

# CHAPTER I

## INTRODUCTION

### A. Background

Along with the development of modern international relations in the post cold war in 1990, international relations are entering a new phase. Globalization and democracy massively happened in almost all around the world which they have impacts toward the international relations. States were starting to fix the system to defend their credibility and bring their society into welfare.

The movement of the international political characteristic in 19<sup>th</sup> century which was dominated by the political and military power was getting bad by the movement of the single hegemony of United States since the collapse of the Berlin wall which indicated the fall of the Soviet regime. It makes the international world is moving to the style of political-economy cooperation along with the spirit of transparency and democracy applied around the world.

Since the Cold War ended in 1991, hard diplomacy lost its entity. It means that issues of economics, human right, environment, social-culture started to be main discussions and priorities compared to previous period which were more focusing on security and military only. This movement significantly gave an impact on international relation order, in the context of diplomacy, state – state actors (IGO) to be sub-state – sub-state actors (INGO) called as ‘paradiplomacy’, which is a new trend of diplomacy. This term was proposed by a scholar from Basque, Payanotis Soldatos in 1980s as combination of the term ‘parrarel diplomacy’ to ‘paradiplomacy’ which referred to the meaning of ‘the foreign policy of non-central governments’(Mukti, 2013: 2).

Eventhough paradiplomacy has new characteristic, the essence is still the same, that is a political process to maintain foreign policy in certain government by influencing other government policies (Suryokusumo, 2004: 2). Recent diplomacy is not only concerning in political activities, but also being a power of multi-dimension used any situation-circle in connection among nations (Suryokusumo, 2004: 3). It can be said that recent international relations are marked by diplomatic activities which are very complex. Along with the increasing of contemporary issues, diplomacy becomes amain tool to solve disorder, asymmetry and miscommunication that happen among states around the world.

The era of globalization becomes main reason of states to cooperat each other. It is based on the nature of state that needs to help each other (interdependent), in terms of natural resources, technologies, energy, information and even trade. This globalization phenomenon gives benefits toward each state and society around the world. Individual can interact to other individual in certain state with no such artificial boundaries, as well as organizations or MNCs. Globalization brings systems of interaction in international relations which is aimed at states to be more integrated one another. The presence of sub-government (local government) is one new actor in international arena in this era of globalization. It is marked by many international treaties done by sub-government in any states in which they cooperate one another. Starting from those movements, the networks of paradiplomacy in parts of the world started to emerge from *developed*, developing and to under developing states.

In Indonesia, the history of *paradiplomacy* has started in reformation era. *Paradiplomacy* refers to behaviour and capacity in doing the international relation with foreign party by “sub-state” in the framework of their interests specifically. In this context, “sub-state” actor is played by regional or local government which is traditionally

acted as the interior actor. However, in transnational era, local government is doing interaction that passes their state barriers, and in particular level they are arranging foreign cooperation which in many cases they were rarely doing consultation to the central government (Mukti, 2013: 37).

The fall of Indonesian economy in 1998 has made reformation born. The born of reformation has made changes including the relation of national to local government. In the period of the governance under president B.J. Habibie, together with the members of the House of Representative (election of 1999) created Laws No. 22/ 1999 about local government and Laws No.25/ 1999 about the balance of monetary central-local to correct Laws No. 5/ 1974 as it has been considered not in accordance with the principles of the organization of the governance and the recent of situation at the time. In 2004 president Megawati Soekarnoputri validated Laws No. 32/ 2004 about Local Governance. By this regulation that gives the authority to local government, the process of development, empowerment and service significantly are able to realize. Generally these are known as autonomous region.

In the end Susilo Bambang Yudhoyono era, Laws No. 32/ 2004 was claimed irrelevant anymore to the recent situation then Laws No. 23/ 2014 was made.

According to Laws No.23/ 2014 autonomous region is right, authority and obligation of autonomous region to control and take care of their own affairs of governance and the interest of the local society in the system of Negara Kesatuan Republik Indonesia.

According to *Kamus Hukum dan Glosarium Otonomi Daerah*, autonomous region is an authority that takes control and takes care of local civil interest according to its own initiative based on society aspiration which is in accordance with legislation.

Since the autonomous region is applied in Indonesia, it is also giving the permission for local government to make an international agreement. It could be toward the local government abroad, international organization, Multinational Corporation and non-governmental organization. It is ruled in the regulation of Minister of Interior (*Permendagri*) No. 3/ 2008.

