

## CHAPTER I

### INTRODUCTION

The undergraduate thesis discusses the support of the U.S. government for Indonesia's reforestation program. The focus on this research is on the case study of the U.S. government's nature swap policy on the Indonesia's debt (debt-for-nature swap program by the U.S. to Indonesia) as stated in UNFCCC (United Nations Framework Convention on Climate Change) held in Bali, Indonesia 2007. In this chapter contains the problem background, the research question, the theoretical framework, the hypothesis, the purpose and benefit of the study, the method research, the range of research and system of writing.

#### A. Problem background

The issue of climate change gets a lot of attention from the international society after the publication of the Stern' review on *The Economics of Climate Change*<sup>1</sup>. He explained that "deforestation in developing countries contribute 20% of the emission of carbon dioxide (greenhouse gases) from the total of global emission"<sup>2</sup>. It can be inferred from the statement that developed countries contribute

---

<sup>1</sup> Sir Nicholas Stern, "Stern Review on the Economics of Climate Change," Available at

[http://www.hm-treasury.gov.uk/independent\\_reviews/stern\\_review\\_economics\\_climate\\_change/stern\\_review\\_report.cfm](http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm) accessed on 25 December 2007.

<sup>2</sup> *ibid*,

80% of the carbon emission on the atmosphere which is mainly resulted from the industry and energy sector. The climate change will impact globally, and the developing countries would also get huge impact. It will be unfair for the developing country, since they are not equal in contribute the carbon emission on the atmosphere as like as developed country.

The problem of climate change was previously reaffirmed in the COP-13 (Conference of Parties) Bali, Indonesia 2007 that schemed on the agenda of the United Nations Framework Convention on Climate Change (UNFCCC). The UN conference on climate change held in Bali led to a final agreement known as “the Bali Roadmap”<sup>3</sup>. The conference outlined a new negotiation process on the international agreement on climate change. The Roadmap included a decision to launch an Adaptation Fund as well as technology transfer and reduction emissions from deforestation and forest degradation.

The problem of deforestation and forest degradation in Indonesia spur an extraordinary attention by UNFCCC 2007 participants in Bali. The conference was attended by more than 10,000 participants, including the representatives of more than

---

<sup>3</sup> Article UNFCCC by Anup Shah, available at

180 countries and observers from intergovernmental and non governmental organization, and the media<sup>4</sup>.

The Climate change conference held in Bali 2007 was also included two weeks periods of the subsidiary meeting from the parties to the Kyoto Protocol ratification. The Kyoto Protocol was a major agreement made in CoP 3 in Kyoto, Japan 1997. On the UNFCCC Bali 2007, the Kyoto Protocol was review to the ratification of the country in Annex-1 (industrialized country) and the European community to provide mandatory targets on greenhouse-gas emissions for the world's leading economies. The major future of the Kyoto Protocol is that sets binding targets for 37 industrialized countries and the European community for reducing greenhouse gas (GHG) emissions from industry sector<sup>5</sup>. The final agreement of Kyoto Protocol meeting that was included on the UNFCCC Bali 2007 states that the U.S. as the major industrialized country still refuses to Kyoto ratification. The Kyoto protocol is predicted will give a great lose to the U.S. industry that will affect to the U.S. economy.

The major agreement on the environment in UNFCCC Bali is between the U.S. and Indonesia. The U.S. government under President George W. Bush has given a big assistance and attention to Indonesia's efforts to protect the environment. President George W. Bush really showed serious support and stated his appreciation

---

<sup>4</sup> Available at <http://www.globalissues.org/EnvIssues/GlobalWarming/bali.php>, accessed on January 20th, 2008

<sup>5</sup> Available at [http://www.unfccc.int/kyoto\\_protocol/kyoto\\_protocol.html](http://www.unfccc.int/kyoto_protocol/kyoto_protocol.html), accessed on 2 January 2008

to appreciated Indonesia's strong commitment to the protection of the environment. The U.S. Undersecretary of Treasury for International Affairs and the Indonesian Director General for Debt Management issued a joint statement on December 11, 2007 expressing both countries' desire to conclude an agreement to implement a Debt-for-nature swap program to finance tropical forest conservation in Indonesia<sup>6</sup>. The implementation of the program of the debt for nature swap is under the U.S. Tropical Forest Conservation Act (TFCA).

