

CHAPTER I

INTRODUCTION

1.1 Background

This research attempts to investigate the role of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) for Indonesia's sustainable development. Diplomatic relations between Indonesia and Germany have been established since 1952. The relationship between the two countries was Indonesia's longest friendly relationship with a country outside Europe, even long before independence took place. In 2012, diplomatic relations between Indonesia and Germany reached a new stage with the agreement of "The German-Indonesian Joint Declaration for a Comprehensive Partnership: Shaping Globalization and Sharing Responsibility" by Chancellor Angela Merkel and President Susilo Bambang Yudhoyono in Jakarta. In this agreement, five plus three areas of cooperation were agreed to be the focus, namely: Economic Cooperation (Trade and Investment), Education, Research and Technology, Health, Defense Industry, Food Security, Food Energy, Transportation. Afterwards, Indonesia and Germany became comprehensive partners by respecting the sovereignty of both countries and not interfering in each country's internal affairs (Prabowo, 2012). In 2016, the President of the Republic of Indonesia met with Chancellor Angela Merkel in Berlin and raised an agreement again on strengthening partnership relations between Indonesia and Germany into *stepping up Strategic partnership* is an ongoing agreement between Indonesia and Germany in three main focuses, including vocational education, renewable energy, and marine fields for the benefit of both countries in the present to the future forthcoming.

Germany has an international institution for almost all developing countries in the world to increase bilateral cooperation, namely GIZ or Deutsche Gesellschaft für Internationale Zusammenarbeit, or German Company for International Cooperation. GIZ has been operating in Indonesia since 1975. GIZ has played an important role in contributing to sustainable development in Indonesia. With long-term partnerships and a commitment to supporting Indonesia's journey towards a more sustainable and prosperous future, GIZ has been at the forefront of various initiatives, programs and

projects that are making a long-term impact on the nation's development landscape. Indonesia has been classified as a middle-income country and made Indonesia one of the global development partners of the German Federal Ministry for Economic Cooperation and Development (BMZ). GIZ was tasked with carrying out projects including the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMZ), the German Federal Ministry of Foreign Affairs and the European Union. It is developing countries that play an important role in achieving the international Development goals. GIZ itself works in Indonesia on behalf of BMZ. German and Indonesian cooperation focuses on three priority areas: energy, environmental protection, and technical and vocational education and training or economic development. Besides these areas of cooperation, it also covers cross-sectoral issues of good governance and working with the private sector.

GIZ operates based on the common good and the leading role of GIZ in developing countries is focused on sustainable development and resource management. First, in the economic development and employment sector, GIZ provides programs that include skills training, economic policy advice, economic system development, financial system development, and private sector promotion. Second, in the field of democratic governance and economic alleviation, GIZ provides programs such as development-oriented emergency assistance, peacebuilding and crisis prevention, governance, sustainable urban development, and structural poverty alleviation. Third, in the fields of education, health, and social security, GIZ provides programs that include education, development-oriented drug control, promotion of children and young people, and prevention of HIV/AIDS. Fourth, in the field of environment and infrastructure includes waste, energy and air management, natural resource management, transportation and mobility, implementation of environmental regimes or international environmental policies, and capacity building related to climate change. Finally, agriculture, fisheries, and food include coastal zone management, land management, market-oriented agricultural and food systems, agricultural and rural development policy advice, and life security in rural areas (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, 2011)

Indonesia has an important role in the context of BMU international cooperation because of the importance of climate change mitigation and biodiversity conservation. GIZ has been instrumental in supporting Indonesia's efforts to conserve its rich biodiversity and combat climate change. Through various projects and partnerships,

GIZ has worked on issues such as sustainable forestry, biodiversity conservation, and climate resilience. Then, in Environmental Sustainability, GIZ has also contributed significantly to Indonesia's economic growth and development. This includes support for small and medium-sized enterprises (SMEs), vocational training, and entrepreneurship programs aimed at boosting job creation and fostering economic resilience. GIZ has also been actively involved in initiatives focused on social inclusion and equity. This includes projects aimed at improving access to education, healthcare, and social services for marginalized and vulnerable populations. In addition, GIZ has worked closely with Indonesia to enhance governance structures and promote good governance practices at various levels of government. This has included efforts to strengthen administrative capacities and promote transparency and accountability.