In *Permendagri* No. 3/ 2008 the things about the cooperation of local government to foreign party are written in detail. In article 2 the principles that have to be underlined in arranging an agreement by local government to foreign party are as follows:

- a. Equality
- b. Giving advantage and mutual benefit
- c. Not disturbing the political stability and economical security
- d. Respecting the sovereignty of Negara Kesatuan Republik Indonesia
- e. Maintaining sustainable environment
- f. Supporting the mainstreaming of gender
- g. Being in accordance with legislation

In article 3 of *Permendagri*No. 3/ 2008, the form of the cooperation is written as follows:

- a. The cooperation of sister province and city
- b. The cooperation of technical matters including humanity aid

- c. The cooperation of capital participation
- d. Other cooperation that is in accordance with legislation

Essentially, the cooperation toward the foreign party is on the spirit to realize the development of the region. Since the autonomous region applied nationally, there are so many foreign cooperation has made by local government in almost all of regions in Indonesia either in the stage of province or city including Special Region of Yogyakarta.

According to Ditya Nanaryo Aji, the Chief of Cooperation Abroad of Coordination Agency of Capital Investment/BKPM (interviewed on February 9<sup>th</sup> 2016), said that Governor of DIY has a clear order about the international cooperation. Governor asked to be passively waiting for foreign parties to propose the cooperation to DIY and not to be active in proposing any cooperation abroad.

There are two options that government of DIY faced: whether approve the cooperation proposal or refuse it. Meanwhile, so many measurements unclear yet like the usage of money that would fund the cooperation operational as the allocation of the regional budget already mentioned in front of House of Representatives of DIY in the early year.

However the Letter of Intent of cooperation which signed by the Director of Bureau of Cooperation of DIY and Director General Office of International Relation of Gangwon on August 28<sup>th</sup>, 2008 is follow-up to be Memorandum of Understanding and signed by both governors on September 7<sup>th</sup>, 2009 (Data of Cooperation owned by Coordination Agency of Capital Investment / BKPM) in Gangwon. The cooperations of

both provinces are in sport, culture, health, agriculture, tourism, science-technology and education (MoU).

DIY is indeed a kind of unique and succeed to make foreigner guests interested to, either for statesman, foreign communities and tourists. Inside the Government of DIY's guests book, since 2000 to 2003 the average of visitation of head of states, ministers, ambassadors, consulates, INGOs, foundations, journalists and foreign tour leaders to meet the Governor of DIY reaches 83 delegates annually (Mukti, 2013: 244)

Until today there are 11 international cooperations between DIY and foreign parties. These cooperations are in two kinds: multipurpose complex cooperation and written in the MoU and the other one is technical cooperation or particular cooperation specifically with the foreign parties or foreign universities. From these international cooperations, there are some productive and not productive cooperations (Mukti, 2013: 245).

South Korea has close relation to DIY. Gangwon is not the only one province that cooperated with DIY from Republic of Korea. There are two earlier cooperations signed with the other provinces from South Korea: Province of Chungcheongnam (MoU signed on September 13<sup>rd</sup> 2004) and Geongsanbuk (MoU signed on February 24<sup>th</sup> 2005) and cooperation in term of health with Medical Peace Foundation (MPF) which is the foundation is also from South Korea on 2007.

The cooperation with Province of Chungcheongnam had a little problem and substantively cancelled as there is a policy from the government of South Korea that is not right when there are two signings of the sister province cooperation that more than a province in Korea. So, the signed MoU is advised by party of Chungcheongnam to change to Agreement for Friendly Ties (Mukti 2013: 246. Similar to Aditya said). And

there is a label “not valid” inside the column of status per-last 2014 of the cooperation between DIY-Chungcheongnam that gotten from Coordination Agency of Capital Investment / BKPM (data archived).

Especially for DIY – Gangwon International Cooperation, from this cooperation so far, there are some activities (Data according to Coordination Agency of Capital Investment / BKPM and Mukti 2013: 284-287):

1. Delivery of training participants (public servant) and culture from DIY to Gangwon (2011 and 2012).
2. Visitation of Gangwon’s delegate (November 2012)
3. Visitation of Korean entrepreneurs to Yogyakarta.
4. Delivery of training participants of International Urban Training Center (IUTC) to Gangwon.
5. *Joint Working Group* at Bale Ageng Kepatihan (2014).
6. Tuberculosis Drug Resistance Seminar by Gangwon Provincial Government which as the speaker is Korean health experts (June 2015)

## **B. Research Question**

Why did the provincial government of Special Region of Yogyakarta, Republic of Indonesia, agree to join the cooperation with Province of Gangwon, Republic of Korea?

