

META SYNTHESIS OF STRATEGIC DEVELOPMENT MANAGEMENT BETWEEN INDONESIA AND AUSTRALIA BASED ON CONSTANT MARKET SHARE PERSPECTIVE

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ABSTRACT

The conditions of intense competition in the international market have encouraged Indonesia to be able to compete with other export products from other countries. One of the simple solutions is that the export products that are sold must be of very high quality and take advantage of the empty gaps in the international market. The main way is to fully optimize from viewing and analyzing market strategies. So the nature of our trade will look more offensive to the industrial economy. The use of FTAs is only for reducing tariffs and helping the flow of goods, but Indonesia must also be able to provide encouragement intensively so that these goods can win in one of the FTA areas. The solution presented is directing or piloting starting from one type of export goods. The author observes that the strategy or stages planned with method of meta synthesis. Indonesia are effective in the potential to increase and win Indonesian export products. First, studies by providing solutions on how Indonesian export products can compete and win in one of their destination countries. Second, deepening in the export market shows market power and sends market intelligence to make observations to the micro scale regarding export products and analysis of every policy and solution issued to that country. Third, the overall implementation and application of policy solutions to win Indonesian export products. One of the mistakes made at the implementation stage was said to be exports that were not quite right by Australia.

Keywords: Indonesia, Australia, FTA, CMSA, TRQ, Free Trade

Introduction

Indonesia's involvement continues to coordinate developments in accordance with the Indonesia-Australia Comprehensive Economic Partnership Agreement or IA-CEPA cooperation timeline in the ratification process in 2005 in April starting with the Joint Declaration on Comprehensive Partnership process in which a study was formed on Indonesia and Australia on the formulation of economic cooperation comprehensive (Rusmin et al., 2021). Furthermore, in 2007 to 2009 a study was formed as an ongoing form of IA-CEPA. November 2010 was the start of the launch of the IA-CEPA collaboration and the implementation of the ratification process which will be

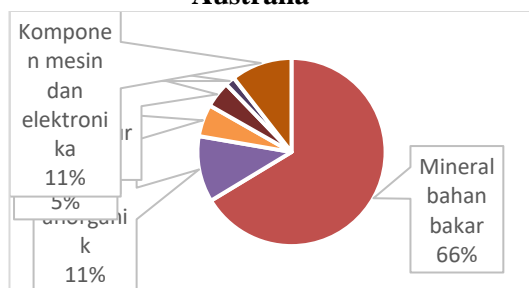
implemented in the future. The negotiations took place twice, in 2012 in Jakarta and 2013 in Canberra. As a result of the political intensity of the cooperation between Indonesia and Australia, which went up and down, the IA-CEPA cooperation was halted for three years until finally in 2016 there was a revival of the IA-CEPA cooperation until 2017 negotiations were carried out for nine times and if it was continued in the third negotiation then the total negotiations up to 2017 were eleven times. In 2018 there was a procession of intensification of the IA-CEPA cooperation negotiations followed by the twelfth negotiation. Until March 4, 2019, the IA-CEPA agreement was finalized and signed by

the Indonesian Minister of Trade and the Australian Minister of Trade (Ifada & Sholeh, 2021). The IA-CEPA cooperation is projected to be in the ratification process at the end of 2019 and will take effect in 2020.

In the process of ratifying the IA-CEPA cooperation, Indonesia has formed a joint study regarding the advantages and advantages that will become the trade process for export products and become superior as well as one of the improvements in these product commodities, among others (Rusmin et al., 2017).

One of the studies that was opened was strategic planning in the use of imported products in Australia and the composition of export products owned by Indonesia to Australia. This study is continued to form mutual benefits in comprehensive economic cooperation between Indonesia and Australia under the IA-CEPA.

Figure 1: Five Potential Export and Import Between Indonesia and Australia



Source: (PROSPERA, 2020)

These six product groups are a priority in Australian exports as studied in the IA-CEPA cooperation. Meanwhile, Indonesia has also studied the main imported commodities from Australia, which will be under the IA-CEPA cooperation, including agricultural products, fuel minerals and inorganic minerals (Gusrini, 2020). This imported commodity product is also one of the strategies based on a study of Australia's interest in investing in Indonesia in the fields of Mining, Food Crops, Plantation and Livestock,

Chemical and Pharmaceutical Industries, Food and Fishery Industries.

