

CHAPTER I

INTRODUCTION

A. Problem Background

Environmental issues emerged in the late 20th century as a major focus of international concern and activity. They relate to globalization themes in several ways. Many environmental problems are intrinsically international or global, stimulating international political activities in response. Others, though local, are experienced across the world. Virtually all environmental issues are intimately linked to the dynamics of globalized political economic processes.¹ According to Greene there are several senses in which the environment can be said to be a global issue.² First of all, some environmental problems are inherently global such as the greenhouse gas emissions that cause climate change around the world. Next, some problems relate to the exploitation of global commons. For example if the disposal of waste was done at the sea border it will have impacts on both countries because the sea lies on the border. Then, many environmental problems are intrinsically transnational, they cross state boundaries even if they are not entirely global. At last, many processes of over-exploitation or environmental degradation are relatively local or national in scale, and yet they are experienced in such a large number of localities around the world that they can be considered to be global problems. Finally,

¹ Greene, Owen. 2001. Environmental Issues, in Jhon Baylis & Steve Smith (eds) *The Globalization of World Politics*, 2nd edition, Oxford, pp.387-414.

² Ibid

global environmental issues exist in many different forms, and though they share some common characteristic, each needs specific examination in its own right because it is related to socio-economic and politic.

Initially, the focus of environmental issues has been done since 1900s in the context of many courses. For the example is IMO (International Maritime Organization) which formed in 1948 that facilitates international shipping, navigation, and promotes safety in sailing. It also started in the 1970s with the established of the international conference known as Stockholm Conference that formed by the UNCHE (United Nations Conference on the Human Environment) which is a kind to response to the emerging problems of pollution and other environmental issues. The conference was also the beginning of the environmental issues which have been institutionalized the principles and the importance of the role of the state in response to those environmental problems. In the mid-1970s to 1980 a variety of conferences that have developed an interest in various principle and concepts was held. Years later it was also an establishment of the green movement, NGOs, and international organizations that began to emerge and become actors in international relations. The greatest conference was held in 1992. The UNCED (United Nations Conference on Environment and Development) conference was held in Rio de Janeiro which raised the issues related to environment such as the discovery of the hole in the ozone, the evidence of global warming or climate change, the loss of biodiversity and fish depletion. The conference also introduced the concept of

sustainable development and reconstruction of the global environment facility. The results of the conference agenda also contains the program and principles to manage a variety of sectors including the environment and result in a sovereign right to exploit the natural resources, rights to developing countries, the priority to the needs of developing countries and more financial aid to developing countries. Since then, the environmental issues became the major concern of international society.

On the contrary, the developing countries especially in Indonesia, the environmental cases within the country is actually quite serious to be handled. Forest and land degradation has caused widespread impacts, such as climate change and the food crisis. Floods and landslides have damaged proven by the farmland resulting yields and national food stocks become decreasing. This condition causes high food prices that cause the social unrest alarming. Conflicts of interest such as the clearing of forests to expand farmland, housing, tourism, oil, and mining are also contributed greatly to the environmental damage. Utilization of space is often not in accordance with land capability that exceeds the carrying capacity of the environment of Indonesia that vulnerable. Also, the position of the Indonesian archipelago, located at the confluence of four tectonic plates continental of Asia, Australian continent, the Indian oceanic plate and the Pacific Ocean, causing the risk of natural disasters such as floods, tsunamis, and earthquakes. Moreover, deforestation in the country is also alarmed. Based on the record of the Ministry of Forestry of Republic of Indonesia, at least 1.1 million hectares or 2% of Indonesia's forests shrink each year. The data from

the Ministry of Forestry, said about 130 million hectares of remaining forests in Indonesia, 42 million hectares are cleared out. Damage or the greatest threat to natural forests in Indonesia usually caused by the illegal logging, forest conversion to plantations, forest fires and unsustainable exploitation of forests for the development of residential, industrial, or due to encroachment. Deforestation causes more severe disruption of the balance of the forest ecosystem and the surrounding environment.³

Comes from the reality, Australia as the developed country began to concern on the environmental cases in Indonesia. Related to the environmental cases, according to the Australia's perspective,⁴ Indonesia is home to the third largest area of tropical forest in the world, but also ranks among the highest for deforestation, forest degradation and greenhouse gas emissions. A priority in Indonesia is finding ways to reduce emissions from forests. This approach is known as reducing emissions from deforestation and forest degradation in developing countries, or REDD. Through REDD, the international community includes Australia is working to make forests more valuable alive and standing by providing developing countries with real and lasting economic incentives to protect and sustainably manage their forests.

