

PalArch's Journal of Archaeology of Egypt / Egyptology

ANALYSIS OF THE ROLE OF REGIONAL GOVERNMENTS ON INDONESIAN INTERNATIONAL TRADE

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Dwi Fauziansyah Moenardy, Gilang Nur Alam. Analysis Of The Role Of Regional Governments On Indonesian International Trade-- Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(10), 1511-1528. ISSN 1567-214x

Keywords: international trade; local governments; Paradiplomacy.

ABSTRACT

Paradiplomacy with the involvement of local governments as actors in trade is a real demand in facing Indonesia's competitiveness in facing the international trade climate. By increasing Indonesia's trade with partner countries with the largest potential market in the world, in the form of implementation, the state needs the participation of various parties to be involved, including the Regional Government. With autonomy, regions can be involved in international trade. The purpose of this study is to determine the extent of the role of local governments in Indonesia's international trade. This research is a descriptive analysis using qualitative research methods. The results of this study indicate that local governments play a role as international trade actors in carrying out regional potential promotion media and preparing strategies to increase the competitiveness of regional entrepreneurs through developing UMKM. With this, Paradiplomacy by involving local governments in the trade sector can become part of Indonesia's foreign policy strategy to achieve success in the trade sector.

Keywords: international trade; local governments; Paradiplomacy.

INTRODUCTION

Research Background

Indonesia is active in establishing relations in the field of international trade, both bilateral, regional, and multilateral. The signing of trade agreements between countries is expected to provide opportunities for Indonesian business actors to market their products to a wider market with fewer trade barriers.

The realization of the utilization of Indonesian international trade cooperation by Indonesian business actors is still not optimal, because business actors in Indonesia do not fully understand the advantages of international trade cooperation or the technical requirements for export documents, product standardization, and the process of export transactions/financing.¹

Each country has its way of anticipating the challenges of increasingly fierce trade competition in this era of globalization. In such a situation, Indonesia's ability to utilize it is crucial. To support this, the government realizes that international trade can no longer rely on the state level, but also at another level, namely the sub-national in the local arena, one of which is the Regional Government. The success of the implementation of foreign policy as a whole is also influenced by domestic conditions. The involvement of local governments as sub-national actors in international relations is known as paradiplomacy. In the context of a unitary state, the sub-national actors are played by the regional government (province/district/city). The role of the Regional Government is increasingly important with the existence of paradiplomacy to explain the common direction of goals between the Regional Government and the Central Government in the context of international trade (Saudi, 2018). To realize one of the national goals, namely protecting the entire Indonesian nation and all Indonesian blood, and advancing the general welfare.

Indonesia's Economic and Trade Agreements with partner countries will create jobs, strengthen economic relations, and increase Indonesia's trade with partner countries with the largest potential market in the world. EPA (Economic Partnership Agreement), CEPA (Comprehensive Economic Partnership Agreement), PTA (Preferential Trade Agreement), and FTA (Free Trade Agreement) are progressive trade agreements that cover almost all sectors and aspects of the trade to remove or reduce barriers.²

Barriers to international trade arise because of the protected domestic economic interests, which will limit the movement of trade flows between countries. Different types of barriers are deliberately designed, such as countries being able to issue tariffs - special taxes imposed on imported goods to limit the inflow of goods from abroad. Other barriers to quota restrictions and Voluntary Export Restraints (VER) agreements have emerged in recent years. Other non-tariff barriers can also take forms such as health and safety standards, labeling requirements, and weights and measurement rules.

In the form of implementation, the state requires participation from various parties to be involved including individuals, businesses (UKM), associations, Kadin, experts/academics, ISM, trade unions, and local governments.

¹Ftacenter.<http://ditjenppi.kemendag.go.id/index.php/berita/video/detail/fta-center>

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The regional government at this time must play an active role in seeking economic opportunities, not only for the progress of the region but also for the national interest. Local governments become partners in the country's international trade because there are many international collaborations involving regional interests.