The Coordinating Ministry for Economic Midwives said that based on the trade balance, the total of these main commodities would increase and improve the export-import relationship between Indonesia and Australia because in 2018, exports to Australia had increased, especially in non-oil and gas commodities amounting to USD 1.83 billion or 1.34% of Indonesia's total exports to the rest of the world. This amount has increased from the previous year by 1.27%. For Indonesia's imports from Australia decreased by 0.3 billion US Dollars from the previous year. Indonesia's imports from Australia are still dominated by minerals, wheat, iron ore, livestock and sugar which are auxiliary raw materials for the domestic industry.

In general, economic cooperation classified as IA-CEPA will build on a sectoral basis in trade, investment and employment. In each of these sectors, Indonesia and Australia as both parties have made their respective concessions and formed the implementation of cooperation in the IA-CEPA.

One of the efforts planned by Indonesia based on the trade sector is divided concessions between Indonesia and Australia which are offered to each other. Based on the concession, Indonesia provides tariff elimination and provides Australia's import value of USD 3.7 billion, equivalent to 77.9% of imports from Australia (Gusrini, 2020). Furthermore, there will be a reduction in special tariffs for imported products from Australia in the amount of an import value of USD 380.6 million. Regarding regulations, Indonesia provides guarantees regarding the issuance of automatic import permits for superior products from Australia such as meat products to vegetable products such as carrots and potatoes as well as steel products. Furthermore, regulations guaranteeing 99% of Australian products will be subject to import duty-free and given special preferences in

2020 which are not written in the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA)(Escandell-Vidal et al., 2011). Furthermore, the concessions granted by Australia include Australia's commitment to eliminating Australian tariff posts, preferences for Indonesian export products in terms of origin, especially for hybrid and electric cars in the form of those made in Indonesia. Furthermore, it will form a mechanism for consultation and cooperation as a form of anticipation in the event of non-tariff barriers to Indonesian goods after the implementation of the IA-CEPA.

Furthermore, in the employment sector, Indonesia offers concessions in the form of commitments in Intra-Corporate Transfers (ICT) for Australian investors in the services and non-services sectors to enhance the integration of national cooperation and development. Furthermore, providing concessions on the basis of Presidential Decree 20/2018 concerning foreign workers and other applicable sectoral regulations and Indonesia has committed a number of 128 sectors in the IA-CEPA with a foreign equity partnership (FEP) of 67-95%(Gusrini, 2020).

Meanwhile, Australia's concession is in the form of increasing the Work Holiday Visa quota from 1,000 people, 4,100 people in the first year, and to 5,000 people within 5 years after the IA-CEPA comes into effect. Furthermore, a special "apprenticeship" program for 200 Indonesian professionals per year that is directly related to Australian investment in vocational education and a labor exchange program between Indonesian-Australian companies through the Indonesian Employers' Association (Gusrini, 2020).

Furthermore, transfer of knowledge and an increase in Indonesian professional standards which will begin with recommendations in the form of mutual recognition in the machinery sector.

In terms of sector, Indonesia and Australia have similarities or similarities in their concessions, namely integrating the granting of market access concessions (trade in goods, services, investment). Prioritizing the capacity building of Indonesian natural resources, promotion and innovation to increase the competitiveness and empowerment of MSMEs in the medium term and cooperation projects that will focus on the education, vocational, health and pharmaceutical, tourism, food, creative industries, textile and footwear sectors, e-commerce and high-tech based industries(Helmiah&Nasrudin, 2021; Li, 2022).

The impact of the cooperation under the IA-CEPA is based on trade in goods and trade in investment services which are divided into short, medium and long terms. In the trade in goods, the short impact provided was an increase in imports of agricultural products and iron from Australia, competition for iron imports between China in the Indonesian market and providing a balance to this product which is currently dominated by China, furthermore there is an increased opportunity for Indonesian car exports, especially electric cars to Australia. Based on the medium term, among others, increasing the quantity of stable food prices, increasing the quality of the local agricultural sector industry due to technical cooperation with Australia, and meeting the needs of national iron raw materials, especially in the manufacturing and construction industries in Indonesia and the automotive industry(Gusrini, 2020).

