took place in areas rich in natural resources and one of them was in the Myitsone dam construction project area. China realizes that its reputation in other countries can be a major factor in how foreigners judge China's intentions and respond to China's increasing capabilities. To this end, the Chinese Government put forth an ambitious public diplomacy effort to project the image of power, prosperity and political responsibility.

The phenomenon of the BRI China project in Southeast Asia has been analyzed by several previous writers such as Peter Cai's writings entitled *Understanding China's Belt and Road Initiative*. In his writings describing the Belt and Road Initiative (BRI) became a major program of China in an effort to reshape global trade through the expansion of infrastructure development in all neighboring regions of China.

Another article, *Connectivity Indonesia's Maritime Global Axis Policy*, explains the form of connectivity of the Indonesian World Maritime Axis concept with One Belt One Road (OBOR) by looking at the implementation and benefits of Indonesia's cooperation with China. In addition, the journal article *Myanmar's Role in China's Maritime Silk Road*

Initiative, explains Myanmar as the largest country in Southeast Asia which has natural resources and strategic locations making Myanmar a center of political struggle among major powers. Call it India and China.

The gap analysis that has not been filled in by previous research is that there is no research focused on analyzing the efforts made by the Chinese government to face challenges in realizing the BRI project especially in Myanmar. This study aims to describe the efforts of the Chinese government in facing the challenges of the BRI project in Myanmar

## **RESEARCH METHOD**

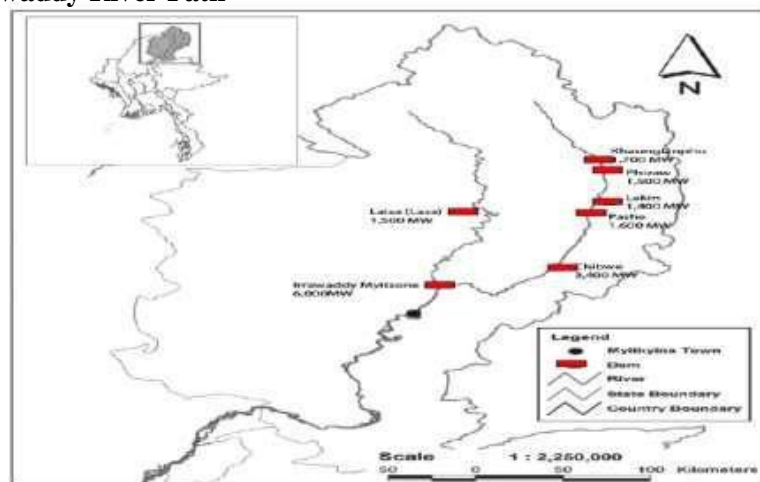
This research is a descriptive research that is research that explains and explores social phenomena, researchers try to translate it into a complex picture and interpret it into words which then produce a detailed and comprehensive report. The approach used in this descriptive study is a qualitative approach, in which research whose analysis is based on data in the form of scientific writings and official reports that results of interaction of data forms patterns which then form the basis for drawing conclusions. This study describes the efforts of Public Diplomacy by China to succeed in the construction of the Belt and Road Initiative (BRI) in Myanmar. The use of descriptive writing methods is intended to be able to describe and convey the problem that was studied carefully and completely.

## RESULT AND DISCUSSION

### Challenges of BRI's Implementation in Myanmar

Between 2010 and 2011, China and Myanmar signed nine economic agreements, including the hydroelectric dam project and US \$ 745 million in funding by the China Development Bank to the Myanmar Ministry of Finance. The agreement contains the implementation of the construction of seven dams located in the Irrawaddy, Mali and N'Amay rivers in the Kachin region as suppliers of electricity to China's industrial estate. Kachin is an area located in northern Myanmar and directly borders with Yunnan Province, China. Irrawaddy River itself is a river that flows from the northern region of Myanmar to the south. The main source of the Irrawaddy River is the Mali River and the second source is N'Mai. The meeting of the two rivers was then in the Kachin area which later became the location of the dam construction. The river is also the largest river and is an important transportation route for Myanmar.