The role of local governments in implementing foreign policy is possible because of the transformation of the governance model from centralized to decentralized. Through regional autonomy, local governments in Indonesia can move more quickly to carry out development by utilizing their potential. With the right of authority, the Regional Government can also open access to cooperation with institutions and/or regional governments abroad, either through cooperation in the form of a sister city/province or cooperation in the trade sector.

Anticipating the challenges of increasingly fierce trade competition in this globalization era. Indonesia's trade power must continue to be strengthened. An increasingly massive and comprehensive trade challenge where the role of the state in international trade cooperation is not the only actor (single actor). Autonomy provides opportunities for local governments to carry out international relations in the trade sector by seeing their role as actors in international trade. Opportunities for local governments to carry out foreign cooperation can be a priority in the context of utilizing EPA, CEPA, PTA, and FTA trade cooperation.

The opportunities that this regional government has have been outlined in the vision and mission of the 2005-2025 National Long-Term Development Plan (RPJPN). By prioritizing regional independence and emphasizing the achievement of regional economic competitiveness. It is hoped that the regional government as an actor of international relations in international trade will strengthen and integrate Indonesia's trade power. For this reason, implementation, which has been the domain of central government power, must be changed by involving non-state actors, including the Regional Government. Regional participation in Indonesia's international trade activities will complement and provide benefits in comprehensive national development. The focus of attention is directed to the efforts that can be made by local governments in Indonesia's international trade. His writing was inspired by a phenomenon that Indonesian cooperation with other countries involves regional interests in it. Daniel Bell, who stated that the state is too big to solve problems or take care of small things and at the same time the country is too small to take care of big things.³ This then no longer makes the state a single actor which then sub-national actors take part in international relations activities in terms of trade carried out by the Regional Government so that the strength of international trade is getting stronger and more integrative.

³ D. Bell, The third technological revolution and its possible socio economic consequences. *Dissent*, 36 (2), p.167

Based on the researcher's investigation, several studies analyze the role of local government. The first is Adirini Pujayanti's writing entitled *The Role of Diplomacy in economic diplomacy*, this paper emphasizes regional involvement in state diplomacy and puts paradiplomacy as a state strategy to achieve its economic goals.

The following is from Udiyo Basuki with the title *The Role of Local Government in protecting local products is facing globalization*. Writing with a focus on local government strategies in protecting local products from an invasion of foreign products.

Finally, from Jawahir Thontowi with the title of regional authority in carrying out foreign relations. This paper emphasizes the role of the regions as an extension of the hands of the central government in establishing foreign relations without leaving the national goals of the country.

Most of the studies described above have shown a focus on the role of the region but do not show the role of the region in the country's international trade and only generally focus on foreign relations carried out by local governments. Therefore, in this study, the researcher will focus on the activities of local governments in supporting Indonesia's international trade.

Research Questions

The problems that can be raised from the above phenomenon are

1. What is the role of local governments in Indonesian international trade?
2. How is the regional readiness in international trade?

Research purposes

The purpose of this study is to determine the extent to which the role of subnational actors in a country's international trade and to see the readiness of local governments in facing trade challenges. In this study the role of local governments in Indonesia's international trade.

LITERATURE REVIEW

The current globalization can be said to be one of the drivers of the ongoing phenomenon of regional foreign relations. This is due to the encouragement of the flow of advances in communication technology so that it quickly forms an inclusive flow. Of course, in conducting foreign relations, regions are influenced by their capabilities both in terms of politics, resources, finance, and so on so that they can compete and establish relationships with other cities and countries. (Gutiérrez-Camps, 2013).

Every policy and pattern of regional foreign relations is built as a reference to the competencies possessed by the domestic. Local governments prioritize their authority based on regional interests rooted in problems or issues that commonly occur in regions such as economy, education, tourism, culture. With this basis, local governments need to establish regional foreign relations in fulfilling their domestic interests (Tavares, 2016).

Based on the premise that local governments are also required to have the ability to fulfill their interests independently, a real role is needed from local governments in advancing their regions without depending on the central government.

Basically, local governments conduct foreign relations based on economic interests (investment, trade, commodities, and technological advances), politics (participating in the international arena), and culture (destinations, language, arts). Even with culture and language, it can motivate local governments to explore resources and support in plunging into the international arena, especially if the central government lacks sympathy for regional resources. These foreign activities that are owned by local governments as sub-national actors are known as paradiplomacy activities.