In the long term, it will form a dependency-dependent partnership with Australia. In the service trade and investment sector, the short-term impacts include an increase in the number of Australian workers in Indonesia. In the medium term, there is an increase in investment in the tourism, health and energy sectors from Australia in Indonesia, there is an increase in competition at the medium or large industrial level between Indonesian and

Australian operators, and there is an increase in mining production and exports in Indonesia, as well as an increase in the number of tourists foreigners in Indonesia. In the long term, there is the potential for competitive labor and increased human resources in Indonesia, an increase in the quality of services and public services in Indonesia and the capacity of the tourism industry, there will be an increase in welfare, an increase in Indonesia's economic position at the international level due to economic openness, ease of doing business, and the integration of Indonesian and Australian sector markets.

The author proposes the formulation of the problem, namely how does the Free Trade Agreement encourage an increase in Indonesia's exports with Australia as the main export destination country?

These impacts have several advantages according to the author in a sectoral manner in the future and there will be potential losses so that Indonesia as the government can overcome these losses and take advantage of the potential benefits. Based on sectoral profit potential including the tourism and employment sectors, the mining sector, and industrial. Meanwhile, the potential for harm, including livestock and plantations as well as links to horticulture, is caused by a significant difference in quantity between products exported by Indonesia (for example: tropical fruit) and products imported from Australia.

Literature Review

Free Trade Agreement and Tariff Rate Quota

In the industrial sector, companies in Indonesia should have changed their direction towards the export market. Based on the structure of the manufacturing industry in Indonesia, which emphasizes food products, it is able to change direction in the export market. Indonesia, as the ministry that coordinates policy-making, provides solutions through creating a general

framework, then calculating production calculations and providing directions on exploiting opportunities from the market. Indonesia provides incentives for industrial companies in Indonesia to follow the direction of the export market (Varalakshmi & Devatkal, 2017).

The problem with the price of export and import products that seem expensive should be controlled properly on the stock plate or carrying it along and analyzing the journey of these goods so that there will be a division in coordination at each ministry level (Verico, 2017). The results of this analysis will be more optimal in the second agreement in the next FTA in the negotiation session. One of the issues that were taken up before the ratification of the IA-CEPA was regarding the relatively high car market and oversupply of car products in Indonesia that would be brought. Automatically these Indonesian products lose competitiveness because they are already very high. If issues like this continue, FTAs that apply a cheaper Tariff Range will not have an impact on domestic market competition in Australia.

The authority as well as the task of analyzing the Tariff Rate Quota (TRQ) has specific specifications for bilateral relations between Indonesia and Australia through the agreement in the IA-CEPA. This TRQ specializes in granting mutually agreed quotas. This special specialty has been regulated based on quota restrictions but still has procedures for imported goods from Australia like standardization of goods such as Food Health.

Provisions in the TRQ in the absence of collection of fees for imported goods specifically for Australia but in addition to the quota limit given later will return to the regulation of tariffs in general. This scheme will be implemented specifically and differently than the regulations or rules written in the International Agreement. Furthermore, in making the

TRQ policy, it will be implemented by other related bureaucracy parties.

Based on the analysis clearly through the conceptual basis in the policy-making process it looks very complex with the parties involved. This relates to the concept of Two Level Games in International Negotiations which is defined as an agreement or joint agreement between negotiating leaders between Indonesia and Australia which brings policy capital to be used as a joint agreement between the two parties, for the next while bring new negotiations which are then reviewed by the parties. government which is currently discussing the IA-CEPA related to the TRQ policy.

However, the shortcomings in the implementation of this negotiation can be seen in the existence of constructions between the pros and cons in the derivative negotiations which are brought back to be accepted or rejected. The more actors involved, the more difficult it is to determine regulations, but if successful, it will result in very good and complex decisions. If the bilateral agreement fails, it will be interrupted and broken at any time.

Research Methodology

In this research, the method used Meta-Syntheses through qualitative data (Abedi Jafari & Amiri, 2019). Meta-Syntheses form a new interpretation of each field to bring the grammatical of *das solen* and *das sein*. The research primarily test with the research question and argument according to generate theory as a perspective and implementation theory (Arianpoor & Salehi, 2021). It will form to program theory, implementation theory, and interventive action for future research and testing comparative.

Results and Discussion

Analysis IA-CEPA Melalui Tariff Rate Quota (TRQ) and Automatic Impact

The author analyzes based on the updated Tariff Rate Quota (TRQ) based on an analysis of the agreement between the two countries between Indonesia and Australia based on future

implementation in the IA-CEPA collaboration. Based on the analysis that Australia is willing to carry out Free Trade with a TRQ systematic by Australia and vice versa regarding the import of goods from Australia into Indonesia. One example is regarding the regulatory arrangements in the TRQ based on Food Safety which are not given tariffs or are below until zero.