**Figure 1: Irrawaddy River Path**



Source: International Rivers, Google Image

The Myitsone Dam will then become the largest dam project to be built. The Myitsone dam construction project is located 37 kilometers from the Kachin capital, Myitkina. The project has a total capacity of 6,000 megawatts. The construction of the dam is estimated to have a length of 152 meters, a height of 152 meters and a depth of 290 meters, so that the area is around 766 km (cubic).

The area around the dam is known for its ecological richness and is one of the eight biodiversity conservation areas in the world. For the Kachin community, the site of the construction of the Myitsone dam is a much protected area and is used as a national symbol.

**Figure 2: Public Defiance Action**



Source: The Irrawaddy News

The picture above shows the rejection of the people of Myanmar in Malaysia who protested against the Myitsone dam project outside the Myanmar Embassy in Kuala Lumpur on September 22, 2011. After the start of the construction of the Myitsone dam, various forms of rejection took place by the community, both within the Kachin region and the wider Myanmar community. The continued rejection led to the emergence of conflict by the Kachin army against the Myanmar army. The conflict then marked the abandonment of a 17-year ceasefire agreement between Kachin and the Myanmar government. The Kachin ethnic community has its own army called the Kachin Independence Army (KIA), which is an army under the command of the Kachin Independence Organization (KIO). In February 1994, KIO and the Myanmar government signed a ceasefire agreement to stop its resistance to the government. KIO as a representative of the Kachin community, along with ten other ethnic groups agreed to cooperate with the State Law and Order Restoration Council (SLORC) related to the development of their respective regions.

The conflict between the Kachin ethnic group and the Myanmar military government which has occurred for a long time has worsened since the construction of the Myitsone dam began in 2010. The upstream and northern areas of the project are the location of KIO control, KIO believes that the construction of this dam will endanger community livelihoods, traditional Kachin and biodiversity security. In addition, the relocation of the plan raises suspicion from the public that it is in the interests of the Myanmar government to control Kachin's military forces. With no agreement reached between the two parties, there were several attacks in the form of explosions and bombings by the Kachin community in 2010. On April 17, 2010 there were ten separate bombings in the Myitsone dam construction area which killed four people who were Chinese workers, 12 casualties injured and resulted in damage to several buildings. The peak of Kachin's resistance occurred when in September 2010, where KIO formally rejected the Myanmar government plan to accept the Border Guard Force (BGF) as a military commander above KIA.

Gun battles between KIA and Myanmar troops continued on June 9, 2011, where fighting between Myanmar and KIA forces took place in the Bhamo region and near the Dapein dam. This was accompanied by the explosion of several bombs in Myitkina, the capital of Kachin. Most of the fighting took place in areas rich in natural resources and one of them was in the Myitsone dam construction project area. In September 2011, KIA blocked access to construction materials to the dam site, which is near the China-Myanmar border, Laiza. So on September 30, 2011, President Thein Sein sent a letter to parliament stating a request to stop the Myitsone dam construction project due to a rejection by residents around the project. On the same day the Myanmar government then announced the official termination of the project and the delay based on the duration of the existing government tenure.

In 2013 Myanmar signed a collaboration with China to collaborate on an economic corridor project. The corridor will begin in Yunnan Province in China and pass through Mandalay in central Myanmar with two branches, one branch heading south to Yangon and another going west to the Kyaukphyu Special Economic Zone in Rakhine State.

Another project included in the BRI project is the Sino-Myanmar oil and gas pipeline, with the formation of this oil pipeline China can move 22 million tons of crude oil across the country, from the Rakhine coast to China. However, with the construction of the oil pipeline, forcing people to leave their land which is the location of the construction of the oil pipeline. This triggers rejection from the community because of fears of environmental damage.

The picture below shows the eviction of settlements residing in the location of the Chinese oil pipeline project building, on Madae Island, Kyaukpyu Township, Rakhine State, in October 2015. In addition, the community considered the BRI China project as a debt pit, because BRI is not some kind of large aid project -the amount for developing countries, but this project consists mostly of loans that cannot be paid back later.

