

# Management and Development of Indonesia's Economic Diplomacy in 2015-2022 in Facing Global Economic Crisis

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**Abstract**— Global uncertainty causes uncertain developments in the world economy. Various issues of the global economic crisis threaten various countries. Realizing this, Indonesia, through the Strategic Plan of the Ministry of Foreign Affairs, has begun to make efforts to maintain the stability of the country's economy by focusing its foreign policy direction on economic diplomacy. This research will try to analyze typology mapping of Indonesia's economic diplomacy to identify the management of Indonesia's economic diplomacy as an effort to improve the practice of economic diplomacy. This study uses a qualitative approach with thematic analysis methods and data collection techniques with documentary research and internet-based research. This research uses the Typology of economic diplomacy Rana because it can identify the capacity management of Indonesia's economic diplomacy as a developing country. This article shows that Indonesia has progressed well in carrying out economic diplomacy and has entered an evolving phase in the majority. This shows that the management of Indonesian Diplomacy has adapted to the opportunities that exist in carrying out its economic diplomacy. This article also finds that Indonesia is still on niche-focused typology that means Indonesia focus on carrying out economic diplomacy in certain parts and has not yet begun to open its market to other potentials. Finally, Indonesia has reached the initiative in the regional category which shows that Indonesia already has an influential role at the regional level.

**Keywords**— Economic, Diplomacy, Indonesia, Management, Typology

## I. INTRODUCTION

The openness of global economic activity causes economic dependence in the world. The global economic crisis in 2008 is evidence of strong global economic linkages. The crisis originated from companies in the United States, *Lehman Brothers*, which eventually led to a global economic crisis. The collapse of Lehman Brothers causes the global financial bankruptcy that affect thousands of financial market actors (Mieszala, 2019). In addition, for causing dependence, the openness

of economic activity can lead to fairly tight trade competition and high debts of poor countries. This has caused the world economy to enter a gloomy and potentially stagnant period in 2019 (World Bank, 2019). Therefore, this statement proves that the openness of economic activity causes economic linkages between countries from various directions. Not only for the government but also for other economic actors like the companies, economic crisis potentially causes a long-term financial damage to the companies (Hertati et al., 2020). This linkage can be in the form of a domino effect from an economic crisis that means a crisis in one country can cause a crisis in another country and affect it globally.

It also proves the existence of links to other issues such as politics and even the environment which affect global economic stability. So, it needs to be underlined that the stability of global conditions as a whole will affect global economic stability, and vice versa, the instability of global conditions will also affect global economic instability. Therefore, the diversity of economic activities carried out globally (state debt, international trade, economic intensive agreements between countries) coupled with the dynamics of global conflicts create a global uncertainty that can threaten the stability of the global economy.

Global uncertainty has an influence to the issue of the global economic crisis which recently being faced by the world. There are two major events threaten the occurrence of a global economic crisis. The first is the Covid-19 pandemic which triggered a global economic crisis which cost 2.5-3% of global GDP on each crisis month supplementary in 2020 (Fernandes, 2020). Second, the conflict between Russia and Ukraine is predicted to exacerbate financial pressures, food insecurity and strengthen inflationary pressures globally (Guénette et al., 2022). This event also requires the state to be able to act rationally and continue to defend its economy on the global conflict and uncertainty as well as the issue of a global economic crisis that will occur.

Recognizing that, there is global uncertainty that can lead to a global economic crisis, Indonesia has focused its foreign policy direction on preventing and overcoming the global economic crisis starting in 2015.

This is stated in the Strategic Plan of the Ministry of Foreign Affairs of the Republic of Indonesia for 2015-2019 which contain Indonesian beginnings to build its role in facing the global economic crisis (Keputusan Menteri Luar Negeri Republik Indonesia Tentang Rencana Strategis Kementerian Luar Negeri Tahun 2015-2019, 2015). It means that the role and effort they are carrying out is to strengthen economic diplomacy. Economic diplomacy itself is the state policy in completing its economic interest by influencing the decisions of foreign governments (Kazakhstan, 2018). The increase in international economic activities make the need for economic diplomacy increase (Shrestha, 2021). So, it's important for state to manage the capacity of economic diplomacy.