Paradiplomacy refers to a concept of diplomatic capacity carried out by sub-state (regional) entities in the international arena for specific purposes.⁴ Paradiplomacy that involves regions in international affairs is carried out actively in international affairs in various ways, such as opening trade contacts and cultural missions abroad, entering into agreements and cooperation with foreign countries and non-state international actors, and participating in international cooperation networks.⁵

In carrying out their diplomacy, these sub-national actors can establish representatives and have formal and informal, permanent or ad hoc contacts with a foreign government and private entities abroad. The aim is to advance socio-economic, political, or other dimensions of interest, following constitutional mandate or the competence it has.⁶ Paradiplomacy activity itself is "low diplomacy" which is different from "high diplomacy". High diplomacy is the domain of the national government, while low diplomacy is an arena for local government and usually includes various forms of cooperation around urban and urban issues.⁷

Paradiplomacy activities cover three fields, namely politics, economy, and culture which are interrelated. In Indonesia, paradiplomacy activities are still at a low-level political level, namely making more friendships between regions that continue in economic cooperation and remain under the coordination and supervision of the central government (state/nation-state). Coordination and supervision are carried out by 3 (three) main ministries,

⁴ Stefan Wolff, *Paradiplomacy: Scope, Opportunities and Challenges*, www.stefanwolff.com/files/Paradiplomacy.pdf. diakses 21 Nov 2020.

⁵ Alexander S. Kuznetsov, *Theory and Practice of Paradiplomacy: Subnational Governments in International Affairs*, London:Routledge, 2015, h.1-21.

⁶ Noé Cornago, *Exploring the Global Dimensions of Paradiplomacy Functional and Normative Dynamics in the Global Spreading of Subnational Involvement in International Affairs*, October 2000, <http://www.forumfed.org/en/libdocs/ForRelCU01/924-FRCU0105-int-cornago.pdf>, diakses 22 Nov 2020.

⁷ Hsu 2003, 19 dalam de Villiers 2006 dalam Faris Ihsan, *Peluang Pemerintah daerah Dalam Kerja sama Internasional*, <http://bkddiklat.ntbprov.go.id/wp-content/uploads/2015/02/PELUANG-PEMERINTAH-DAERAH-DALAM-KERJASAMA-INTERNASIONAL.pdf>, diakses 20 Nov 2020.

namely: the Ministry of Foreign Affairs, the Ministry of Home Affairs, and the related technical ministries.⁸

In terms of this paradigm, the Ministry of Foreign Affairs has a position as the Coordinator with the authority to provide political/judicial advice and considerations on cooperation programs that will be carried out by local governments.⁹ Local governments can carry out foreign cooperation if they meet the following conditions:

- a. with countries that have diplomatic relations with Indonesia and within the framework of the Unitary State of the Republic of Indonesia (NKRI);
- b. Following the area of authority of the Regional Government as regulated in the national legislation of the Republic of Indonesia;
- c. Obtained approval from the Regional People's Representative Council (DPRD);
- d. Does not disturb political stability and domestic security;
- e. Does not lead to interference in the domestic affairs of each country;
- f. Based on the principle of equal rights and not coercing each other's will;
- g. Observing the principles of equality, providing benefits and mutual benefits for the Regional Government and the community;
- h. Supporting governance, national and regional development, and community empowerment.

To ensure the success of paradiplomacy, local government needs an understanding of the strengths that will complement the partnership between its local government and local governments from other countries and how this can be achieved. First, regions that will collaborate have the same level of development, or at least have complementary needs, have the expertise, and resources. Second, there is an institution, namely the existence of elements from the local government that act as interlocutors (liaisons and mediators) who will bridge and gather the various interests that exist in the region. Third, regions that will cooperate have similar structures, powers, and powers. These factors are needed to avoid imbalance, for example, one region has high legislative, administrative, and financial authority, while the region that will be invited to cooperate only has city status without high authority.¹⁰

Andre Lecours (2008) divides paradiplomacy activities into three layers based on the agenda it carries. The first is economic cooperation. In this layer, paradiplomacy is seen as an activity aimed at reaping pragmatic benefits through trade. Second, the exchange of knowledge. In this second layer, paradiplomacy is considered an activity that can provide benefits more than just material, namely the exchange of experiences and expertise. Paradiplomacy in this form is most commonly encountered, for example

⁸ Kurniawan Ariadi, Paradiplomasi, otonomi daerah dan hubungan luar negeri, diakses <http://perpustakaan.bappenas.go.id/lontar/file?file=digital/blob/F21849/Paradiplomasi.htm>, pada tanggal 8 April 2016.