**Figure 3: Damage to Resident's Houses**



Source: The Irrawaddy News

The International Growth Center study says Chinese companies should consider a public engagement approach when investing in natural resource projects that have a strategic component. Likewise, China should consider implementing projects in conflicting regions such as Kachin and Rakhine, which in this region have abundant natural resources but are involved in long-term conflicts with the central government. Supported by the arguments of Khin Khin Kyaw Kyee, a researcher from the Institute for Strategy and Policy-Myanmar, said the China-Myanmar Economic corridor project is in conflict zones, in the states of Shan and Kachin, so China needs to consider that the project could trigger more conflict in ethnic areas. Because development projects have more negative effects on conflict areas. According to Myanmar political researcher Bertil Lintner, attracting Foreign Direct Investment (FDI) remains an important strategy and urgent agenda for the Myanmar government to move the country towards sustainable development and poverty alleviation, but by signing the economic corridor cooperation will continue to play an important role for China in Myanmar, this will cause anti-Chinese sentiment to increase again.

### **China's Public Diplomacy through the Confucius Institute**

In 2002, the Chinese government announced plans to establish an overseas institute to promote Chinese culture and language, and in 2004 China established the first Confucius Institute to develop and facilitate Chinese language teaching abroad and promote educational and cultural exchanges and cooperation between China with other international communities. The Confucius Institute becomes a tool of Chinese public diplomacy through culture and language, with the aim of forming images and building friendly relations with other countries and increasing understanding of Chinese language and culture. Since 2004, China has established more than 700 Confucius Institutes and Confucius Classrooms throughout the world.

Confucius Institute is a program in the form of joint venture between China and other countries, this collaboration has three work structures, the first: Hanban (the China National Office for Teaching Chinese as a Foreign Language) as an institution that fully operates the Confucius Institute, second: local partners as joint ventures, and the third: and an office managed and licensed by the Beijing headquarters. In this institute collaboration local partners provide local audiences and classes and facilities, while the Chinese University is in charge of sending a director and teacher, and Hanban has the task of providing books and as financial support.

On December 29, 2018, the Chinese Embassy to Myanmar, visited the state of Kachin and met with several political leaders and civil society. During the visit, the Chinese Ambassador together with Kachin leaders discussed issues related to the Myanmar conflict peace process, the BRI China project, the Myitstone dam project and discussion of Chinese workers working illegally in the State of

Kachin and discussion on collaborative development of an institute in Myanmar. As proof of the cooperation between the two countries, in 2019, Chinese mining companies and Myanmar University of Yunnan Province, made an agreement on the framework of cooperation in Yangon in building the Lancang-mekong International Vocational Institute in Myanmar. The Chinese Embassy in Myanmar, Li Xiaoyan, said that the establishment of this institute could improve vocational training and help improve the quality of human resources in Myanmar, by fostering human resources in various sectors through training. He also hopes that with the framework of cooperation Lancang-Mekong can maintain friendly relations from generation to generation, by launching more comprehensive cooperation in the education sector.

The educational cooperation relationship between China and Myanmar is also established from the 'joint laboratories' program developed by Mandalay University and Yunnan University. The joint laboratories program consists of a series of collaborative research and development projects, as part of their efforts to utilize the Belt and Road Initiative. A meeting related to the discussion of this program was held on January 8-12 2018 in Kunming, the regional capital of Yunnan Province, China. The Chinese Ministry of Science and Technology will support the establishment of 'joint laboratories' throughout the Belt and Road countries to facilitate research and development. Examples include the China-ASEAN Marine Aquaculture Technology Research and Promotion Center, the Egypt-China energy laboratories, the Cambodia-China food industry joint laboratories and the Nepal-China geography joint research center.