Strengthening Indonesia's economic diplomacy is stated in the Strategic Plan of the Ministry of Foreign Affairs of the Republic of Indonesia for 2015-2019 and for 2020-2024. In the Strategic Plan of the Ministry of Foreign Affairs of the Republic of Indonesia for 2015-2019 stated that Indonesia's economic diplomacy will focus on removing obstacles *on-tariff* in international trade (Keputusan Menteri Luar Negeri Republik Indonesia Tentang Rencana Strategis Kementerian Luar Negeri Tahun 2015-2019, 2015). Then, it is also stated that Indonesia will strengthen Economic Diplomacy to strengthen global economic governance (Keputusan Menteri Luar Negeri Republik Indonesia Tentang Rencana Strategis Kementerian Luar Negeri Tahun 2020-2024, 2020). Then, the position of Indonesia's presidency at the G20 in 2022 which is one of the largest economic forums in the world involving 20 countries with the highest economic activity requires Indonesia to adapt and take advantage of this moment in implementing economic diplomacy. What's more, in 2023 Indonesia will hold the chairmanship of ASEAN. Thus, 2022 is a moment to evaluate and prepare ourselves to improve the practice of Indonesia's economic diplomacy.

Therefore, there is a need to see the characteristic the Management of Indonesia's Economic Diplomacy from 2015 which Indonesia started to focus on economic diplomacy. Until 2022, which is the right time and moment to see the characteristic of the economic diplomacy just before the era of leadership ended. This aims to see measure the shortcomings of Indonesia's economic diplomacy for the past eight years. This research will map the level of typology of Indonesian economic diplomacy through seeing the management of economic diplomacy. Mapping the typology will be able to measure the characteristic of Indonesian Economic Diplomacy and at the same time it will detect the aspects that are lacking in Indonesian Economic Diplomacy.

There are two study that wrote about Typology of Indonesia's economic diplomacy those are Killian (2012) and Astuti & Fathun (2020) However Killian (2012) saw the typology of Indonesia Economic Diplomacy on 2012, which means there may have been many changes to the current year. Meanwhile, the article of Astuti & Fathun (2020) only saw the act of Indonesia

on G20. So, this article will contribute to see how the typology of Indonesia's economic diplomacy overall with the new timeline that is on 2015-2022.

This article is divided into five main sections. The first is the introductory section that contains the background and objectives of the research. The second part is a research method which contains the methods used in this research in examining the results of the article. Next, namely the framework of thought, in the form of concepts that this research uses in analyzing case articles. Fourth, the results and discussion contain the data found and the results of data analysis. Finally, the conclusion is a conclusion that contains the achievement of the ultimate goal of this article.

## II. LITERATURE REVIEW

There are two opinions regarding the definition of economic diplomacy. First definition sees economic diplomacy as a goal (Chatterjee, 2020). Chatterjee explains that economic diplomacy does not only focus on negotiating commercial issues, but also as efforts to strengthen the economy in a country. The second definition arises when economic diplomacy is seen as an activity carried out by countries internationally. Economic diplomacy is understood as a political tool in international negotiations that has the aim of increasing national economic growth and the use of the economy to increase the country's political stability (Bayne & Woolcock, 2016).

Therefore, based on the definitions, this paper defines economic diplomacy as an activity of a state that uses political means with applied economic goals in the form of development, investment, trade, industry, and others, or vice versa. Economic diplomacy is the use of economic tools for the political purposes. A country's political capacity can affect its economic capacity, and a country's economic capacity can affect its political capacity. However, this condition can become an imbalance, because the implementation of economic diplomacy for each country will differ depending on its capabilities (Killian, 2012). Thus, it is important for developing countries to consider institutional capabilities in implementing economic diplomacy.