The effectiveness of the TRQ is based on the division of rules or regulations that are scattered from every government bureaucracy involved. Based on the IA-CEPA agreement, it will be easier to import goods from Australia in the process of entering these goods. As stated by the Ministry of Trade, TRQ, in collaboration with IA-CEPA in the future, will fulfill quotas for each type of goods and avoid previous incidents such as disputes over imported goods, especially in Australia.

Based on an in-depth analysis of the TRQ written in Appendix 2-A.1 and written in Article 21.5 regarding the General Review of the Agreement of Ch. 21 (Final Provisions). This is written in the provision of TRQ quotas based on the IA-CEPA and the implementation of this agreement is valid for the next five years.

One of the classifications of types of goods based on the Harmonized System (HS) Code which is aimed at dissifying a list of goods that have been registered can be found at iNSW. Goods listed in the HS Code have been regulated based on tariffs, trade transactions, especially the country of destination, and statistics. The HS Code is also applied to goods exported and imported between Indonesia and Australia. This HS Code is spelled out in numbers classified into 4 digits, 6 digits, and 8 digits. It is explained that the more digits the numbers spell, the more specific the item is.

Written based on the In Quota Tariff in the TRQ rules explains the systematic import based on quotas between the two countries or emphasizes the tariff regime that affects a commodity and the formation of the TRQ as a suppressor and facilitates things like this. Meanwhile, Out of Quota is based on a higher tariff ratio (Nagurney et al., 2019).

In momentum, the IA-CEPA was formed based on the formation of relations after the emergence of comprehensive economic cooperation such as IJEPA and the causal implications of the Global Value Chain. The appointment of a comprehensive partnership will provide very broad economic cooperation with the hope that there will be mutual benefits in the form of a Win-Win Solution, namely that there will be mutual benefits between the two countries that are established in one of the collaborations (Nabbs-Keller, 2020).

Arrangements such as the implementation of the TRQ or other regulations under the IA-CEPA have been regulated, namely the Early Outcomes of the IA-CEPA, which is a regulation or policy that does not need to wait for the results of negotiations, one of which has been mentioned regarding In Quota Tariffs or Out of Quotas.

If in further analysis IA-CEPA is believed to be one of the collaborations that are Mutual Recognition Agreement which means there will be an increase in the standards and competencies of the Indonesian workforce to make it an international standard scale. Advantages are also given to the investment climate based on Foreign Direct Investment.

Rules of Origin Between Import Program Partnership

Analysis of the Rules of Origin (ROO) formed by the WTO in the form of unilateral cooperation and agreed to

become a trade agreement that is reciprocal in nature and is aimed at a regional trade agreement (Felbermayr et al., 2019). The reciprocity in the agreement is intended for the most basic market access. One of the foundations used by the Coordinating Ministry for Economic Affairs in analyzing in the next stages of understanding this ROO.

ROO can be understood as one of the agreements in the national economy. One of them is for goods that are national in nature to become international in trade by fulfilling the rules written in the ROO (Rissy, 2021).

There are two types in the ROO classification. First, is preferential origin which is aimed at giving access to trading members on the domestic market and applying preferential tariffs. Second, it is aimed at excess products or goods that are classified as outside the FTA, which will later be based on normal tariffs according to the writing on the determination of tariffs in the previous agreement (Kniahin & de Melo, 2022).

There are two main types of Rules of Origins specifications. First, is Wholly Obtained, which is a product that is intended as the original livelihood or natural resources of the territory and is determined based on the country that owns the territory (Mukunoki & Okoshi, 2021). The second is Substantial Transformation, namely product results are aimed at determining the process that is managed by the producer and written on the ownership of the country and contained in the HS Code.

Non-preferential origin, as described in the ROO classification type, is implemented between countries that carry out trade and do not have trade agreement preferences, including those not included in the Free Trade Agreement.

In the ROO there are indications regarding the Revised Operational Certification Procedure (OCP) being

formed concretely and specifically regarding regions that have ratified Free Trade Agreement agreements, one of which is Indonesia and Australia or countries such as Fiji, New Zealand which are included in the IA-CEPA as a comprehensive economic cooperation.