The U.S. agreed to Indonesia's reforestation program through "the Debt-for-Nature Swap USD 19.6 million"<sup>7</sup>. The Debt-for-Nature Swap program is "an agreement by which a wealthier, developed nation like the U.S. abolishes debt owed to it by a developing country in exchange for a promise to use some or all of the money instead to preserve critical environmental areas"<sup>8</sup>. The Debt-for-Nature Swap program was firstly established in the 1980s by the U.S.<sup>9</sup>

The program of Debt-for-Nature Swap of the U.S. to Indonesia was firstly introduced on the APEC (Asia-Pacific Economic Cooperation) Leaders Summit 2007 in Sydney, Australia. However, the agreement to the program implementation was

---

<sup>6</sup> Available at [http://www.jakarta.usembassy.gov/U\\_S\\_Indonesia Debt-For-Nature Statement.mht](http://www.jakarta.usembassy.gov/U_S_Indonesia%20Debt-For-Nature%20Statement.mht) accessed on March 11<sup>th</sup>, 2008.

<sup>7</sup> Article on sisipan National Geographic Indonesia, edition of October 2007, pg. 38

<sup>8</sup> Available at <http://www.wisegeek.com/what-is-a-debt-for-nature-swap.htm> accessed on January 2, 2008.

just made at the end of 2007. The U.S. announced the Debt-for-Nature Swap program of USD 19.6 million to Indonesia forest on the CoP (Conference of Parties) 13 UNFCCC held in Bali, Indonesia. The agreement of the debt for nature swap program USD 19.6 million was then signed by both countries on the 11<sup>th</sup> day Conference<sup>10</sup>.

## **B. Research Question**

Based on the illustration above, the main problem of analysis is stated to be **“Why the Debt-for-Nature Swap program was signed by the U.S. and Indonesia on the UNFCCC Bali 2007?”**

## **C. Theoretical Framework**

The paper would try to analyze the main problem on this research by using concept and theory. According to Mochtar Mas'oeed, “concept is an abstraction that represents an object, characters of an object, or a certain phenomenon.”<sup>11</sup> One of its functions is to organize our ideas, perceptions, and symbols in the form of classification and generalization.<sup>12</sup> Concept is very important method in analyzing and evaluating the problem of research question.

Theory helps us to explain and predict a certain phenomenon. According to McCain and Segal, theory is a series of related statements consisting (1) sentences

---

<sup>10</sup> Available at [http://www.jakarta.usembassy.gov/U\\_S\\_Indonesia Debt-For-Nature Statement.mht](http://www.jakarta.usembassy.gov/U_S_Indonesia%20Debt-For-Nature%20Statement.mht), accessed on March 11<sup>th</sup>, 2008

<sup>11</sup> Mochtar Mas'oeed, *Hubungan Internasional Disiplin dan Metodologi*, Jakarta: LP3ES, 1990, pg. 93-94.

that introducing terms that refer to the basic concepts; (2) sentences that relating the basic concepts; (3) sentences that relating several theoretical statements with groups of probable empirical analysis on the object (hypothesis).<sup>13</sup>

To support the hypothesis, this paper would try to analyze by the concept of Eco-politics and decision making process theory.

### 1. Eco-politics

Eco-politics is the intersection of ecology and politics. "Ecology deals with the impact of the human activity on the environment. Politics is concerned with the exercise of power. Eco-politics, then, centers on how political actors formulate policy responses to the environment"<sup>14</sup>. According to Kegley, people and states today face a broad range of environmental and resource challenges. This concept tries to understand how ecology and politics interact to shape our next future. Politics commonly comes up as a powerful force that permeates all dimensions of environmental and resources issues, ranging from the evaluation of scientific evidences to prescriptions for dealing with the environment. The concept of eco-politics also needs to examine the alternative strategies that states have adopted for coping with environmental stress and how environmental issues are linked to other values as such as the economic and national security.