The concern of Australia in Indonesia's environment program actually encourages by the joint of Australia to the Kyoto Protocol in 2007 that makes a

³ Retrieved from
http://www.wwf.or.id/tentang_wwf/upaya_kami/forest_spesies/tentang_forest_spesies/kehutanan/

⁴ Australia and Indonesia: partnering on climate change, retrieved from www.climatechange.gov.au

"significant step forward"⁵ in efforts of Australia's joint responds to climate change in the country and the international community together. So, by giving the environmental aid to Indonesia, it is a kind of Australia's effort in supporting the emission reduction in their country. Essentially, the Australia's involvement on Indonesia's environment through the AusAID assistance is also principally supported by the commitment of MDGs project that has been obtained since 2000 especially on ensuring the environmental sustainability. The MDGs (Millenium Development Goals) is eight international development goals that were officially established following the Millennium Summit of the United Nations in 2000 and following the adoption of the United Nations Millennium Declaration. All 193 United Nations member states and at least 23 international organizations have agreed to achieve these goals by the year 2015. The goals covered by the eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality rates, improving maternal health, combating HIV/AIDS, malaria, and other diseases, ensuring environmental sustainability, and developing a global partnership for development. The project has made significant progress in achieving many goals.⁶ Between 1990 and 2002 average overall incomes increased by approximately 21 percent. The number of people in extreme poverty declined by an estimated 130 million. Child mortality rates fell from 103 deaths per 1,000 live births a year to 88. Life expectancy rose from 63 years to

⁵ Australia Resmi Ratifikasi Protokol Kyoto, retrieved from <http://www.antaraneews.com/view/?i=1196664586&c=WBM&s=>

⁶ Millenium Project, retrieved from <http://www.unmillenniumproject.org/goals/index.htm>

nearly 65 years. An additional 8 percent of the developing world's people received access to water and an additional 15 percent acquired access to improved sanitation services.

From those concerns, Australia works to encourage the environmental existence in Indonesia through AusAID. Australia is committed to working with Indonesia to build local capacity to reduce emissions and take action to adapt to the impacts of climate change. Besides, AusAID is one of the Indonesia's highest grantor rather than the other such as the Dutch Royal, European Union, UNDP, and USAID. It is proven by the total funding in 2012/2013 AusAID has allocated approximately \$578,4 million to Indonesia.⁷ Australia emerged as the main donor to Indonesia because of the territorial background of Indonesia which still facing the challenges of complex development.

"Indonesia is one of Australia's closest neighbors and has managed to achieve economic growth, but it still faces complex development challenges. We are so proud to be partner with Indonesia in order to overcome poverty. This year's budget \$20 million more than last year and I'm glad that our assistance programs increased consistently over the last three years."(Greg Moriarty, Australian ambassador for Indonesia)⁸

AUSAID (the Australian Agency for International Development) is the Australian Government agency responsible for managing Australia's overseas aid program. The objective of the aid program is to assist developing countries to reduce

⁷ Indonesia, How We Are Helping, retrieved from <http://www.usaid.gov/countries/eastasia/indonesia/Pages/home.aspx>

⁸ Australia Komitmen Bantu Pembangunan Indonesia retrieved from: <http://jakarta.okezone.com/read/2012/05/09/411/626663/australia-komitmen-bantu-pembangunan-indonesia>

poverty and achieve the sustainable development in line with the Australia's national interest.⁹

*“Indonesia is an important neighbor in our region. More than 120 million Indonesians live on less than \$2 per day. Australia is helping to save lives, opening up opportunities for the poor and promoting sustainable economic development, which is in the interests of both our nations as well as the broader region. As Australia’s aid assistance to Indonesia grows, the education, infrastructure and social protection sectors will be priority areas for expansion.”*¹⁰