## **C. Theoretical Framework**

### **Rational Choice Theory**

Rational choice theory is an approach to the understanding and modelling of social economic as well as individual behavior and rational choice theory itself firstly emerged in United States since 1950s – 1960s. Rational choice theory is the popular theory in United States because rational choice theory become growing approach to Political Science particularly in United States at the time (Ogu, 2013). Rational choice theory previously is the dominant paradigm in economic, but in recent decades it has become more widely used in other disciplines such as Sociology and Political Science. Development of Rational choice theory is growing up rapidly because this approach is applicable to use in other disciplines (Green, 2002). Steven L. Green, Professor of Economic and Statistic Chair, Baylor University identify that the spread of rational choice beyond conventional economic is discussed by Becker (1976), Radnitzky and Berholdz (1987), Hogarth and Rader (1987), Swedberg (1990), and Green and Saphiro (1996).

In the United States, at that time, this theory was applied into electoral behavior and party competition by Anthony Downs in 1957. At that time Downs did analysis on the relations between government and citizen as the result of election. He emphasized that decision making of government in a perfectly informed world is intended only to highlight the basic relationship between democratic government and its citizen. The citizens as the voter in process of democracy were using their rational to elect the party. Citizen views the elections strictly as means of selecting the government who is the most beneficial to them (Downs, 1957).



Therefore, in this rational choice theory policy making is seen as intellectual process. Government is analogized as individual behavior that has rationality and coordination. Policy maker do several alternative selection using “result optimization” criteria. The policy maker will choose the best options as their policy. In addition, the policy maker is seen as actor who is always ready to change the policy in order to get the best result for them (Masoed, 1990).

The government of DIY had acted “as individual” using their rationality when choosing the right policy, with paying attention to all sides of perspective as consideration in creating policy.

The essence of Rational Choice theory is “when faced with multiple groove actions, a man usually will choose the groove that he believes will bring the biggest benefit for him” (Elster, 1989: 22). That conclusion described in more detail in the basic premises of Rational Choice theory as follows:

- a. Man has a set of preferences that they able to understand, to arrange based on priority scale and compare one another.
- b. The order of preference is transitive or consistent in logic. For example, if a person chooses socialism rather than liberalism and liberalism rather than fascism, then he absolutely choose socialism rather than fascism.
- c. The order of preference is based on the principle of ‘maximizing benefit’ and ‘minimizing risk’.
- d. Man is essentially a selfish creature.

From the explanation of the theory above, in this case, the Government of DIY faced with option of whether approve or refuse the cooperation offered from Government of Gangwon.

## **D. Hypothesis**

By understanding the background, research question and the theoretical framework that the researcher has written, it could be assumed as hypothesis from the question on why did the provincial government of Special Region of Yogyakarta, Republic of Indonesia, agreed to join the cooperation with Province of Gangwon, Republic of Korea, because:

The regional government of Special Region of Yogyakarta (DIY) has interests toward the cooperation:

- 1) Regional Government of DIY realized that Gangwon is a province that is more developed and richer than DIY so they want to gain much from the program/agenda in the aspects proposed and has an opportunity which could gain many profits.
- 2) Regional Government of DIY thought they could gain many benefits in the aspects such as tourism, agriculture, sport and health including the increasing of the service of the civil servant from the cooperation by the programs indirectly.

## **E. Purpose of Writing**

This research has aims to reach some purposes as follows:

1. To fulfill the requirement of undergraduate degree in International relations major of Faculty of Social Science of Universitas Muhammadiyah Yogyakarta.
2. To understand the reason behind the agreement between government of Special Region of Yogyakarta and Gangwon.

3. To apply the theory and concept of International Relations directly to explain the case study that happens in the world.

## **F. Research Method**

The main method to collect the sources of this research is by the record/data of cooperation owned by the government of Special Region of Yogyakarta. It will be applied in the way of collecting data, explaining the problem as well as analyzing the hypothesis. The sources could be in the form of book, magazine, journal, and encyclopedia. However, internet is also one of the sources that used to collect data, since the updated information spread rapidly in the internet; the interview way is also does.

## **G. Scope of Research**

The researcher uses the time of research since the cooperation plan offered to the regional Government of DIY until the end of the first period the cooperation.

## **H. System of Writing**

The outline of this paper would be as follows:

**CHAPTER I** : Telling the problem background, research question, theoretical framework, hypothesis, purpose of research, research method, scope of research, and system of writing.

**CHAPTER II** : Telling the profile of Special Region of

Yogyakarta and Gangwon, the ideal mechanism of arranging international cooperation in Indonesia, the process of signing of the MoU and the implementation of the programs.

**CHAPTER III** : Talking about the reason of DIY did agree to cooperate with Gangwon, elaborating the hypothesis.

**CHAPTER IV** : The end of this paper that contains conclusion and suggestion.