In the contents of the ROO there are six articles that are generally written in each region and the rules have similarities. Rule 1 regarding the purpose of making the Rules of Origin in that area. Rule 2 regarding the Certificate of Origin and state authority in reviewing the issue of export class authority. Rule 3 regarding regional information up to the registered country. Rule 4 regarding verification and management of export and import products. Rule 5 further explains and concretizes the pre-exportation policy. Rule 6 regarding procedures and preferential treatment of products to be exported.

Overall that ROO and TRQ have a relationship in the utilization of economic cooperation in the IA-CEPA comprehensive economic potential. The foundation used should already exist and according to the author the Coordinating Ministry for Economic Affairs will carry out negotiations regarding the use of TRQ and ROO with special intensity through economic cooperation.

Synthesis Plan for Increasing Exports in Indonesia

One of the follow-up strategies for Indonesia Deputy VII for International Cooperation is data analysis training aimed at prospective civil servants who have just worked at the involvement of the author as an observer. This training is in the form of analysis of export-import goods, one of which focuses on products that leave Indonesia as exports and enter as imports from other countries. The data provided by the World Integrated Trade Solution (WITS) by the World Bank is

one of the export-import data indexes that has relations with the private sector CONSTANT MARKET SHARE and the Australian government (Ohmori et al., 2019). One of the data analyzes studied is in the form of main products exported by Indonesia to destination countries that have no connection with demand in destination countries.

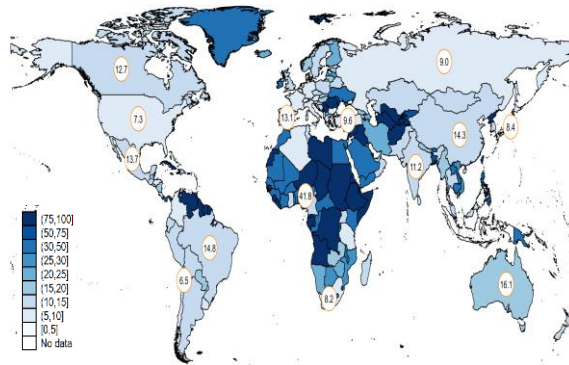
One of the data found is that there will be five dominant export products in Indonesia and only gold products that comply with procedures and are in high demand in Australia. One mention in the analysis of this data is product mismatch. The five dominant Indonesian products in the Australian market include oil, timber, oil pipes, gold and industrial goods.

Meanwhile, Indonesian products that have high competitiveness in Australia include fish meat, minerals, oil sources such as biodiesel, processed paper, and vinyl chloride. High demands for Indonesian products in the Australian market include machinery, basic materials for making vehicles, public vehicles for public transportation, metal silver or gold, and electrical conductors. Through this data analysis, only one Indonesian product that is highly competitive becomes the dominant product in exports, namely petroleum oil based on high demand in the Indonesian market, but this product is not one of the products with high demand but has dominance.

This data analysis is one of the methods in the form of studies regarding strategies to increase national exports in the form of domestic efforts, identification of potential export products, development of export-oriented products or commodities, simplification of export procedures, efficiency of the logistics chain, provision of incentives to exporters, international cooperation efforts, and one of the efforts in utilizing the IA-CEPA collaboration.

This data analysis is an alternative for data collection which was previously based on Trade Map whose

Figure1: Mismatch Synthesis Data



ownership is a non-organizational international government organization. This methodology is based on the Constant Market Share Analysis (CMSA) which is an indicator that aims to provide a perspective on the trading performance of a country's commodities.

Source: (CMSA; 2023)

This indicator is used as an identification of export opportunities to an export destination market. The CMSA methodology is a development of international economic analysis, namely Revealed Comparative Advantage (RCA) as a form of dissecting RCA values from several points of view, namely the Competitiveness Effect as an indication of an increase or decrease in market share related to competitiveness. Country Effect shows an advantage or disadvantage of specializing an export product in a fluctuating market. Product Effect shows the advantages and disadvantages of the export product specialization. Adaptation shows the country's ability to adjust export supply to the dynamics of world demand from the target market. Furthermore, it is the sum of the Country Effect and Product Effect which is also known as the initial effect.

The next methodology is an analysis of the dominant factors in the destination market which complements the CMSA analysis progress based on factors related to the size of a country, people's tastes, and the country's demand, the structure and how tight market competition is in export destination countries, and the level of trade protection against goods entering from Indonesia originating from tariffs and non-tariffs.