⁹ *Panduan Umum Tata Cara Hubungan Luar Negeri oleh Pemerintah Daerah*, Jakarta: Direktorat Perjanjian Ekonomi dan Sosial Budaya, Kementerian Luar Negeri, 2006, h. 19-20

¹⁰ Michael Keating, *Paradiplomacy and Regional Networking*, www.forumfed.org/libdocs/ForRelCU01/924-FRCU0105-eu-keating.pdf, diakses 21 Nov 2020.

through sister city or sister province activities which have been going on for quite a long time. Jogjakarta and Gyeongsangbuk-do (South Korea) cooperation in the field of village development, or East Java and West Australia cooperation in the dairy industry are relevant examples. Lastly, political consideration. At this third layer, paradiplomacy is seen as a diplomatic activity to fight for political identity. In this case, subnational entities usually have interests that are opposite to national interests. An example of a paradigmatic activity at this level is that of the province of Quebec, which has established links with France to gain support for autonomy in Canada.

METHOD

This research is a descriptive analysis using qualitative research methods. The type of data used is secondary data. Secondary data sources are information or facts obtained from literature, documents, archives, seminars, and applicable legislation. obtained from the Ministry of Trade of the Republic of Indonesia, Indag Pemerintah province of West Java, the Central Statistics Agency (BPS), and the Investment Coordinating Board (BKPM). Meanwhile, the data collection technique is by opening the website of the relevant agency. After all the data is collected, then a qualitative analysis is carried out with a descriptive analysis model by conducting data analysis based on the desire to be able to provide an understanding of the problems expressed by explaining the findings in writing and analyzing them with the help of existing theories (Malhotra, 2002).

The area chosen in this study is West Java. West Java was chosen because according to BPS data, West Java is one of the areas in Java that is the center of Indonesia's economic activity at regional, national, and international levels. This situation can be achieved because it is facilitated by infrastructure in the form of transportation, roads, bridges, electricity, and good ports. adequate air and sea, so that this area is also Indonesia's main gateway to the international world. Due to adequate facilities, many leading industrial areas based in West Java have grown, such as the manufacturing industry, textile industry, electrical equipment, measuring, photography, automotive, footwear industry, auto parts industry, building materials industry, and fertilizer industry. (BPS, 2019).

RESULTS AND DISCUSSION

THE ROLE OF LOCAL GOVERNMENTS IN INDONESIAN INTERNATIONAL TRADE

Economy and trade are issues that cross national borders. Economic globalization involves a qualitative shift towards a world economy that is no longer based on national economic autonomy but is based more on a consolidated global market for production, distribution, and consumption. There is a process of integration into where a single global economy dominates several national economies contained therein (Jackson & Sorensesn, 2013).

Paradiplomacy is believed to have become the demands of the region's current needs in economic development and regional potential development. In terms of economic growth, a country is not only the responsibility of the central government but also other relevant stakeholders, in this case, local government. The increasing need at this time with the movement of capital and people affects provinces, districts, and cities that are unable to escape from international influences, which provides positive opportunities for regional interests and national interests in the economic field. Because the main reason a country establishes relations with other countries is an economic necessity. Therefore, it is necessary to pay attention to the position of local governments in the implementation of Indonesia's international trade.

The position of local government in a country's economy can be seen from the achievement of national economic growth which is the target of the central government. So that in achieving the economic growth target, the central government needs to work together with related stakeholders, including in this case the local government.