Yunnan University Party secretary Yang Lin and School Principal Lin Wenxun said that the B&R joint laboratories projects present valuable opportunities to develop fields such as resource management, environmental studies, ecology, and other related subjects. This collaboration will strengthen education, technology development, and human capital from countries involved in B&R. Cai Jianing, deputy director of the international cooperation division under the Chinese Ministry of Science and Technology, said that joint research and development projects between Mandalay and Yunnan should focus on regional exchanges, training in human resources, research work and supporting economic development. U Soe Paing, Myanmar's consul general in Kunming, said the joint laboratories were beneficial for China and Myanmar. U Soe Paing has submitted and recommended the Yunnan University project proposal to the Ministry of Foreign Affairs led by State Adviser Daw Aung San Suu Kyi. This effort was also supported by Huawei's representative, Zhang Chi, who said the multinational company was willing to support collaborative efforts and continue the development of Belt and Road. On January 9, 2018, the schools of science, geology, geography, botany and chemistry at Mandalay University held a meeting with their colleagues at Yunnan University, exploring various collaborative initiatives, joint projects, and academic exchanges. Zhang Li, vice-principal of Yunnan University, said that the two universities will form a joint division of tasks to implement collaborative research and development and related project.

### **China's Efforts through Student Exchange**

Student Exchange has become a powerful diplomacy instrument, by inviting foreign students to China to learn language, art, philosophy, history and traditional Chinese medicine. This instrument is an attempt to manage the international environment by sending citizens or vice versa, for study or acculturation within a predetermined period of time. Through this instrument, both parties benefit from each other and begin to change their perspective and way of thinking.

In 2014, a group of students from Yangon Myanmar University will visit the cities of Shenzhen and Kunming in China from 2 to 9 April. At the invitation of the Yunnan University of China, this trip aims to make students know and understand China and introduce mutual understanding and friendship between the young generations of the two countries. 12 students from Myanmar's best universities are the first undergraduate group at the university to undertake an overseas student exchange program. They will visit the city of Shenzhen for the first time, including Shenzhen University, the local high-tech company and several other important locations. They will then visit Yunnan University, Yunnan Nationality University and Yunnan Nationality Museum in Yunnan Province to get to know firsthand the traditions of various ethnic Chinese groups. The Chinese

Embassy for Myanmar asks teachers from Confucius Classroom Myanmar to teach students daily Chinese expressions during the meeting. This trip demonstrates direct interaction between students from China and Myanmar, and will explore the prospects of cooperation in education between the two countries.

A student exchange program that connects between China and Myanmar, through the Lancang-Mekong International Vocational Institute of Yunnan Minzu University, located in Yunnan Province, Southwest China, which has educated students from the Lancang-Mekong countries (countries that have traversed by Mekong river) since 2017. After launching scholarships for students from the Lancang-Mekong river countries in 2018, Yunnan Minzu University has received 109 foreign students from Southeast Asia and this vocational school now has 546 students. The Mekong River is also known as the Lancang River in China which is a vital waterway for cross-border shipments between China, Laos, Myanmar, Thailand, Cambodia and Vietnam. The six Lancang-Mekong countries launched the Lancang-Mekong Cooperation mechanism in March 2016. The University organized a series of Lancang-Mekong-themed activities such as dancing and singing performances, student art exhibitions and exhibits on the achievement of the Lancang-Mekong collaboration. These countries have intensified cooperation in trade, infrastructure development, education and youth exchanges.

### **China's efforts through International Broadcasting**

International Broadcasting (IB) is an actor's attempt to manage the environment using technology, to engage with foreign publics. Through IB, the use of news broadcast to foreign countries is the main key in the use of this instrument.

In February 2018, five Chinese private group companies signed a cooperation agreement with Myanmar Radio and Television (MRTV), which is managed by the government to operate as a program provider for digital TV channels. Supported by a statement from the Minister of Information, Pe Myint, who stated that the five program providers namely Mizzima, DVB, Fortune, KMA, and My Multi-media will soon greet viewers with a variety of information, views and entertainment programs. Pe Myint said at the signing ceremony, that private media included five new content providers that enabled the public to obtain more complete information and facts.