1.2 Research Question

From the background description of the problem above, a problem formulation can be taken as follows: **How does GIZ contributed to poverty alleviation, inclusive growth, climate change mitigation, and good governance in Indonesia?**

1.3 Theoretical Framework

1.3.1 The Concept of Foreign Policy

In studying the meaning of foreign policy, foreign policy is basically an "action theory" or policy of another country to achieve a certain interest. In general, foreign policy is a tool that contains values, attitudes, directions, and objectives to maintain, secure, and advance national interests in the international world (Yani, 2010). S commitment is basically a basic strategy to achieve a goal both in the domestic and foreign context, and at the same time determines the involvement of a country in international issues or in the surrounding environment.

An understanding of the concept of foreign policy can separate it into two components: political and foreign. Policy is a set of decisions that become a guide to action, or a set of actions aimed at achieving goals that have been set in advance. Policy itself begins with the concept of "choice" is choosing actions or making decisions to achieve certain goals. Then, on the idea of sovereignty and the concept of "territory" will help efforts in understanding the concept of foreign affairs. Sovereignty itself

means a control over territory owned by a country. Thus, foreign policy is a set of guidelines that are useful for choosing actions that will be aimed outside the territory of a country. Understanding this concept is necessary to distinguish between foreign policy and domestic politics. However, it is also undeniable that the making of foreign policy will always be related to the consequences related to those in the country.

Foreign policy is one of the fields of study in the study of International Relations and is a complex study because it involves not only external aspects but also internal aspects of a country (James N. Rosenau K. W., 1976). States that have a role as actors who conduct foreign policy remain the main political unit in the system of international relations, although non-state actors are increasingly playing an important role in international relations.

In the study of foreign policy as a system, the stimulate or responses from the external and domestic spheres as inputs that can affect a country's foreign policy, so that it is perceived by decision makers from within the conversion process into an output. This conversion process refers to the meaning of situations, both those that take place in the external and internal environment by considering the goals to be achieved and the means and capabilities they have (Rosenau, *The Scientific Study of Foreign Policy*, 1980).

Foreign policy is a strategy or plan of action made directly by state decision-makers in dealing with other states or other international political units and controlled to achieve specific national goals outlined in terms of national interest (Plano & Olton, 1979). Foreign policy itself is carried out by the government of a country does aim to achieve the national interests of the people it governs, although the national interests of a nation at that time are determined by who is in power at that time (Mas'oed, 1994).

According to Rosenau, the definition of foreign policy is the effort of a country through its overall attitudes and activities to cope with and benefit from its external environment (James N. Rosenau G. B., 1976). Foreign policy, according to him, is aimed at maintaining and maintaining the survival of a country (James N. Rosenau G. B., 1976, p. 32). Furthermore, according to Rosenau, if we examine a country's foreign policy, we will enter a broad and complex phenomenon, covering internal life and external needs including internal and external life such as aspirations, national attributes, culture, conflicts, capabilities, institutions, and routine activities aimed at achieving and maintaining social identity, law, and geography of a country as a nation-state (James N. Rosenau G. B., 1976, p. 15).

In fact, the objectives of foreign policy are a function of the process by which state objectives are structured or created. These goals are due to goals seen from the past and aspirations in the future. Foreign policy objectives themselves are distinguished by long-term, medium-term, and short-term goals. The long-term goal of foreign policy is to achieve the goals of peace, security, and power (Rosenau, *International Politics and Foreign Policy: A Reader in Research and Theory*, 1969).