Regions must be strengthened to be able to face Indonesia's competitiveness in facing the international trade climate. Strengthening is carried out through regional economic development, either in the fields of tourism, trade, agriculture, or investment. The regional economy is the basic structure on which the national economic structure is built. When the regional economy is strong, the national economy will also get stronger. The regional economy can be developed through the development of regional potentials. The development of this potential is the foundation for regional economic development in facing international trade competitions. The problems that are happening in the current world trade context are the problem of the trade war between America and China as well as the Corona pandemic problem that has not yet been over and has affected other countries, one of which is Indonesia. With optimal utilization of regional potential and will become a pillar for the progress and resilience of the national economy in resolving or minimizing the impact of international trade competition.

Autonomy provides opportunities for local governments to carry out international relations in the trade sector by seeing their role as actors in international trade. Opportunities for local governments in carrying out foreign cooperation can be a priority in the context of utilizing EPA, CEPA, PTA, and FTA trade cooperation. The current regional government must play an active role in seeking economic opportunities, not only for the progress of the region but also for the national interest. Local governments become partners in the country's international trade because a lot of international cooperation involves regional interests.

President Jokowi's government launched a development policy, which was initiated in the Nine programs / Nawa Cita. To see the location of the role of the regions the emphasis is on the 3rd Nawacita, namely "Building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state." The essence of the third nawacita is the slogan of

“developing regions,” meaning that Indonesia's development must have a bottom-up pattern, namely national development starting from the regions. Regional development begins by analyzing the potential or superiority of the region. Indirectly, it is a tool for determining and analyzing regional economies, especially regional potential.¹¹

The active role of the regional government as an international actor to increase Indonesian trade is made possible by the support of regional autonomy policies and laws and regulations, namely Law Number 23 of 2014 concerning Regional Government, Article 367¹² which reads:

Pasal 367

(1) Regional cooperation with institutions and/or regional governments abroad as referred to in Article 363 paragraph (2) letter c includes:

- a. science and technology development;
- b. culture Exchange;
- c. increase technical capacity and government management;
- d. promotion of regional potential; and
- e. other cooperation that does not conflict with the provisions of the legislation.

(2) Regional cooperation with institutions and/or regional governments abroad as referred to in paragraph (1)

(3) implemented after obtaining the approval of the Central Government. Regional cooperation with institutions and/or regional governments abroad as referred to in paragraph (1) shall be guided by the provisions of the legislation. The above laws and regulations underline that the cooperation between local governments and foreign parties is included in national needs so that the role of regional governments must be strengthened. In carrying out these interests, the Ministry of Foreign Affairs acts as the coordinator of the implementation of foreign relations and the implementation of foreign policy, while the regional government is the actor of foreign relations.

Economic interests are the strongest reason for a region to conduct foreign relations. Regions are trying to attract foreign investment to their territories and target new export markets.

Areas of foreign relations and cooperation by regions that require consultation and coordination with the Ministry of Foreign Affairs are as follows:¹³

a. Economic Cooperation:

1. Trade

¹¹ “Analisis Perekonomian Daerah” Mendukung Nawacita ketiga, 1 Juni 2015, <http://www.bppk.kemenkeu.go.id/berita-knpk/21320-%E2%80%9CAnalisis-perekonomian-daerah%E2%80%9D-mendukung-nawacita-ketiga>, diakses 28 November 2020

¹² <https://soppengkab.go.id/penjelasan-uu-nomor-23-tahun-2014-tentang-pemerintahan-daerah/#:~:text=Berdasarkan%20UU%20Nomor%2023%20Tahun,meliputi%20hal%2Dhal%20sebagai%20berikut.&text=Pemerintah%20daerah%20menyelenggarakan%20urusan%20pemerintahan,sistem%20Negara%20Kesatuan%20Republik%20Indonesia>.

¹³ *Panduan Umum Tata Cara Hubungan Luar Negeri oleh Pemerintah Daerah*, Jakarta: Direktorat Perjanjian Ekonomi dan Sosial Budaya, Kementerian Luar Negeri, 2006, h. 14.