In 2014, China sought to build friendly relations with Myanmar through the screening of the China-Myanmar TV series, which was packaged in the title of The Legend of Music. The Legend of Music has opened a new chapter for cultural exchange and cooperation between China and Myanmar. The first launch of the China-Myanmar TV series was attended by U Pai Htway, Deputy Minister of Information of Myanmar, Cui Yuying, Deputy Minister of Information Office of the Chinese Council, Chinese Ambassador to Myanmar, and Head of the Yunnan Province Information Department, Zhao

Jin. Zhao Jin hopes that cultural exchanges and cooperation like this will continue and develop and increase mutual understanding between the two parties so that they can inherit generations of Chinese-Myanmar friendship from generation to generation.

On August 22, 2017, Myanmar's Minister of Information, Pe Myint, attended the launch ceremony of the Chinese TV program in Nay Pyi Taw, Myanmar. The Myanmar Radio and Television (MRTV) has begun broadcasting Chinese TV series entitled "Hello, Joann". Around 160 episodes of the Chinese TV series will be broadcast through the Chinese TV Plays program to Myanmar audiences every year, this TV series is translated by MRTV and Guangxi People's Radio Station, which is the result of a cooperation agreement signed by the two stations in 2013. Fan Yi, director of the Guangxi People's Radio Station, China said the collaboration was a new model for media cooperation with partners from countries along the Belt and Road routes and could be established as a new brand of Chinese culture.

On June 8, 2013, dubbing Myanmar language actors attended the launch ceremony of the Chinese TV drama series, in Yangon, Myanmar. The screening of the TV series titled Jin Tailang's Happy Life will be broadcast in the Myanmar language version. Myanmar Deputy Minister of Information U Ye

Htut and Chinese Ambassador to Myanmar, Yang Houlan said that broadcasting the Chinese TV drama series in the Myanmar language version is one of the cultural collaborations and event exchanges to help viewers gain a better understanding of China, and this will also help promote traditional friendships between the two nations.

### **Chinese Efforts through Development Aid and Business Deals**

Foreign investment and business agreements, development assistance are also used as a tool of public diplomacy, especially in less developed regions. China's foreign investment strategy serves the political, economic, security and Chinese market needs. Buying goodwill by investing in one sector can help get profitable deals in other sectors, such as energy. Not all investment and business projects are planned or controlled by the authorities, because China's private sector has a considerable degree of autonomy. Companies are sometimes only asked to invest in certain projects in a country supported by Chinese loans and subsidies.

Add to this the low labor costs and the growing technological skills of China, which is an attraction so that China is the target of business partners in other countries. China is also a recipient country and a provider of development assistance, the total spent by China on development assistance is estimated at US \$ 2.7 billion. China also runs training programs for professionals from developing countries, offers scholarships, builds schools and hospitals, and sends young experts and volunteers to developing countries.

In late 2013, President Xi Jinping renewed his commitment to provide development assistance and finance infrastructure projects in other countries that were packaged in the Belt and Road Initiative (BRI) project. BRI has become a major component of China's foreign policy in reforming China's foreign aid programs. This policy reform is intended to achieve various objectives, namely: First, the change aims to improve the efficiency and effectiveness of Chinese foreign aid by cleaning up the country's foreign aid system. Second, in response to foreign criticism for mixing trade agreements with development assistance, China seeks to differentiate its foreign aid from trade agreements. Third, China wants to integrate into the portfolio of foreign aid and BRI, with more development in social fields such as agriculture, public health, and education.

In allocating its foreign aid, China has a set of government agencies in channeling aid to developing countries, known as the China International Development Cooperation Agency (CIDCA). This government agency aims to formulate strategic guidelines, plans and policies for foreign aid, coordinate and offer advice on the main problems of foreign aid, advance state reform in matters involving foreign aid, and identify key programs and monitor and evaluate the implementation. One function of the establishment of CIDCA is to facilitate the BRI China project.