The political purpose of the country can be said to be an image of the state and conditions in the future of a country in which the government through national policy makers is able to extend its influence on other countries by changing or maintaining the actions of other countries. By its very nature, the purpose of foreign policy is concrete and abstract. Meanwhile, in terms of time, foreign policy goals can last a long time at a certain period and can also be temporary according to certain conditions.

1.3.2 The Concept of Foreign Aid

The provision of foreign aid is nothing new in international relations. This practice has even been started since after the Second World War with the aim of helping countries affected by the role. Until now, almost all countries in the world have been involved in development assistance, either as aid granting countries, aid recipients, or both. Foreign aid is one of the instruments that is often used to achieve a country's foreign policy goals (Alves, 2010). Foreign aid can be in the form of diplomacy, propaganda, or military action directed by one country against another country. As Weisman pointed out, foreign aid is a component of diplomacy and can be said to be an effective means of control, at least to influence the actions of other countries (Louis A. Picard, 2008).

Foreign aid can generally consist of all resources such as goods, skills and technical knowledge, grants, funds borrowed by the donor country to the receiving country with a view to addressing humanitarian and development needs. Foreign aid has increased and expanded issues, placing this means of provision as one of the significant issues in the study of international relations. However, the definition of foreign aid in a narrower sense refers to donor countries that have an interest in a country's needs, such as poverty. Donor countries can help overcome the suffering of the poor and be active in human welfare, poverty reduction, and development in foreign aid recipient countries (Riddle, 2007).

K.J. Holsti, in his book *International Politics: Framework of Analysis*, defines foreign aid as the transfer of money, technology, or technical advice from donor countries to recipient countries (Holsti, 1995). National Security and Political Motives: Foreign aid instruments are often used as the primary reason for protecting the interests and national security of auxiliary states. However, this is rarely found as an official motive for a country to provide foreign aid. It cannot be denied that often the granting country provides assistance to achieve political interests such as security objectives, diplomatic cooperation relations, to get the privileges obtained by the aid country. This is the main characteristic in the foreign aid policy of foreign aid granting countries. In politics, the motive brought is to build cooperation in diplomatic relations so that the aid giving country gets allies or support from other parties to support an interest of the aid giving country (Enrenfelt, 2004)

- a. Humanitarian and Moral Motives: This motive is based on the obligation of every human being to help each other who does not have the ability to meet his needs. This reason is implemented to help poor and developing countries by rich countries. Expressing compassion to victims of conflict and helping poor countries in order to help poor people in developing countries as the main foundation. In this motive, there are two indicators are reducing poverty by creating jobs and showing concern for other countries.
- b. Economic Motives: This motive relates to the business interests of the granting country, which are binding. In general, foreign aid is binding on the wishes and requests of the granting country so that the funds that have been given can meet the needs of the recipient country or poor and developing countries. This motive is characterized by activities that refer to export-import and investment activities that can affect the condition of the country's economy.
- c. Environmental Motives: Efforts to protect the global environment that are used for the common good emphasize that each country must take strategic steps and implement directly well for sustainable growth. Developing countries are labeled as major contributors to environmental degradation due to high poverty and high population growth, thus encouraging greater use of the earth's resources.

1.3.3 Theories and Concepts in International Development

The concept of sustainable development basically states that development by the current generation should not sacrifice the welfare of future generations, including economic welfare, health, education, and the environment. Development can be broadly defined as efforts aimed at improving the quality of human life while striving to stay within the supporting ecosystem's limits. Sustainable development is a key concept, emphasizing the need to meet present needs without compromising the ability of future generations to meet theirs (Jaya, 2004). This includes economic, social, and environmental dimensions, ensuring balanced growth and equitable resource distribution.

The concept of sustainable development, defined as development that considers the interests of the present without sacrificing the interests of future generations, began to emerge at an international meeting in Norway in 1987, led by the Prime Minister of Norway, Gro Harlem Brundtland. This meeting became the starting point of the so-called "second revolution" in national development, claiming that economic development not only damages the environment, but can also coexist with environmental development synergistically.