Table 1: Country and regional programs with a published final strategy¹¹

Country	2012-13 Budget Estimate (\$m)	2010	2011	2012 (up to Oct.)
Indonesia	578.4	✓	✓	✓
Papua New Guinea	491.7	✓	✓	✓
Sub-Saharan Africa	354.6	✓	✓	✓
Solomon Islands	239.4	✓	✓	✓
Afghanistan	201.7	✓	✓	✓
Vietnam	150.4	x	x	✓
Regional and Other Pacific	141.0	x	x	x
Philippines	128.7	✓	✓	✓
East Timor	127.1	✓	✓	✓
Bangladesh	100.5	x	x	x
Pakistan	96.4	x	x	x
Cambodia	94.7	✓	✓	✓
East Asia Regional	89.6	x	x	x
Vanuatu	72.9	✓	✓	✓
Burma	63.8	x	x	x
Palestinian Territories	56.7	✓	✓	x
Fiji	55.6	x	x	✓
Laos	54.9	✓	✓	✓
Sri Lanka	47.1	x	x	x
Samoa	45.5	✓	✓	✓
TOTAL (out of 20)		12	12	13

Source: <http://devpolicy.org/ausaids-country-strategies/>

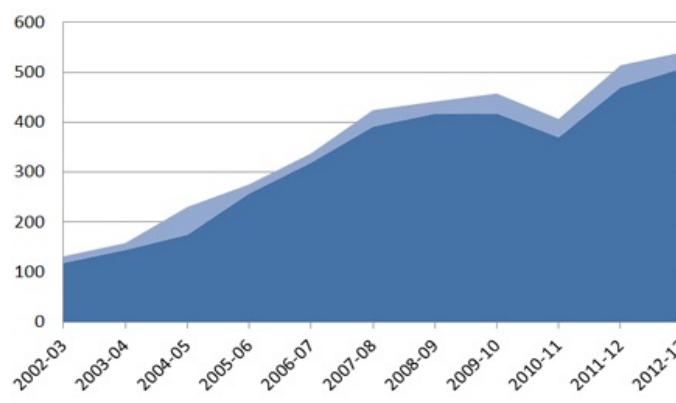
⁹ Apakah AusAID, retrieved from <http://ditpolkom.bappenas.go.id/basedir/Politik%20Luar%20Negeri/6%29%20Profil%20Lembaga%20Donor/4%29%20AUSAID/Apakah%20AUSAID.pdf>

¹⁰ Why We Are Helping, retrieved from <http://www.AUSAID.gov.au/countries/eastasia/indonesia/Pages/home.aspx>

¹¹ Country and regional programs with a published, final strategy, retrieved from <http://devpolicy.org/ausaids-country-strategies/>

From the table above, we can see that AusAID budget towards Indonesia is the highest recipient rather than other developing countries such as Papua New Guinea, Sub-Saharan Africa, Middle East, the South East Asian region such as Vietnam and Burma even the Asia Pacific region. It proves that Australia has the important purpose in giving such priority related to their foreign aid towards Indonesia through the AusAID. The amount also became higher from year to year.

Figure 1: Australian ODA to Indonesia¹²



Source: <http://www.aid.gov.au/countries/eastasia/indonesia/Pages/home.aspx>

From the figure we can state that Australian aid to Indonesia has increased from time to time. It can be demonstrated that in the period of 2002-2003 the Australian aid given to Indonesia is amounted to \$100 million dollars and has increased in the following year. It also continues as the period of 2005-2006 the

¹² Australian ODA to Indonesia, 2002–03 to 2012–13, retrieved from <http://www.aid.gov.au/countries/eastasia/indonesia/Pages/home.aspx>

Australian assistance is about \$300 million and the highest amount was in the period of 2012-2013 which the aid has continued to increase by \$578.4 million.

In fact Australia-Indonesia has been a development partner for many years. A partnership Cooperation Program Development has been established since the beginning of the 50's in some areas such as education. Starting with the scholarship program through the Colombo Plan this program continues to grow, change and adjust to the needs and priorities of Indonesia are constantly changing. It is started in May 1, 2006, Australia's bilateral aid program in Indonesia was promoted under the Australia Indonesia Partnership (AIP). Overall, the Australian government budget approximately \$ 2 billion over five years. This program was included the Australia Indonesia Partnership for Reconstruction and Development (AIPRD) that worth \$ 1 billion which is known as the biggest Australian foreign aid. Australia's aid to Indonesia implemented by a number of Australian Government agencies partnering the government of Indonesia. Australia Indonesia Partnership Logo (AIP) reflects the critical importance of partnerships or in other words, suggests the involvement of high-ranking officials of the two governments in the program and actually this logo has been approved by the two governments. While recently in 2012-2013 Australia allocated \$578,4 million to be given to Indonesia.

