

CHAPTER I

INTRODUCTION

1.1 Background

Indonesia and South Korea have developed close collaboration in the development of electric automobile technology, in tandem with the advancement of technology and the need to mitigate adverse environmental effects. Both nations understand how critical it is to switch to ecologically friendly automobiles in order to cut greenhouse gas emissions and quicken the change to a sustainable society. The challenges posed by climate change and the need to develop more environmentally friendly transportation options led to the beginning of cooperation between South Korea and Indonesia in the development of electric vehicles. Both understand that electric vehicles are a smart move toward lowering reliance on fossil fuels and hastening the adoption of renewable energy sources, in addition to being a way to lessen air pollution.

As part of this collaboration, South Korea and Indonesia share the most recent advancements in electric vehicle technology. Prominent automotive enterprises from both nations are collaborating to create cost-effective, efficient, and widely adopted electric cars. This alliance is based on cooperative research projects, skilled labor exchange, and joint research and development efforts. The governments of South Korea and Indonesia have also pledged to work together to build sufficient infrastructure for charging electric vehicles to facilitate the expansion of this industry in both nations. These actions include expanding the network of charging stations, creating fast charging technologies, and offering financial incentives to promote the use of electric vehicles by the general population. It is anticipated that South Korea and Indonesia will be able to take the lead in the electric vehicle market in the area with this cooperation. Furthermore, new commercial prospects, employment creation, and a favorable impact on sustainable economic growth in both countries are anticipated outcomes of this relationship. South Korea and Indonesia are working together to address environmental issues with cutting-edge technologies, like electric vehicles since they have the same goal of building a more sustainable and greener future (Aszhari, 2023).

Known for being one of the top manufacturers in the world, South Korea is home to brands like Hyundai and KIA which are experts in electric vehicle technology. Meanwhile,

Indonesia presents a potential market for electric vehicles due to its sizable market and robust industrial sector. Indonesia proposed cooperation to develop electric and hybrid cars to South Korea, which was stated in the IK-CEPA in 2012 (Sada Rhema El Shaddai, 2023). IK-CEPA or known as Indonesia-South Korea Comprehensive Economic Partnerships Agreement is a bilateral free trade agreement (FTA) between Indonesia and South Korea covering trade in goods, services, investment, economic, legal and institutional cooperation. The Indonesian government has agreed to ratify this trade agreement through Law Number 25 of 2022 which was enacted in September 2022 and has officially been implemented since January 1, 2023 (KEMENTRIAN KEUNGAN DIREKTORAT JENDERAL DAN BEA CUKAI, 2023).

Negotiations for the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA) began in 2012, under the administrations of Presidents Susilo Bambang Yudhoyono and Lee Myung Bak. Following seven rounds of discussions, the bilateral trade agreement between Indonesia and the Republic of Korea was temporarily suspended in 2014 due to a change in government. During the resident's State Visit to Seoul, Republic of Korea, on September 10-11, 2018, the presidents of both nations agreed to look into reactivating the IK-CEPA negotiations. On February 19, 2019, both nations' Trade Ministers followed up and announced the resumption of the IK-CEPA negotiations. On December 18, 2020, the IK-CEPA was signed by the Minister of Trade of the Republic of Indonesia Agus Suparmanto and the Minister of Trade, Industry, and Energy (MOTIE) of the Republic of Korea Sung Yun-mo in Seoul, Republic of Korea, following a legal scrubbing process, translation into Indonesian and Korean, and the necessary domestic processes (FTA Center, 2022).

Indonesia wanted to develop cars that were more environmentally friendly, which is why they decided to work together. Positive aspects of the Indonesian automotive market include its sales of South Korean goods. Indonesia's potential is considered by South Korea to be highly significant to its objective of developing electric cars, specifically, the agenda planning for eco-friendly automobiles at IK-CEPA 2012. Enhanced Indonesia possesses significant nickel (a raw material for batteries) potential, growing market interest and demand, and parallels with the development of electric vehicles. As a result, Indonesia was prompted to resume collaboration by South Korea, particularly in Indonesia's advancement of electric vehicle technology (Sada Rhema El Shaddai, 2023).