This analysis will utilize micro-level data owned by the Central Bureau of Statistics, one of which will then combine two statistics at once in the form of industry statistics and export-import statistics. The processed data results will show that market structure and competition in export destination countries as one of the factors shown in the world map image which shows the darker the blue color, the demand mismatch for Indonesia's main exports to Australia and Australia's import needs from Indonesia.

Contributing Services on Export Program Between IA-CEPA on Post Pandemic

At present, relations between Indonesia and Australia are increasing in terms of the last meeting on the sidelines of the G20 Summit in 2022 and 2023. The interest between the two countries under the cooperation is in the field of employment and human resource development which is currently one of the focuses of the Indonesian government. Through a strategic dialogue between Indonesia and Australia which is coordinated by Indonesia, it still does not focus on the economic sector and is more inclined towards defense development and strategic partnerships, even though Australia considers that Indonesia's current position is a positive partner for Australia. One of the reasons Australia calls Indonesia a positive partner is Indonesia's neutral position.

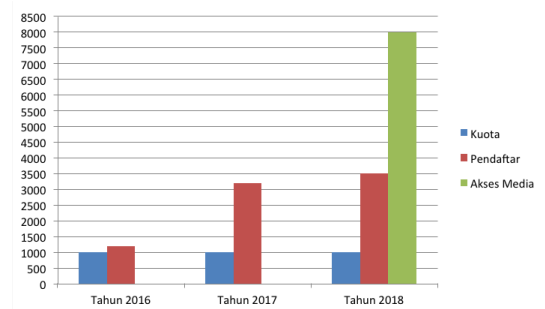
This discussion examines economic issues in Indonesia's trade with Australia in 2018 total trade reached US \$ 8.6 billion and there will be a desire to increase the achievement of this total trade, especially under the IA-CEPA comprehensive economic cooperation (Nabbs-Keller, 2020). Indonesia formulates a strategy in this utilization based on the Comprehensive Strategic Partnership (CSP), which is to improve relations between Indonesia and Australia in the economic field. One of the focuses in this CSP is development in the field of investment, human resource development through people to people, cooperation in strategic sectors, and partner development in the Pacific region. Through the use of the IA-CEPA which is currently in the process of ratification, it is possible to formulate comprehensive economic cooperation in advance, one of which is the Working Holiday Visa.

The Indonesia-Australia collaboration is the provision of a Working Holiday Visa (WHV) between the two countries to build human resources between the two countries. Indonesia has a goal of processing human resources belonging to a relatively young age to provide guarantees for immigration visas to be able to take vacations and experience work in Australia and vice versa Australian residents who come to Indonesia are expected to be used in joint development (Lestari, 2021).

Regulations regarding the provision of the Indonesia-Australia WHV quota were formed in the Memorandum of Understanding agreement in 2009 with the provision of a quota of one hundred people and increased in 2013 to one thousand. The increasing number of enthusiasts regarding this WHV in 2023 as many as eight thousand requests for this WHV so that Australia asked to increase the quota to two thousand five hundred

before 2020 to be utilized. The next regulation is that there is no need for reciprocity as a form of Australia's good intention for Indonesia and Australia asks for clarity and flexibility in submitting WHV. If Indonesia agrees, the additional WHV quota will immediately take effect through an exchange of letters without waiting for the utilization of the IA-CEPA.

Figure 2: Services Demand Based on WHV



Source: (CMSA; 2023)

The author under Indonesia analyzes the regulation regarding the WHV quota through the legal basis that it has been legitimized by a memorandum of understanding between Indonesia and Australia regarding migration management and border control management on 9 October 2006. The use of legal entities for this regulation can be added to the quota based on 3 March 2009 provided one hundred people to be added to the quota if it is successful and effective and based on a diplomatic note from the Australian government through the Ministry of Foreign Trade to the Ministry of Foreign Affairs of the Republic of Indonesia no. SED/2019/013 which contains a proposal to increase the visa quota from one thousand to two thousand five hundred.

The issue regarding this WHV is that in 2009 the quota provided for one hundred had run out and on the Australian side there were at least twelve who registered and then five withdrew because there

would be regulatory conflicts regarding requests to become English teachers as one example being constrained by teaching certification in Indonesia. Issues like this are ultimately Australia's desire to ask for clarity and flexibility regarding guarantees for its residents under WHV in Indonesia. On the other hand, the issue is that WHV is not fully operational, but unfortunately there are those who still take advantage of this as fully operational. Indonesian workers who want to become non-professional workers in Australia. Accommodation and the existence of an IELTS certificate as one of the main requirements are still found to be fake.