In this case, Rana divides the process of economic diplomacy into four typologies. Four Typologies of economic diplomacy Rana (2007) Rana (2007) will explain the typological level of a country's economic diplomacy based on eight specific factors. The concept was used by Killian (2012) to explain the typology of economic diplomacy in Indonesia. Then it was discussed by Astuti & Fathun (2020) to explain the typology of Indonesia's economic diplomacy on G20 forum. The development of discussion about the concept proves that this concept is still relevant to use and discuss more. So that, this study will be discussed more about economic diplomacy in Indonesia on 2015-2022 uses the concept. Typology of economic diplomacy concept, will help this research to map the level of Indonesian diplomacy typology and see the shortcomings of

Indonesia's economic diplomacy practices based on eight main factors.

The first typology is *traditional*, which means that a country is still in a conventional stage with growth and change that tends to be slow. Second, *Niche-Focused* which means that the state has begun to identify several strategic fields that it has and focuses on developing economic diplomacy in these fields. Third, *evolving* is the level of adaptation of a country, which means that a country has started to adjust to opportunities that arise accompanied by goals and structural changes. Finally, *Innovative*, namely a country that has sustainable reforms going forward. Table 1 shows four typologies that have adjustment indicators with eight predetermined factors. The author chose this concept because it is in line with the purpose of this article, namely mapping the typology of Indonesia's economic diplomacy. So that this concept can make clear measurements in seeing Indonesia's economic diplomacy activities.

Table 1. Typology of Economic Diplomacy, Rana (2007)

	Traditional	Niche-Focused	Evolving	Innovative
External Economic Management	Handled by the trade and economic ministries; little involvement of MFA	Promotion concentrates on the identified niche	There is coordination between trade and foreign ministries	Joined-up and other cooperative arrangements
Policy Management	Limited role for MFA,	Good internal coordination	Inter-ministry coordination; tending toward improvement	Institutionalized management, strong teamwork
Role of Non-State Actors	Depends on personality	Variable	New Procedures, strong networking	Harmonization with all stakeholders
Economic Aid: Recipient	Handled by economic agencies, seldom coordinated with MFA	Limited coordination	There is networking between the aid management agency and MFA	It is no longer a priority for the recipient of aid or close to it
Economic Aid: Donor	Unlikely to be an aid donor	Unlikely to be an aid donor	Modest program; technical cooperation	Started to expand the program, run by MFA and trade promotion agencies
Trade Promotion	Handled only by commercial cadre; outside MFA control	Focus only on commercial promotion	Cooperative arrangements, often the integration of political and economic work	Well-coordinated activities
Investment Promotion	Handled by domestic agencies, the limited role of the diplomatic system	Active use of the embassy network	MFA and embassies work actively with home agencies	Strong team effort, based on institutional arrangements
Regional Diplomacy Role	Reactive	Focused only on some area	Active	Innovative, exploitation of potential cooperation

### III. RESEARCH METHODOLOGY

In this study, the authors used a descriptive research type. This type of research can assist writers in explaining and describing the situation of economic diplomacy in Indonesia. Furthermore, the type of data used in this study is secondary data, the data that was collected and used for a specific purpose by someone other than the author (Pederson et al., 2020). This data can come from government agencies or published reports. This study divided the research stage in two phases, collecting and analyzing the data. First, is collecting the secondary data from the publication of the official government's documents and the official institutional website. Second is analyzing the data using the thematic analysis method. This technique has the goal to identify patterns in the author's concept (Heriyanto, 2018).

The analyzing stage will be divided to three stage. The first stage is understanding the data. In this stage the author will read and understanding that whole data about the action of Indonesia in implementing economic diplomacy. The second stage, namely compiling the code, which means that the author gives the code to the data that has been understood. In this study, the author will see the patterns of the data of the economic diplomacy and give the code based on it. Finally, namely grouping data, at this stage the researcher can interpret the data into the main concepts that have been selected. In this study, this research will group data that has been coded with the main concept of research, namely Rana's typology of economic diplomacy.

### IV. RESULTS AND DISCUSSION

This study will analyze the typology of Indonesia's Economic Diplomacy based on the eight activity categories that have been determined by Rana (2007) to see how they are managed. In addition, this research will also try to explain the development and mapping of Indonesia's economic diplomacy. Then finally, this study will discuss the use of economic diplomacy in dealing with the global economic crisis.