1.2 Research Questions

Drawing from the context above, the author's description of the problem that they will address in this study is How does the collaboration between Indonesia and South Korea in electric vehicle development contribute to economic and environmental sustainability also the reduction of greenhouse gas emissions in Indonesia on the period of 2020-2023?

1.3 Theoretical Framework

1.3.1 International Cooperation Theory

The study of the reasons behind conflict and the circumstances surrounding cooperation is the main goal of international relations theory. A thorough understanding of international relations must be based on both conceptions of conflict and cooperation. Actors alter their behavior in reaction to and anticipate the decisions made by other actors, which leads to cooperation. In a real negotiation process, cooperation can occur. However, talks are no longer required if all parties are already acquainted.

According to Holsti, cooperation or collaboration starts with the variety of domestic, regional, and international issues that require the attention of multiple nations. Subsequently, each government approaches the others by presenting solutions to issues, engaging in bargaining or discussion, obtaining technical data to support one proposal against another, and concluding negotiations with a mutual understanding or agreement that can satisfy all sides. The following is how Holsti defines cooperation:

1. The view that there are two or more converging interests, values or goals that can result in something, promoted or fulfilled by all parties,
2. Agreement on a particular issue between two or more countries in order to take advantage of common or conflicting interests,
3. The view or expectation of a state that the policies decided by another state help it to achieve its interests and values,
4. Official or unofficial rules regarding future transactions undertaken to implement an agreement, and
5. Transactions between states to fulfill their agreements.

Holsti's framework of understanding explained that the formation of a cooperation with the government approached each other with a proposed settlement or discussed the problem, put forward technical evidence to agree on one settlement

or another and ended the negotiations with a certain agreement or understanding that satisfied both parties (Holsti, 1988).

The distinction between conflict and collaboration as the two types of contact in international relations is made evident by Holsti's above-mentioned opinion. When parties engage in dispute resolution and are unable to come to a shared understanding, the interaction results in conflict; yet, when parties can reach a mutual understanding, the contact produces a type of cooperation. Because every nation has unique demands that it is unable to meet on its own, each nation develops policies that are relevant to its national interests. This leads to the formation of cooperation (Riana, 2016).

States and other international players cannot escape international collaboration. This is unavoidable because of the interconnection of global actors, the complexity of human life, and the disparate resource requirements of global actors (Tohtayong, 2018).

The theory of international cooperation used by the author is in accordance with the results of the discussion that has been found, where Indonesia as a developing country requires assistance from developed countries to improve their economy, therefore finally decided to cooperate with South Korea.

The author's view of international cooperation is consistent with the findings of the discussion, which indicates that all countries, even highly developed ones, have national interests that are unsolvable on their own. Despite having an outstanding per capita income and being a developed nation recognized for its smartphone and automotive technology industries, South Korea still needs cooperation with other nations since it lacks the natural resources required to produce the basic components of its products. Due to their incapacity to address their weakness, a cooperative relationship with Indonesia was established, generating mutual benefits for both sides.

Holsti states that the range of national, regional, and global challenges that demand the attention of several countries is where cooperation or collaboration begins. Thus, every government approach the others with problems to solve, bargains or talks, gets technical information to bolster one proposition against another, and ends talks with a compromise or understanding that can appease all parties.

1.3.2 Green Theory

International relations studies have started to examine and discuss the

environmental disaster that has developed in recent decades. As the effects of the environmental crisis on human life start to be felt, discussions about environmental issues such as waste, pollution, climate change, depletion of the earth's ozone layer, and biodiversity degradation have started to take place in international forums. At international forums, the topic of environmental harm started to be formally discussed. In 1972, for example, the United Nations (UN) forum held in Stockholm, Sweden, covered the issue of pollution and climate change.

examining the historical growth of human civilization, with a focus on the industrial revolution. Since its beginning in 1784, the industrial revolution has greatly impacted human socioeconomic life and fueled scientific advancement in the industrial field. Natural resource consumption has grown as a result of rapid population expansion, technical advancement, and economic development. The consequences of using up natural resources to support human life have led to the emergence of new issues like waste, pollution, and biodiversity loss.