The biggest issue regarding Indonesian workers is that third parties in Australia are ready to accept jobs at lower levels, thus increasing the possibility of worker exploitation (Reilly, 2015). Issues like this under coordination require a legal basis for renewal, synchronization of rules regarding collective agreements, there will be a post-departure regulatory mechanism and the need to prepare the implementation of the proposed quota of five thousand in stages.

Indonesia's contribution as the coordinator of the ministry has carried out more formulations even though there are still many issues that occur which are more inclined towards the practice of implementing policies regarding WHV. It can be believed that if in the future the quota given is five thousand with the utilization and efficiency of the policies that apply too, then this WHV can run perfectly. The author proposes that the full use of WHV be left to the youth sector, both in Indonesia and in Australia, but with the note that this visa is to hone skills so that there is a need for a review of the low skill level practices that are accepted, especially Indonesian residents with WHV status in Australia.

Experts Economic Cooperation (EC) IA-CEPA Behind Indonesia Strategy

In the current formulation, the Australian government proposes a formulation and is addressed to the government bureaucracy to be addressed. The establishment of the IA-CEPA provides designed facilities for business and market stakeholders such as the manufacturing to service industries. The IA-CEPA will be comprehensive with facilities and a framework on the cooperative economy. One of them is the formulation of Technical and Education Training (TVET) as a national interest in various sectors where currently Indonesia has a focus on the private sector but with limited funding from the Australian government in accordance with the provisions and cooperation between Indonesia and Australia. The Indonesian government at this meeting, namely the Coordinating Ministry for the economy, proposed that the Australian government needed large human resources to implement TVET as a form of comprehensive cooperation for the future.

The EC Joint Committee has not been formed until the ratification is over but it is necessary to propose preparations and be prepared as enforcers and implementation of the formation of the EC IA-CEPA. The nature of the IA-CEPA collaboration is not as a donor recipient, but still on a par with the joint committee.

The presentation of one of the five priority sectors proposed in the first year of IA-CEPA implementation from the Indonesian side is Technical and Vocational Education Training (TVET) meaning that workers are trained in high-skill capacities and placed directly in related industries or TVET-ready industries.

The formulation of TVET aims to increase industrial power so that it is more comprehensive under the IA-CEPA collaboration. Standardization and development of Indonesian TVET

must be in accordance with industry needs and acceptable to three parties, namely Indonesia, Australia, and third countries that will be targeted. The Australian Government is proposed to accept Indonesian workers who are in accordance with TVET competence in the industry in Australia. The development of TVET requires direct cooperation by the local government.

The Indonesian government provides a policy formulation regarding TVET directly placing in the industry in Australia. If Indonesian workers are not directly accepted into industry in Australia then the development of workers and permanent placement in Indonesia on industrial conditions is linked to the Australian government in line with the current Indonesian president's goal of building a market for industrial workers in Indonesia. If there is a refusal, a placement in another country is formulated but still in an industry related to the Australian government. If further implementation is still difficult, then the implementation is basically general in nature and will be studied by the Indonesian government as a case study. Further explanation regarding the terms and conditions for the Australian government in organizing work training (job training in Indonesia).

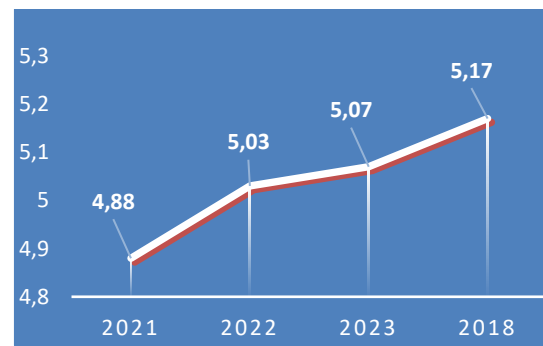
Capita Infrastructure Increasing and Non Interventing Program

Indonesia has submitted several bureaucratic policy proposals to the president that there is a need for a strategy for infrastructure development in Indonesia as well as optimizing the formation of investments that support this development. Indonesia Deputy for International Economic Cooperation acknowledged that currently Indonesia's position is quite up and down due to unclear directions or current international economic conditions.