One of China's development aid programs provides free cataract surgeries for patients in BRI countries, named Mekong Bright Journey. Since 2016, the Chinese health foundation has sent medical teams to Sri Lanka, Myanmar and Pakistan to treat a total of 1,502 cataract patients. In addition to free surgery, Chinese doctors will also train two local doctors in each country to improve their treatment capabilities. In Myanmar it was launched in Taunggyi, the capital of Shan state, in October after carrying out operations on 300 cataract patients, and the program currently targets around 250 cataract patients in Nay Pyi Taw with 100 of them being treated at the Ottara Thiri hospital and 150 others at home Zabu Thiri sick. In the past few years there have been more than 10 Chinese medical and charitable organizations that have given Bright Journey free more than 10 times, after successfully operating surgeries on more than 6,000 Myanmar cataract patients and bringing more brightness to them. This program is a Chinese aid which the community is the recipient of direct assistance, so that the community can directly feel the results of the assistance provided by China, which is considered as an effort to build a good image in the eyes of the people of Myanmar. This got a positive response from Myanmar as evidenced by a statement from the Minister of Health and Sports of Myanmar, Dr.

Myint Htway, who expressed her joy and gratitude from the people who in fact were village people who were in difficulties and were unable to carry out treatment, so this free treatment became a binder to continue the China-Myanmar friendly relations.



Second, China has been conducting educational projects in Myanmar since 2015. The education project is known as the Paukphaw scholarship project, this project aims to provide financial assistance and capacity building for Myanmar university students in need. Students selected in this scholarship project receive \$ 300 per person per 10 months, which is \$ 30 or 30,000 Myanmar Kyats every month. At the inception of the project, China has assisted 50 students at two universities in Yangon, and in 2016 the scholarship project will be expanded to four universities in Yangon. In 2017 the scholarship project has been expanded to Rakhine State and has helped 100 students there, currently the Paukphaw scholarship project has a total of 1,300 students. One example of a scholarship project given to students in Rakhine State, which is the Rakhine region is a BRI project development target. This is seen as an effort by the Chinese approach to the younger generation to reduce anti-Chinese sentiment in Myanmar.

Third, the assistance provided by China to Myanmar in infrastructure and agriculture. In February, China launched a project for rural poverty reduction with financial and technical assistance in the cities of Lewe and Tatkon in Nay Pyi Taw, the agreement was signed in November 2015. China provided 33.33 million yuan (\$ 5.31 million) for the project The project includes the development of social infrastructure, vocational training, income-enhancing assistance and capacity building for the population. China will send experts with financial assistance to these cities to ensure the success of the poverty reduction project.

Fourth, in March China and Myanmar signed a letter implementing Chinese assistance in the new Kunlong Bridge project in Shan State, North Myanmar. This bridge is located on the road Theinni-Kunlong-Chinshwehaw and crosses the Thanlwin River, which extends for about 4.2 kilometers. The length of the bridge is about 323 meters with a connecting road of about 3.9 kilometers. The project is expected to facilitate the transportation of Myanmar's agricultural and livestock products to China, so as to enhance the development of border trade between the two countries. This will also increase the level of employment and income of the local population and play an important role in maintaining peace along the border areas.

## **CONCLUSION**

This study aims to analyze Chinese public diplomacy in overcoming the challenges of implementing the BRI project in Myanmar. The Chinese government is trying to dominate the international market by running a project known as the Belt and Road Initiative (BRI). The BRI project aims to integrate economic growth and human development through infrastructure connectivity, increased trade and investment. One of the BRI project targets is Myanmar. Myanmar was chosen by China because it was considered strategic because it could bridge China into Southeast Asia. But China faces challenges in implementing the BRI project in Myanmar. This challenge is in the form of the bad reputation of China in the eyes of the people of Myanmar, due to the failure of the previous collaboration between China and Myanmar, where the community felt disadvantaged by the Chinese side. From some of the efforts made by the Chinese government, it can be seen that the Chinese government prefers to use a soft approach in the form of diplomacy because the target to be influenced and changed its view is the Myanmar public.

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