2. Investments
3. Employment;
4. Marine and Fisheries
5. Science and Technology
6. Forestry
7. Agriculture
8. Mining
9. Demographics
10. Tourism
11. Environment
12. Transportation.

b. Socio-Cultural Cooperation:

1. Education
2. Health
3. Youth
4. Femininity
5. Exercise
6. Art.

In this case, the highest policyholder in foreign policy is still the central government, regardless of the autonomy that regional governments have. The central government remains in control of regional participation in the international trade arena, at least to ensure coherence with national foreign policy. Optimizing international trade in the era of globalization requires the support of many parties. The power of economic globalization has forced many countries to strengthen their foreign economic policies. In this condition, local government support is needed, because the level of domestic readiness and competitiveness of a country will also determine the capacity and capability of a country's national economy in the global economic and political arena..¹⁴ Utilization of regional potential must be carried out optimally and become a pillar for the progress and resilience of the national economy in

¹⁴ *Anak Agung Banyu Perwita*, *Dinamika Global dan Diplomasi Ekonomi Indonesia*, <http://thepresidentpostindonesia.com/2012/09/17/dinamika-global-dan-diplomasi-ekonomi-indonesia/>.

resolving or minimizing the impact on international trade competition.¹⁵ Therefore, there needs to be a new concept in the implementation of Indonesia's international trade where the capacity of regencies/cities must be strengthened in implementation of international trade.

Paradiplomacy that is focused on trading development requires a specific strategy. These strategies include targeting the competitiveness of regional potential products and MSMEs to complement existing regional trade activities and or to develop special trade clusters. For cooperation in the field of Small and Medium Enterprises (SMEs) that require export marketing and promotion assistance, local governments that will synergize in international cooperation need to first map complementarity and synergy to increase market competitiveness.

The problem of international trade has become an inseparable part of the whole national economic problem. The role of local governments is indispensable in carrying out export-import trade activities and can generate large foreign exchange for the country. One of the roles of the local government, in this case, is included in the promotion group. Organizing trade promotions carried out by local governments through international trade fairs, national trade fairs, and local trade fairs as well as trade missions for superior export products found in more than 1 (one) regency/city in 1 (one) provincial region. Organizing a national scale export product imaging campaign (across provinces).

For example in West Java. The West Java Provincial Government through the West Java Industry and Trade Service (Indag) through one of the efforts to further expand the market for MSME players is by holding foreign exhibitions. Besides, the West Java provincial government has a Champion UMKM program, through the West Java Cooperative and Small Business Office (KUK) which will facilitate superior MSMEs to participate in exhibitions abroad. To be able to reach exports, other activities include Product Presentations and Champion UMKM Business Meetings. This Champion UMKM program provides assistance and training by experts in their fields for 6 (six) months, business meetings, product titles for Champion MSMEs will be selected to take part in benchmarking for umkm whose progress increases during mentoring. The indicators used to see the Champion MSMEs are increasing turnover and assets, having the right entrepreneurial mindset in a growing business, implementing strategic management, digitizing business using technology, and taking advantage of market access, licensing, financing and media. Most importantly, to make product innovation and be competitive. In addition to exhibitions in regencies/cities and outside the province, Champion MSMEs who have succeeded in achieving these

¹⁵Perkuat ekonomi daerah untuk hadapi perdagangan internasional
[http://web.dpmtsp.jatengprov.go.id/p/221/%E2%80%9Cperkuat ekonomi daerah untuk hadapi perdagangan internasional%E2%80%9D](http://web.dpmtsp.jatengprov.go.id/p/221/%E2%80%9Cperkuat%20ekonomi%20daerah%20untuk%20hadapi%20perdagangan%20internasional%E2%80%9D) Di akses 29 november 2020

indicators will be participated in overseas exhibitions based on the results of assessment and curation of UMKM products.¹⁶

In addition to promotion, the West Java provincial government collaborates with the central government to form the West Java Incorporated (WJI) program to provide regional macroeconomic data and information needed to improve regional export performance and market access. WJI Synergize economic development policies among stakeholders and business actors, especially in the fields of industry, trade, tourism, investment, and financing so that they do not overlap, especially with the existence of regional autonomy.¹⁷

Other paradiplomacy activities were carried out by the West Java provincial government by conducting trade cooperation. One form of cooperation between West Java and South Australia, which has been initiated since 1997, the scope of cooperation includes agriculture, tourism, education, health, government, trade and investment, and other agreed fields.¹⁸

Until now, the West Java provincial government has 11 (eleven) Government Overseas Cooperation Partners. And since 2018, Singapore and France have been discussing the cooperation relationship between local governments. This activity is carried out to obtain pragmatic profit through trading. This is an activity of subnational entities in carrying out diplomatic activities with foreign partners.