### 1. The Capacity of Indonesia's Economic Diplomacy Management

First, is *external economic management* that will look at the role of the Indonesian Ministry of Foreign Affairs in economic diplomacy activities. This research will also look at the coordination between the Ministry of Foreign Affairs and the Ministry of Trade in implementing Indonesia's economic diplomacy. The inclusion of economic diplomacy as one of the goals in the Indonesian Ministry of Foreign Affairs Strategic Plan 2015-2019 (Renstra Kemlu RI) proves that the Ministry of Foreign Affairs plays an important role in Indonesia's Economic Diplomacy. The Strategic Plan also includes strategic objectives and key performance indicators through economic diplomacy for the next five years. It was also stated that strengthening Indonesia's economic diplomacy would be carried out by encouraging the expansion of trade, tourism, and investment (Keputusan Menteri Luar Negeri Republik Indonesia Tentang Rencana Strategis Kementerian Luar Negeri Tahun 2015-2019, 2015). Apart from that, in practice, it is also evident that the Ministry of Trade continues to coordinate with the Ministry of Foreign Affairs in carrying out its international economic activities. This can be seen through the meetings held by the two Ministries to continue to coordinate international trade (Kementerian Perdagangan Republik Indonesia, 2019). Although these meetings are not held regularly, there are still efforts to coordinate international economic activities.

Then, the role of the Ministry of Foreign Affairs in Indonesia's economic diplomacy was strengthened again through the Indonesian Ministry of Foreign Affairs Strategic Plan for 2020-2024. In the document, it is stated that the Ministry of Foreign Affairs will enhance economic diplomacy at the global, regional, and bilateral levels. (Keputusan Menteri Luar Negeri Republik Indonesia Tentang Rencana Strategis Kementerian Luar Negeri Tahun 2020-2024, 2020). In addition, it is also stated that the Ministry of Foreign Affairs will strengthen its coordination with the Ministry of Trade in agreeing on trade agreements with other countries. In the 2020-2022 period, there will also be a more intensive strengthening of coordination between the two ministries, one form of which is the holding of the INA-LAC Business Forum which is a collaboration of the Ministry of Foreign Affairs, the Ministry of Trade and Investment Coordinating Board (Kementerian Perdagangan Republik Indonesia, 2020).

The relatively high involvement of the Ministry of Foreign Affairs in economic diplomacy activities says that Indonesia has passed the typology *traditional* on *external economic management* categories. Then, the existence of coordination between the Ministry of Foreign Affairs and the Ministry of Trade regarding trade activities and international economic agreements is sufficient to prove that Indonesia has stepped on *evolving* typology. Although, Indonesia is only entering the initial stages of this typology because there is still a lack of intensity of coordination between the Ministry of Foreign Affairs and the Ministry of Trade. Indonesia also does not

yet have an institution or coordinating body that unites the Ministry of Foreign Affairs and the Ministry of Trade. These institutions can facilitate coordination regarding trade with international economic cooperation. Therefore, it can be concluded that in the *external economic management* categories, Indonesia has stepped into *evolving* typology early stage. Even though there has been an increase in coordination, there is still a need to increase the intensity of coordination between the Ministry of Foreign Affairs and the Ministry of Trade.

Second, is *policy management*, that will look at inter-ministerial coordination regarding Indonesia's economic policy. This research will also look at the role of the Ministry of Foreign Affairs and examine whether there is a merger of functions between ministries in regulating economic policy, which means that this second category has similarities with the activities of the first category, *external economic management*. Thus, it can be immediately proven that Indonesia has exceeded the *traditional* typology level because the role of the Ministry of Foreign Affairs in economic diplomacy is no longer limited, or even maximized.

Furthermore, Indonesia also has coordination that is quite integrated with ministries in the economic sector with the establishment of the Coordinating Ministry for Economic Affairs of the Republic of Indonesia. This ministry serves as a coordinator in synchronizing and controlling government administration in the economic sector (Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2023b). This proves that Indonesia has touched the *evolving* typology stage on *policy management* categories, which means that the coordination between ministries and cabinets has been seen in 2015-2022. However, unfortunately, Indonesia does not have a special institution that regulates integrated economic policy management. The point here is an institution that regulates economic policies in an integrated manner internally or externally by coordinating directly with related Ministries outside the economic sector, such as the Ministries of Foreign Affairs, Investment, Tourism, and Home Affairs. Thus, it can be concluded that Indonesia has not yet reached the *Innovative* typology stage, but already has a good development in *evolving* stage.