While related to the environmental assistance, the Australian government will invest additional funding to strengthen developing countries preparedness for natural disasters, enhance Australia's ability to respond to disasters, and build the

partnerships with several international organizations such as the World Food Program, the International Committee of the Red Cross, the UN Office for the Coordination of Humanitarian Affairs and the UN High Commissioner for Refugees. Related to the environmental cases, Australia has allocated \$15 million to support Indonesia's efforts to better manage and adapt to the impacts of climate change.¹³ Moreover, the cooperation between Indonesia and Australia began to expanding the partnership carbon in the term of REDD that began on 13 June 2008. Foreign aid that given by Australia is about A\$60 million for the REDD demonstration activities conducted in Borneo and Sumatra as well as aid package of A\$10 million to build a national carbon accounting system development of Indonesia, forest fire monitoring and policy development related to the forests and climate. By the partnership also Australia gave A\$100 million which includes support to increase Indonesia's carbon-accounting capacity, identifying and implementing REDD demonstration activities and climate change policy dialogue.

In its development, Australia is increasing the use of government systems and harmonized approaches to make aid more effective. However, Australia recognizes that the shift will be incremental and should be approached on a case-by-case basis to ensure risks are managed and fiduciary standards met.

¹³ Retrieved from <http://www.ausaid.gov.au/Publications/Documents/part-cc.pdf>

B. Purpose of Research

As a research, this paper aims to have several purposes such as:

1. To explain about the bilateral relations between Australia and Indonesia in the term of environmental cooperation.
2. To explain about the factors why Australia prioritizes Indonesia as the highest recipient of their international grant related to the environmental program.
3. As a partial fulfillment of the requirement for the degree of Sarjana Ilmu Politik (S.I.P) of International Relations Department, Social and Political Science, Muhammadiyah University of Yogyakarta.

C. Research Question

From the topics that has been mentioned above, this study is intended to answer: “Why the Australian government (AUSAID) prioritizes Indonesia as the highest recipient of their international grant related to the environmental program?”

D. Theoretical Framework

To explain the Australian aid in the environmental sustainability in Indonesia we need concept and theory to explain the problem.

There is a concept and a theory that will be described to illustrate the phenomenon called the concept of the national interest and the theory of global environmental politics. Both theories are expected to describe and explain that the

Indonesian environmental sustainability has an important role in accordance with the national interests of Australia.

1. Concept of National Interest

Throughout the history of the evolution of the state, states have recognized no higher authority than themselves. Obviously, the state is the entity that defines its own interests and that determines how it will attempt to achieve them. A state's interests are called the national interest, and the methods and actions it employs to attempt to achieve its national interests are called national policy.¹⁴ National interest is a fundamental purpose of determining the factors that most guide decision makers in formulating the foreign power. Power will not be without national achievable. Political state cannot remove the national interest because of the political objective is to maintain the national interest.

According to Hans J. Morgenthau, the concept of national interest is a major pillar in the theory of foreign policy and international political realist. His approach is so famous and become the dominant paradigm in the study of international politics, especially after World War II.

*"The national interest of a country is the pursuit of power, i.e. anything that can establish and maintain control of a country over other countries. Power cannot be achieved without national power. Politics of a country cannot be separated from the national interest, because the political objective is to defend the national interest."*¹⁵

¹⁴ Papp, Daniel S., Contemporary International Relations, Frameworks to Understanding, Second Edition, New York: MacMillan Publishing Company, 1988 pg. 28

¹⁵ Mas'oeed, M., Ilmu Hubungan Internasional: Disiplin dan Metodologi, Jakarta: LP3ES, 1990 pg.163

Morgenthau thought is based on the premise that the diplomatic strategy should be based on national interest, not on the basis of moral, legal and considered a utopian ideology and even dangerous. He stated that the national interest of each country is to keep up with everything that can build and maintain state control over other countries. Relations of power or control can be made through coercion and collaboration techniques.¹⁶ While according to Jack C. Plano and Roy Olton, the fundamental purpose of the national interests is the most important factors that determine and guide decision makers in formulating the foreign policy.

"The fundamental purpose as well as the most decisive factor that guides decision makers in the formulation of foreign policy, national interests are very common conception, but the element that became a vital necessity for countries that include the survival of the nation and state, freedom, independence, integrity territorial, military, security and economic prosperity."¹⁷

Meanwhile, according to Charles O. Lerche & Said Abdul A. there are several objectives of national interest such as protecting and maintaining the unity of the country, people (citizens), territory, security, prosperity, prestige (status), promotion and protection of ideology.