Table 1. Cooperation Partners of the West Java Provincial Government

No.	country	Regional government	Field of cooperation
1	Algeria	Setif Province	agriculture, education, increased trade and investment, tourism and culture
2	Morocco	Souss Massa Region	trade and investment, agriculture and fisheries, SME development, tourism, culture, and human resource development as well as education and training.
3	Sudan	States Khartoum	Science and technology, education, agriculture and animal husbandry, tourism, culture, increasing trade and investment, and increasing technical capacity and government management.

¹⁶ Kegiatan dinas KUK. <https://diskumkm.jabarprov.go.id/index.php/kegiatan-dinas-kuk-jabar/14>. Di akses 29 november 2020

¹⁷ West java Inc, <http://www.westjavainc.org/tentang/west-java-inc/> diakses 27 November 2020

¹⁸ Mitra Kerja Sama Luar Negeri Pemerintahan Di Luar Negeri <http://pemksm.jabarprov.go.id/Kerja-Sama/Mitra-Luar-Negeri/australia>. Diakses 30 November 2020

4	Russia	Republik Bashkortosta	economy, trade, investment, agriculture, health, education, science and technology, and tourism.
5	Netherlands	Gelderland Province	Trade Logistics
6	Japan	Ishinomaki City	Fisheries, Apprenticeship
7	South Korea	Chollanamdo /Jeollanamdo Province	agriculture, fisheries, tourism, science and technology and other fields with the agreement of the parties
8	Belgium	Wallonia Region	education, economy and trade, health, environmental protection, science and technology, government, and other fields
9	Australia	States South Australia	agriculture, tourism, education, health, government, trade and investment
10	Mexico	Province :GUANAJUATO	Education, Culture, Infrastructure, Economy and Tourism;
11	China	Autonomous Region Guangxi Zhuang	education, tourism, culture, trade and investment, increasing technical capacity and government management, rural, urban, and transportation development, and science and technology development

Source: Government Bureau and West Java Provincial Government Cooperation (2020)

It can be seen in the table above through the cooperation of the West Java provincial government with foreign partners to focus on trade. By having the regional potential that is owned and the access to establish cooperation relations with regional foreign parties, it will be easy to carry out promotions and other strategies in supporting the regional potential to increase its export value. The potential of this area is not only in the form of local products but the readiness of MSMEs and companies from the province of West Java. It can be seen in Figure 1 during a pandemic as it is today. It is still seen that there are export activities followed by 133 companies from 16 provinces and one of them is from West Java Province with a total of 12 companies. Terms of West Java's export trade is the highest in Indonesia, based on BPS data for the period January to August 2020, West Java contributed 16.28 percent or 16.79 billion US dollars to national exports.



Figure 1. Export Company Origin Province (Kemendag, 2020)

Table 2. West Java Trade Balance (In USD)

Year	EXPORT	IMPORT	information
2019	29 927 416,35	11 044 960,48	Surplus
2018	30 362 912,07	12 671 664,56	Surplus
2017	29 205 198,79	11 816 641,59	Surplus
2016	25 726 659,14	11 933 350,37	Surplus
2015	25 693 697,96	11 827 698,81	Surplus
2014	27 401 069,45	13 742 099,40	Surplus
2013	26 379 858,32	14 154 299,03	Surplus

Source: BPS West Java

In Table 2, the West Java foreign trade balance from 2013 - 2019 shows a positive trend or surplus because it is supported by cooperation with foreign partners of West Java with one of its areas of concentration, namely trade. Also, other forms that support the trade balance of West Java Province with the active West Java regional government conducting foreign visits to boost trade in West Java (table 3)

Table 3. Foreign Visits of the West Java Provincial Government

Year	Provincial Government Visit Jabar
2019	swedia, china, English
2018	China

2017	Morocco, Sudan, Russia, Japan, South Korea,
2016	Japan
2015	Australia
2014	China
2013	China, Turkey

Source: Processed by Researchers from Indag Jabar, Dinas KUK Jabar, West Java provincial government.