---

<sup>13</sup> Mochtar Mas' oed, *Hubungan Internasional Disiplin dan Metodologi*, op.cit, pg. 187.

<sup>14</sup> Charles W. Keglev. Jr and Eugene R. Witt Kopf, *World Politics, Trend and Transformation*, Boston

The U.S. under President George W. Bush has signed policy through the Debt-for-Nature Swap program to Indonesia. The agreement between two countries is expected to be an anticipation strategy of the environment degradation, which focused on the deforestation and forest degradation in Indonesia. Based on the concept of eco-politic, this paper explores on what factors that cause and influence the policy of the U.S. under President George W. Bush signing on the Debt-for-Nature Swap program to Indonesia, it is predicted that the signing of the program has significantly relate to the U.S. domestic interest. The Debt-for-Nature Swap is also assumed that it will be beneficial for Indonesia beside the program purpose to conserve the tropical forest.

## **2. Decision Making Process Theory by William D. Coplin**

Based on George Modelski (1962; 43), Foreign Policy is the system activities evolved by communities for changing the behavior of other states and for adjusting their own activities to the international environment<sup>15</sup>. The foreign policy is very useful to determine the national interest of a state. It can be stated as the goals that officials representing states seek abroad, the values that underline goals, and the means or instruments used to pursue them. Foreign policy is also a set of goals to

... with other countries. It is designed to protect a

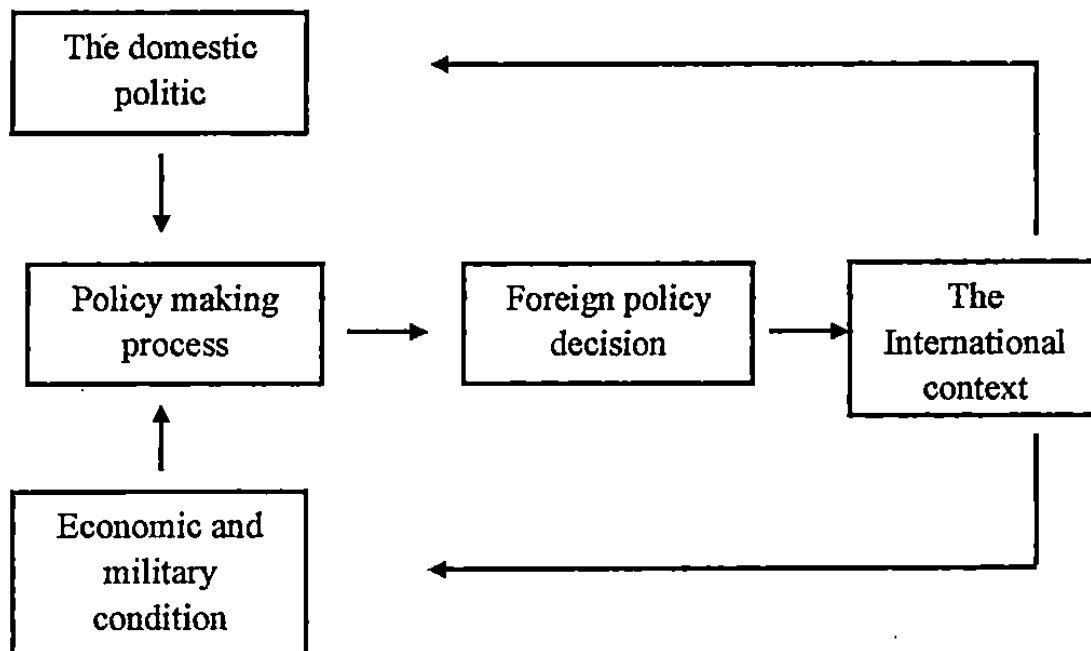
country's national interest, national security, ideological goal and economic prosperity<sup>16</sup>.

Based on William D. Coplin, it is stated that foreign policy of a state is determined by the three factors, which are:

1. The domestic politic of a state;
2. The military and economic condition;
3. The international context, the condition of a state that is purposed by foreign policy.