"... self preservation (of the collective entity of the state and its human and territorial manifestation), security, well being, prestige, power, the promotion and or protection of ideology or any other as defined, synthesized any given from by the decision makers of the country is considered as the general, long term, and continuing purpose which the state, the nation and the government all see themselves as serving."¹⁸

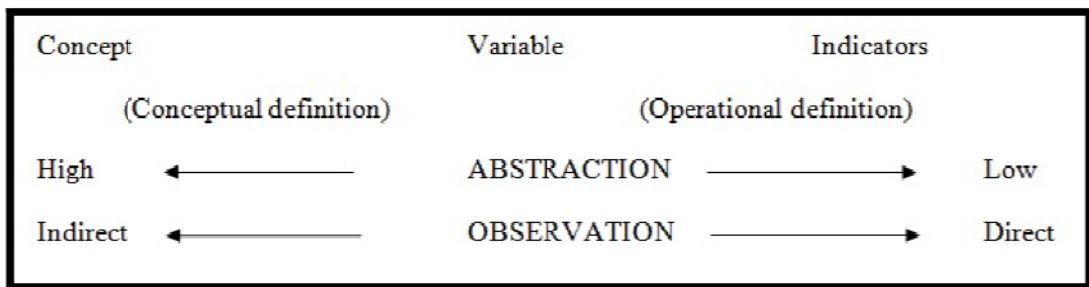
¹⁶ Ibid

¹⁷ Jack C.Plano, Roy Olton, The International Dictionary, Third edition, Clio Press Ltd, England, 1982, hal.7

¹⁸ Charles O. Lerche J., R. Abdul A.Said, Concept of International Politics, Prentice Hall, New Jersey Inc., Englewood Cliffs, 1963 pg. 9-12

In this concept of national interest, according to Mohtar Mas' oed book, variable is actually a concept that can be observed directly and that have more than one value. Through operational definitions concepts and variables are associated with the phenomenon that can be observed directly called indicators. The following figure shows the logical relationships between concepts, variables and indicators.¹⁹

Figure 2: Level of Concept Abstraction, Variable and Indicators²⁰



Source: Mas' oed, M., Ilmu Hubungan Internasional: Disiplin dan Metodologi, Jakarta:

LP3ES, 1990 pg. 126

The Australian Agency for International Development (AusAID) is the Australian Government agency responsible for managing Australia's overseas aid program. Especially its relation with Indonesia, Australia and Indonesia have an effective development partnership that is changing millions of lives by improving health and education services, helping to protect the poor and vulnerable from shocks and boosting economic growth through infrastructure development and improved

¹⁹ Mas' oed, M., Ilmu Hubungan Internasional: Disiplin dan Metodologi, Jakarta: LP3ES, 1990 pg. 125

²⁰ Ibid pg. 126

economic management. Australia also provides support to strengthen democracy and justice and good governance. Australia has several roles in giving their international grants towards Indonesia. In the period of 2012 – 2013 AusAID has allocated about \$578,4 to help the Indonesia's development which covers all the MDGs aspects through several variables and indicators on it. Related to the environmental cases, Australia has allocated \$15 million to support Indonesia's efforts to better manage and adapt to the impacts of climate change.

Australian priority towards Indonesia was the motivation of Australia's national interest. Because of that Indonesia has strategic position on tropical forest with a serious problem on deforestation and forest degradation. Also it a key for finding ways to reduce emissions from forests. If the deforestation and the forest degradation in Indonesia are increasing without any solution, the impact of climate change and emission will also severe Australia because Australia is very susceptible to the impacts of climate change.