According to the Concept of Sustainable Development in National and Regional Development Planning by Muhammad Suparmoko in the Journal of Economics and Management, this collaboration is expected to achieve true and desired prosperity (Suparmoko, 2020). Economic development is expected to increase national income so that the country has the resources to protect its environment from damage. On the contrary, good environmental conditions are expected not only to sustain the lives of humans and other creatures, but also to minimize the necessary development costs.

International development theories provide frameworks for understanding how nations can progress economically, socially, and politically. These theories often focus on the role of economic policies, institutional structures, and external influences such as foreign aid and global trade dynamics. They highlight the importance of sustainable practices and equitable growth to avoid overexploitation of natural resources (Jaya, 2004).

International organizations play a crucial role in national development by providing financial assistance, technical expertise, and policy guidance. Organizations

like GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) support sustainable development initiatives, focusing on areas such as poverty alleviation, climate change mitigation, and good governance. These efforts help nations like Indonesia achieve long-term development goals while ensuring environmental sustainability and social equity (Jaya, 2004).

The role of GIZ in Indonesia is important to be associated with the concept of sustainable development. GIZ as an international organization focused on development cooperation can play a key role in promoting a sustainable development approach in Indonesia. Through its projects, GIZ can help ensure that driven economic development does not only focus on economic growth alone, but also pays attention to social aspects such as health, education, and poverty alleviation, as well as protecting the environment from sustainable degradation. For example, GIZ can integrate sustainable development principles in its projects in Indonesia, such as promoting environmentally friendly technologies and practices, developing the capacity of local communities in sustainable natural resource management, and supporting government policies that prioritize inclusive and sustainable development.

In this context, there are several connections with the concept of sustainable development that has been described. First, GIZ can play a role in providing adequate development capital, including skilled and highly ethical human capital. Through its programs, GIZ can help increase the capacity of human resources in Indonesia, including in sustainable policy planning and implementation. In addition, GIZ can also contribute to the development of man-made capital through sustainable infrastructure projects, such as transportation and communication that are evenly distributed throughout Indonesia (GIZ Home, 2024). This will support inclusive and sustainable economic growth, in line with national development goals.

In particular, GIZ can also play a role in the management and conservation of natural resources and the environment in Indonesia. By promoting sustainable technologies and practices, as well as supporting sustainable environmental policies, GIZ can help reduce reliance on non-renewable natural resources and strengthen the use of renewable energy such as biofuels and other energy sources. GIZ is known to be active in promoting sustainable development in partner countries such as Indonesia, by integrating economic, social, and environmental principles in their projects. They not

only build the capacity of local human resources and institutions through training and technology transfer, but also contribute to the development of infrastructure such as transportation, energy, and communication evenly across the region. In addition, GIZ is involved in the sustainable management of natural resources, including the development of renewable energy and environmental sustainability. Through a collaborative approach with governments, the private sector, and civil society, GIZ facilitates joint efforts to achieve holistic and integrated development, which supports inclusive economic growth and sustainable environmental protection (GIZ Home, 2024).

1.4 Hypothesis

GIZ has contributed to poverty alleviation, inclusive growth, climate change mitigation, and good governance in Indonesia by implementing integrated programs that focus on community development, sustainable economic practices, environmental conservation, and strengthening institutional frameworks.

1.5 Purpose of Research

Based on the background and formulation of the problem above, the objectives to be achieved in this study are:

1. This research will examine the existing cooperative relationship between Indonesia and Germany, specifically focusing on their collaboration through GIZ (*Deutsche Gessellschaft Fur Internationale Zusammenarbeit*).
2. This study aims to show the implications of Germany's role aimed at sustainable development for Indonesia through collaboration from Germany is GIZ (*Deutsche Gessellschaft Fur Internationale Zusammenarbeit*)

1.6 Methodology

The research method to be used is a qualitative research method using literature research, namely books, magazines, official documents, newspaper clippings, agendas, research results on related issues and news website pages as sources of data collection. The method used in this study is explanatory, meaning that the research will explain the things or behavior behind the phenomena that occur.