R. Eckersley claims that ecocentrism, which opposes the anthropocentric viewpoint that views humans as the primary source of moral value, is where green politics get their traits. This point of view concurs that ecosystems and all facets of life have intrinsic value (Eckersley, 2004).

In contrast (Goodin, 1992) placed ethics at the center of green politics. According to him, the core idea of green theory is the Green Theory of Value, which emphasizes the origin of value as something that is shaped by the evolution of natural processes rather than only the actions of humans.

John Barry, on the other hand, believes that the foundation of green politics is threefold: a belief in the (international) distribution of justice, a dedication to the process of democratization, and initiatives to establish ecological sustainability. These three guiding concepts serve as a framework for defining "green politics," such as when it comes to justifying the persistence of eco-authoritarianism at the expense of social justice and democracy (Apriwan, 2011).

The author believes that the application of Green Theory is highly significant and encourages the use of electric vehicles based on the author's research findings. In addition to lowering air pollution and carbon emissions, EVs also promote the switch to renewable energy sources and increase energy efficiency. Therefore,

establishing environmental sustainability and reducing the detrimental effects of human activity on the environment are goals aligned with the adoption of electric vehicles under Green Theory. To achieve a greener and more sustainable future, the government, business community, and general public must continue to encourage and expedite the use of EVs.

1.4 Hypothesis

Seeing and understanding how the dynamic partnership of Indonesia and South Korea in electric vehicle (EV) development, it can be said that:

1. The joint efforts in EV development are likely to stimulate economic growth in both countries. Increased investment, the creation of job fields and the emergence of new EV-related businesses like battery production might all be advantageous for Indonesia. Additionally, the export potential of Indonesian-made EV components or vehicles could enhance the country's trade balance.
2. By shifting towards electric vehicles, Indonesia will lessen the negative environmental impact associated with traditional internal combustion engine vehicles. EVs produce zero tailpipe emissions, reducing air pollution and improving air quality in urban areas. Moreover, the adoption of EVs can help Indonesia meet its commitments to reduce greenhouse gas emissions under international agreements like the Paris Agreement and SDGs.

1.5 Research Purpose

The objective of this study is to answer the research questions aimed at enhancing comprehension of Indonesian and South Korean collaboration on the advancement of electric vehicles, with a focus on its contribution to economic and environmental sustainability, as well as its role in mitigating greenhouse gas emissions within the Indonesian context over the temporal frame of 2020 to 2023.

1.6 Methodology

This research using qualitative method to answer the question of “How Does The Collaboration Between Indonesia And South Korea In Electric Vehicle Development Contribute To Economic And Environmental Sustainability Also The Reduction Of Greenhouse Gas Emissions In Indonesia On Period 2020-2023”. Qualitative research involves gathering specific perspectives from informant sources, reporting findings in an organic environment, and developing a comprehensive and intricate picture that can be

articulated verbally in order to better understand human or social phenomena. Because qualitative research is descriptive in nature and frequently employs an inductive method to analysis, it emphasizes the process and meaning from the subject's point of view (Fadli, 2021).

1.7 Scope of Research

In conducting this research, the author limited to the scope of its discussion on cooperation between Indonesia and South Korea in developing electric vehicles. For the time period of this research, the author limited findings from the year of 2020 until 2023. The author will examine how the dynamic partnership of Indonesia and South Korea in electric vehicle development.

1.8 Writing Structure

CHAPTER I

This chapter contains the introduction of the thesis consisting of the problem's background, the research questions, theoretical framework, hypothesis, research purpose, methodology, and the writing structure.

CHAPTER II

In Chapter II, the author will go into greater detail about Indonesia and South Korea partnership in electric vehicles development. This chapter also aims to answer why both countries try to make a cooperation and how is the dynamic of this cooperation from 2020-2023.

CHAPTER III

In Chapter III, the author will explain more about how Indonesia and South Korea partnership in developing electric vehicles contribute to economic and environmental sustainability also the reduction of greenhouse gas emissions in Indonesia in the period of 2020-2023.

CHAPTER IV

In the last chapter, the author draws conclusions from the study on How does the collaboration between Indonesia and South Korea in electric vehicle development contribute to economic and environmental sustainability also the reduction of greenhouse gas emissions in Indonesia on period 2020-2023.