2. Theory of Global Environment Regime

There are many definitions of a regime, but the one formulated in the early 1980s by Stephen Krasner remains the standard formulation and it very effectively encapsulates the complexity of the phenomenon. Krasner's definition reveals that a regime is more than a set of rules, it presupposes quite a high level of institutionalization. Indeed, regime theorists have been criticized for doing no more

than introducing new terminology to characterize the familiar idea of an international organization.²¹

A regime can be associated with a highly formalized agreement or even the emergence of an international organization. But, at the other extreme, a regime can come into existence in the absence of any formal agreements. Historically, informal agreements between states have been established on the basis of precedence. The horizontal axis then focuses on the extent to which states expect or anticipate that their behavior will be constrained by their accession to an implicit or explicit set of agreements. Krasner also defines four defining elements of a regime such as principles, norms, rules and decision making procedures. Principles are represented by coherent bodies of theoretical statements about how the world works. Norms specify general standards of behavior and identify the rights and obligations of states. Rules operate at a lower level of generality than principles and norms, and they are often designed to reconcile conflicts which may exist between the principles and norms. Whereas the decision making procedures identify specific prescriptions for behavior, the system of voting, for example, which will regularly change as a regime is consolidated and extended.²²

There are several types of regime such as the security regime, environmental regime, and economic regime. Based on the topic, the environment regime will be

²¹ Baylis, John, et al., *The Globalization of World Politics, An Introduction to International Relations*, New York: Oxford University Press, 2011 pg. 298

²² *Ibid*, pg. 299

used to explain the theory. As scientists have become increasingly aware of the damage being done to the global environment, the importance attached to environmental regimes has steadily risen. Oil pollution, global warming, and the damage of the ozone layer are the issues that have attracted most public attention, but regime has been established in a wide range of areas in the attempt to protect the global environment.²³

In addition, another scientist named Zurn focuses on the analysis of international environmental regimes, institutions and transnational networks, especially the contributions of international environmental politics to regime theory in international relations. He sees two generations of research, one in the 1980s that brought international environmental policy into the study of global politics, with links to security, economics, foreign policies and international institutions.²⁴

According to the theory, we can state that AusAID is one of the country's agencies which considered contributing its responsibility as the developed country through Australian aid program in improving the environment cases towards the developing country such as Indonesia as their largest neighbor. This is as a form of Australia's compliance to the international regime. The aid emerged especially after the Australia's ratification on Kyoto Protocol to decrease the emission within the country. Australia also encourages the bilateral relation in the context of MDGs

²³ Ibid

²⁴ Dauvergne P, Research in Global Environmental Politics: History and Trends, Handbook of Global Environmental Politics, Massachusetts, Edward Elgar Publishing, Inc. pg. 8

project to develop the global partnership with Indonesia especially related to the environmental program as a commitment of Australia to protect the environment globally.

E. Hypothesis

Based on the background and explanation of the problem that has been mentioned above and supported by the framework that has been set, the hypothesis can be formulated that Australia through AUSAID prioritizes to give their foreign aid especially related to the environmental program to Indonesia because of two factors. First it was because of Australian national interest. Indonesia was their largest neighbor country and home to the third largest area of tropical forest in the world, but also ranks among the highest for deforestation, forest degradation and greenhouse gas emissions. If the deforestation and the forest degradation in Indonesia are increasing without any solution, the impact of climate change and emission will also severe Australia because of its susceptible to the impacts of climate change. Second, as the developed countries, Australia's bilateral relation in the context of MDGs project to develop the global partnership with Indonesia especially related to the environmental program is a kind of Australia's commitment towards the international agenda in order to protect the environment globally as a form of Australia's compliance to the international regime.

F. Method of Research

This research is a kind of descriptive research, so the data collection method used by the library or secondary research or data as the main source. The data might come from the books, studies, documents, journals, magazines, newspapers, internet and other media that relevant to the research object.

G. Systematical Writing

In explaining this undergraduate thesis and make it clearer and systematic, the researcher divides the report in several chapters that gives point to point of its chapter which are:

Chapter I will be contained by the introduction of the research including the problem background, purpose of research, research question, theoretical framework, hypothesis, method of research as well as the systematical writing.

Chapter II will be contained by the environmental issue in new global context and its relation with the MDGs project acceleration included the historical background of the environmental issues and the dynamic of the environmental issues in the global context and its relation with the MDGs project acceleration.

Chapter III will be contained by the AusAID assistance in the context of MDGs project and its relation with Indonesia included the history of AusAID,

the relations of AusAID and the MDGs project acceleration, the AusAID assistance in Indonesia related to the environmental program, and the outcomes of the aid.

Chapter IV will be contained by the Australian interests towards the environmental programs in Indonesia and the benefit of Australia – Indonesia environment partnership included the background of Australia – Indonesia bilateral relations, the environmental issues on Australian foreign policy, the Australian interests towards the environmental program in Indonesia and the benefit that would be obtained by the partnership.

Chapter V will be contained by the conclusion that will cover of the whole materials.