Currently, the global economy is still affected by policies and economic

conditions from the United States, the European region, and China as one of the biggest entrants to the global economy. Based on the financial market, the impact of monetary policy by the United States was on the other hand, while the commodity market was affected by a decrease in production in industrialized countries. Regarding the trade sector, it is under pressure due to the ups and downs in the intensity of the relationship between the United States and large economic countries such as China and India.

Figure 4: Inflation Rate Hypotheses



Indonesia as a non-aligned country should not be overly concerned about global economic problems, which currently have very influential issues. Indonesia is quite capable of taking advantage of relations between people without looking at alliances or cooperative relations that are too inclined either to the west or to the east. As a result of global economic uncertainty, it turns out to have a positive impact on Indonesia if it is able to implement these strategic policies. It is proven that economic growth in Indonesia, based on the data presented in 2015 to 2018, has significant economic growth that is slow but sure. This economic growth also has an impact on inflation which is in accordance with the study of the state budget.

After strengthening the strategy, Indonesia has also built five main pillars regarding national development. These five main pillars will be utilized as the

next strategy as the basis for economic transformation in 2024. The five pillars include optimizing infrastructure utilization, economic equity policies, reducing dependence on short-term foreign capital, improving the quality of human resources as labor market efficiency, investment configuration to support growth.

Conclusion and Implication

Based on the foundation of the first pillar of development, it stated that optimizing the utilization of infrastructure, that the need for sustainable development in the future, was one of the directions. This direction of development is used in the gradual development of infrastructure to improve the quality of infrastructure by encouraging the participation of the general public to entrepreneurs. Furthermore, in the form of integrated infrastructure planning to reduce transportation costs and encourage economic growth. Through a development, it is necessary to build complete supporting infrastructure in a significant area and generate efficiency, one of which is public transportation and the need to build a logistics network as a modern and integrated mode of logistics transportation of goods as an economic activity.

The second pillar is the economic equity policy. Currently, Indonesia is still in a lack of economic equality which is divided into each region. This is one of the issues and the focus of the government to continue to overcome it by making economic equity policies. According to Indonesia, there will be factors that cause economic inequality, including inequality in land and land tenure, injustice in the labor market/business opportunities, weak value chains between business sectors, economic equity policies that are not yet on target. Factors like these are then reviewed and become the main focus in economic equity policies and as one of the foundations for implementing these policies, including agrarian reform,

agriculture, plantations, affordable housing, fishing and mariculture, a fair tax system, manufacturing, retail and markets, government financing and budgeting, vocational entrepreneurship and the labor market.

The third pillar is reducing dependence on foreign capital in the short term. This is intended as one of the policies in regulating investment and the entry of foreign capital to avoid investment bias or exploitation. Gradually, there is one issue, namely the Saving Investment Gap or a significant difference in investment due to the fact that the money invested domestically is still insufficient to finance investment needs, the need for investment from abroad to carry out development but with the risk of financing foreign debt. short-term risks and the need for currency values such as the dollar to increase. So that factors like these need to be increased in terms of financial inclusion or the need for government policies to increase Foreign Direct Investment (FDI).

The fourth pillar is improving the quality of human resources and labor market efficiency related to the second and third pillars as well as one of the global trends in the increasing need for high human resources and challenges for the government to create regulations in protecting workers and improving this quality.

There are several government challenges that are presented and one day it will become an issue if the government does not fully first make policies from these reviews such as the challenges of the industrial revolution 4.0, the problem of low skill level and high skill level in human resources workers in Indonesia, as well as regulations that can be said too specific in the Labor Law which overprotects existing workers and does not accommodate investors. As well as the need for vocation in developing human resource facilities in Indonesia such as revitalizing the curriculum, standardizing the competence of human

resource workers so that it will create more competent and competitive Indonesian human resources.

The fifth pillar is investment configuration to support growth as well as regulation and provide investment direction as a strategy to support development. These strategies include lowering the real interest rate which is still relatively high for Indonesian companies, optimizing investments that provide more returns and are export-oriented, product efficiency through the development of alternative and low-cost energy sources, human resource development and labor market reform, and digitalization to increase efficiency and optimization of assets and resources. Through this, it will then provide direction to non-infrastructure investment as a form of equity and guaranteeing the basis for the previous pillars.

These five pillars if enforced jointly will provide very perfect results and are believed to be able to improve the quality of the economy in Indonesia. It is proven that there will be a very significant increase in the progress of the national strategy but the need to emphasize the integrity of investment and directives will also create economic equity.

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