Data collection technique is data collection through literature research. Data collection is carried out by literature study techniques, namely through secondary data collection. The author collected data related to the problem being researched by individual libraries in the form of journals, literary and news books, as well as online data from the Internet. The author related this research by referring to previous research. Data analysis techniques are carried out descriptively and analysis is carried out to explain how something can happen by collecting facts that are done systematically. The data found will then be analyzed in accordance with the frame of mind that has been described.

1.7 Scope of Research

The scope of this study is to discuss the existing partnership between Indonesia and Germany. This study will focus on the period from 2017 until 2022. It will analyze the role of GIZ (*Deutsche Gessellschaft Fur Internationale Zusammenarbeit*) in Sustainable development in Indonesia focusing on energy and climate change, inclusive growth that can reach the wider community, and good governance and global networks. This research will explore the role of GIZ (*Deutsche Gessellschaft Fur Internationale Zusammenarbeit*) to strengthen relations between Germany and Indonesia and examine how the partnership aligns with the strategies and priorities of cooperation between the two countries. In addition, the study will investigate the social implications of partnerships, including job creation, skills development, and sustainable growth. The research will draw on a variety of sources, including academic papers, industry reports, government publications and interviews with relevant stakeholders. It will provide a comprehensive analysis of Indonesia-Germany cooperation in sustainable development.

1.8 Writing Structure

The structure of this thesis which analyses the Role of GIZ (*Deutsche Gessellschaft Fur Internationale Zusammenarbeit*) in contributing to Indonesia's development is arranged as follows:

Chapter I: Introduction

This chapter introduces the fundamentals of the research, which contains the Background, Research Question, Theoretical Framework, Hypothesis, Research Methodology, and Writing Structure.

Chapter II: Literature Review

- In this chapter, theories and concepts in international development are explored, covering key ideas that shape global development efforts. Various theories such as modernization, dependency, and world-systems are discussed, along with their relevance to contemporary practices. This foundation helps in understanding the role of organizations like GIZ in national development.
- The history and profile of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) are examined, detailing its evolution, mission, and organizational structure. This section highlights GIZ's strategic approach and commitment to sustainable growth.
- Lastly, the focus is on GIZ's operations and collaborations in Indonesia. Key programs in capacity building, economic development, environmental sustainability, and energy efficiency are analyzed, providing examples of successful projects. Additionally, GIZ's partnerships with the Indonesian government and local organizations are explored, emphasizing collaborative efforts in development initiatives.

Chapter III : Analysis of GIZ's Programs and Contributions in Indonesia

This chapter provides an in-depth analysis of GIZ's programs and contributions in Indonesia, focusing on poverty alleviation and inclusive growth, climate change, and good governance. In the area of poverty alleviation and inclusive growth, GIZ has implemented various initiatives aimed at enhancing economic opportunities for marginalized communities. These programs include vocational training, support for small and medium-sized enterprises, and efforts to improve access to financial services. The impact of these initiatives is assessed through case studies and data on economic upliftment and reduced poverty levels.

In addressing climate change, GIZ's programs focus on promoting sustainable environmental practices and reducing carbon emissions. This includes projects on renewable energy, waste management, and climate-resilient agriculture. The

effectiveness of these initiatives is evaluated based on their contributions to environmental sustainability and the mitigation of climate change impacts.

Regarding good governance, GIZ has been instrumental in supporting transparent and accountable governance structures in Indonesia. Programs aimed at strengthening public institutions, enhancing civic participation, and promoting anti-corruption measures are analyzed. The chapter assesses the success of these initiatives in improving governance standards and fostering a more inclusive and participatory political environment.

Chapter IV : Conclusion

In conclusion, GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) has significantly contributed to Indonesia's development in poverty alleviation, inclusive growth, climate change mitigation, and good governance. Collaborative efforts with the Indonesian government and local stakeholders have led to notable successes.