REGIONAL READINESS

Currently, local governments at the provincial or district/city levels have collaborated with foreign parties to promote regional development. In the trade sector, local governments must inevitably face the process of liberalizing the flow of goods and services with all its implications. Regions that will implement the trade sector paradiplomacy must be prepared with certain concepts and targets to be achieved. Without the same understanding and vision among stakeholders, both at the national and regional levels, regarding what foreign policy should be achieved, the implementation of paradiplomacy will be ineffective. An effective paradigm will emerge from a well-defined and jointly supported and well-coordinated understanding and vision within the country.

Indonesia's dependence on international trade as the engine of driving the national economy is quite large. According to Salvatore (2007), one of the economic activities that cannot be separated from international trade is the activity of capital flows both from within the country and abroad. The objectives and targets of regional trade with partners/regions from abroad start with and are rooted in the national interest. The implementation of synergy between the central and local governments shows a positive trend. In West Java, they understand that the arrival of (Foreign Investment) PMA can further increase national income, one of which is in the form of increased exports. In other words, to improve the performance of international trade, investment is necessary.

Regional readiness in international trade can be seen from the understanding of the central government and the West Java Provincial Government regarding trade relations with investment. These two indicators have a unidirectional relationship, this can be seen with data from the Investment Coordinating Board (BKPM). For three consecutive years since 2017, investment realization in West Java was the highest in Indonesia from January to September 2020, West Java was in the first rank of realization. investment based on location with a value of up to Rp. 86.3 trillion or 14.1 percent (BKPM, 2020). In terms of West Java's export trade is the highest in Indonesia, based on BPS data for the January to August 2020 period, West Java contributed 16.28 percent or US \$ 16.79 billion to national exports. (BPS, 2020). The readiness of West Java is also seen in 60 percent of the total industry in Indonesia located in West Java, then the plan to open Phase I of the Patimban Port will help the export process

of [West Java], the majority of which are in telecommunications and manufacturing, this is considered to be able to foster optimism for trade growth in West Java.¹⁹ As well as the development of trade infrastructure such as MSME business centers facilitated by the government to cope with fluctuations in the number of business units as well as the high investment of business units in the provision of buildings independently. (Bappeda, 2018).

Paradiplomacy carried out by regions to advance national interests must be a common goal and agenda. Decision making must be a compromise. Every related party (Mintz & Rouen, 2010).

Based on data and facts obtained from factors such as the level of investment, the value of export trade, total industry, promotional activities, training programs, foreign cooperation, supporting infrastructure such as port development and the construction of UMKM business centers facilitated by local governments. West Java has successfully carried out its role in Indonesia's international trade by uniting central and regional interests.

With the emergence of the challenges of trade globalization, it is no longer possible for economic development policies to be concentrated only in the capital. Regions must emerge as an important part of international trade in the competition in the global market. West Java has been able to prove as one of the regions in Indonesia that is capable and successful in carrying out its role in Indonesia's international trade because economic factors are a strong motivation for regions to be active in the global economy.

V. CONCLUSION

International trade through the paradiplomacy route can occur if there is good coordination between the central, regional governments and all related parties. With an autonomy of power from the center to the regions and the emergence of district/city and provincial leaders who actively make breakthroughs in regional development, the role of the regions through paradiplomacy can be a part of the strength in the implementation of international trade.

Local governments can play an important role in helping the success of Indonesia's international trade through the paradiplomation pathway with an agenda of economic cooperation and in the form of promotion, this shows the role of local governments as actors in Indonesia's international trade. In this research, it is hoped that it can provide an overview of other regional/municipal and provincial governments in carrying out regional development by exploiting the potential of the region they have and being able to carry out one of its functions to hold promotions both at home and abroad.

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