The theory foreign policy by William D. Coplin can be drawn as like the following:

**Figure 1. DIAGRAM OF DECISION MAKING PROCESS<sup>17</sup>**



<sup>16</sup> [www.wikipedia.com/foreign\\_policy.htm](http://www.wikipedia.com/foreign_policy.htm), accessed on 11 March 2008



The international context explained as the product of foreign policy actions by others states, past, present and future, possible or anticipated<sup>18</sup>. The international context will influence of two factors which are the domestic politic and economic military condition. The climate change is the global issue that includes natural resources, such as atmosphere and oceans that belong to all living being rather than to individual nations<sup>19</sup>. The earth climate influences all states on the entire world, international cooperation is expected to mitigate from the threat of climate change. The issue of climate change is global challenges, in which the states have to agree on their commitment to reduce the greenhouse gases. No one state can anticipate the stabilization on the climate system as long as they reduce their emissions. The U.S. policy is purposed to protect its domestic politic and economy military. On the domestic politic, the climate change has influenced the decision making process of the U.S. parliament. This becomes the consideration of government to decide the foreign policy through the Debt-for-Nature Swap program to Indonesia. On the parliament, the decision making process of the U.S. is not only determined by the voice of President but also the congress and the interest groups. Then, the role of industries particularly the big companies can also determine the foreign policy of the U.S. government<sup>20</sup>.

---

<sup>18</sup> Nur Azizah, *Theories of International Relations*, University of Muhammadiyah Yogyakarta .2006

<sup>19</sup> Porter, Gareth & Brown, Janet Welsh, *Global Environmental Politics* (West view Press, 1991)

<sup>20</sup> ... .. (Jakarta: Pustaka ... ..)

The issue of climate change also influences the U.S. economy and military condition that becomes the main consideration of the decision makers to take a foreign policy on the Debt-for-Nature Swap program to Indonesia. The U.S. economy depends on its industrial operation includes the oil company that supply the U.S. national income. Those industries sector becomes the major support of the U.S. economy to finance the U.S. national needs including its military. The advance of the weapon and military need many budgets and the weapon and military are supplied by the profit of the U.S. industry sectors.

The U.S. under President George W. Bush on its policy through the Debt-for-Nature Swap program is trying to response and anticipates the problem of climate change challenges. This program is through the reforestation program in Indonesia. This success of program is expected to stabilize the greenhouse gases on the global atmosphere. The problem of climate change will automatically weaken the U.S. national security which dealing on its economic and military. The U.S. foreign policy is in line with the theory of foreign policy stated by Jack C. Plano and Roy Olton, that

(foreign policy as a strategy or planned course of a action developed by the decision makers of a state vis a vis other state or international entities aimed at achieving specific goals defined in terms of national interest)<sup>21</sup>

From the above theory, the U.S. signed on the Debt-for-Nature Swap to Indonesia is designed and purposed to protect the national or domestic interest. It has political purpose. Since the agreement on the COP-13 UNFCCC Bali that the Kyoto Protocol subsidiary meeting on two weeks periods was included the on the conference, the agreement was deadlocked for the U.S. to reduce the carbon emission from its industry sector<sup>22</sup>, then the U.S. signed the Debt-for-Nature Swap program to Indonesia in UNFCCC Bali 2007. Experts argue that the U.S action on the Debt-for-Nature Swap program is the excuse or escape from its responsibilities from the Kyoto Protocol ratification to reduce its emission. Based on the theory of foreign policy, this research will analyze how the U.S. government related the policy on through the Debt-for-Nature Swap program to Indonesia with the domestic interest of the U.S.

#### **D. Hypothesis**

Hypothesis is tentative answers taken from the conceptual framework, temporary data and reference. Based on the conceptual framework, the writer proposed hypothesis is: *Through the Debt-for-Nature Swap, the U.S. is trying to sustain its industrial operation.*

---

22 A. S. P. "A. S. P. 'The U.S. Must Sign Kyoto Protocol'" available at TEMBO magazine December

## **E. Purpose and Benefit of Research**

The research will analyze the main purpose of the Debt-for-Nature Swap program. The purpose of this research is to explain behind the determinant motives of the U.S. government under President George W. Bush signing its policy through the Debt-for-Nature Swap program to Indonesia forest. This research also explains the benefit from the Debt-for-Nature Swap program for both countries, the U.S. and Indonesia. This research is expected to for practical benefits that will enrich understanding on the picture of the action and determinant motives of the U.S. toward Indonesia in anticipate the environmental degradation. The research is trying to analyze the main problem from the environmental perspective ands other values that relate to the main problem.

## **F. Method of Research**

There are two important elements in science: empirical verification and logical integrity. The writer wishes to base this research on deductive logic in which the theoretical expectations were born out by empirical reality<sup>23</sup>. To get a deep and comprehensive analysis, this paper adopts the library research method while the verification of the hypothesis is based on the empirical reality. The sources of information include collecting references in the forms of books, encyclopedia,

---

<sup>23</sup> See Paul D. Babbie, *The Basics of Qualitative Research*, 1998, p. 100.

articles, magazines, newspapers, and journals. In addition, various data from internet will also be used since some information and data dealing with the topic forwarded are only available through the internet media as the updated resource.

### **G. Range of Research**

It is very essential and important to draw the limitation on the research. This will help the research to explore and analyze the data, to prevent the subject from being expanded and thus keeping the focus of the discussion on track. The paper will focus on the behind determinant motives of the U.S. under President George W. Bush on the Debt-for-Nature Swap program to Indonesia forest, what the interest of the U.S. behind the policy toward the Indonesia forest is. The research is trying to analyze the main problem from the environmental perspective and other values that relate to the problem. This research wishes to explain the interests of the U.S. on the Debt-for-Nature Swap program to Indonesia forest. The research will show the dynamic efforts of action of the U.S. towards the environment issue, especially that related to the developing countries such as Indonesia as one of crucial members of International forestry community. The issue on this research is on the forest degradation and deforestation which address to the process of global warming and climate change. This will be on the relation between the U.S. and Indonesia actions

## **H. System of writing**

Systematically, the research which titled of the support of the U.S. for Indonesia's reforestation program that emphasizes on the case study of behinds the policy of the U.S. government debt-for-nature swap program to Indonesia will be divided into five chapters:

**Chapter I:** This chapter discusses the introduction contains problem background, research question, theoretical framework, and hypothesis, purpose of research, method of research, range of research, and system of writing.

**Chapter II:** This chapter discusses the UNFCCC (United Nation Framework Convention on Climate Change) held in Bali Indonesia 2007. Then discuss the historical background of the UNFCCC and its secretariat. The chapter also discusses the Kyoto Protocol as the session meeting included on UNFCCC Bali and the Bali Roadmap as the agreement made on the conference. Then, it will discuss the U.S. agreement on the Debt-for-Nature swap to Indonesia forest in UNFCCC 2007 held in Bali, Indonesia. The writer will also discuss about the program implementation of the Debt-for-Nature swap under the U.S. TFCA (Tropical Forest Conservation act), about its benefit, requirement and mechanism.

**Chapter III:** This chapter discusses about the background of Indonesia forest, about the function of Indonesia's forest. Then this chapter also discusses the history of Indonesia's deforestation, the deforestation and forest degradation. It is...

environment and the last is the position of Indonesia's deforestation as the world's third largest emitter. It can be stated that this chapter as an overview and the geopolitics of Indonesia forest.

**Chapter IV:** This chapter discusses the domestic politics of the U.S., the factors of the U.S. launched the Debt-for-Nature swap program to Indonesia forest, the industry and its emission, and the eco-politics of the U.S. that triggers the determinant motives of the U.S. formulated the Debt-for-Nature swap program to Indonesia. This chapter will be the expectation of the U.S. toward the Debt-for-Nature swap program and the interest of the U.S. launched the Debt-for-Nature swap to Indonesia forest.

**Chapter V:** This chapter is the closing part of the thesis that contains conclusion and recommendation