In addition to the need for coordination between the Ministry of Foreign Affairs and the Ministry of Trade, as well as policy management between government institutions. In practice, it is also necessary to involve private actors in economic diplomacy activities. Thus, through the third category, the *Role of Non-State Actors*, this research will identify the involvement of private actors in economic diplomacy policies and activities and their coordination with the Government of Indonesia. In means that in practice, the role of non-state actors such as entrepreneurs in economic diplomacy carried out by Indonesia has started to appear after 2019. One form is the cooperation of Indonesian MSMEs with Laos through the *Indonesia-Lao Trade Fair 2022* which produce a *Memorandum of Understanding* (MoU) regarding herbal medicine trade and MSME distributors (Kementerian Luar

Negeri Republik Indonesia, 2022) Apart from that, at the G20 forum yesterday there was also a B20 forum which brought together entrepreneurs from members of the G20 forum. This meeting is one form for Indonesia to expand its network of entrepreneurs in the international sphere. Therefore, Indonesia can be said to have reached the initial level of *evolving* for expanding its network. What's more, the existence of a MoU involving MSMEs also shows that Indonesia has certain coordination and procedures for involving entrepreneurs in economic diplomacy. Even so, unfortunately, this has not yet reached the harmonization of all stakeholders, because in carrying out its economic diplomacy activities, Indonesia tends to focus on systems within the government. So, the involvement of non-state actors is still minimal.

Then, apart from having to consider the involvement of private actors, the capacity of the state as a donor or recipient of foreign aid must also be considered. In this fourth category, that is *Economic Aid: Recipient* this research will identify the involvement of the Ministry of Foreign Affairs in the management of foreign aid and its coordination with other related Ministries. Unfortunately, starting in 2015-2019 there have been no regulations from the Ministry of Foreign Affairs governing acceptance of foreign aid. However, in 2020 Indonesia experienced development with the issuance of Ministerial Regulation of the Republic of Indonesia Number 20 of 2020 concerning the *Formation of a Team and Work Procedure of the Ministry of Foreign Affairs for Handling Foreigners and International Assistance in Disaster Emergencies in Indonesia*. This regulation indicates Indonesia's efforts within the Ministry of Foreign Affairs in managing foreign aid. However, unfortunately, this regulation only covers foreign aid in a disaster emergency. Meanwhile, overall, most of the funds that come in through foreign aid are managed by the National Development Agency (Bappenas) because their main distribution focuses on national development. Thus, this study concludes that as a donor-recipient country, Indonesia is in a transition from *traditional* to *niche-focused* phase. That is, Indonesia has passed the *Traditional* typology level but still trying to get to the *niche-focused* stage. This is due to the already existing role of the Ministry of Foreign Affairs but with very little intensity, and the lack of integrated coordination regarding the receipt of donors and their allocation from each Ministry and Agency.

Then, the capacity as a donor country, that will look at the existence of Indonesia's foreign cooperation assistance program. Even though Indonesia is still listed as a recipient country of foreign aid, currently Indonesia already has a foreign aid program in the form of *Official Development Assistance (ODA)*. This is evidenced by the establishment of the LDKPI International Development Cooperation Fund Institution under the Ministry of Finance in 2019. In addition, in 2020, the OECD recognized Indonesia as a non-traditional developing

country (donor) (Sekretariat Kabinet Republik Indonesia, 2022). Then, besides the form of ODA, Indonesia also used to assist in the form of humanitarian assistance to other developing countries. This is a fairly good development, considering that there has been an increase in foreign aid provided by Indonesia over the last eight years (2015-2019).

However, many criticisms have arisen over the existence of the LDKPI. This is because, unlike other developed countries, such as South Africa manages ODA through the *Department of International Relations and Cooperation (DIRCO)* as well as several countries that have similar institutions (Sekretariat Kabinet Republik Indonesia, 2022). LDKPI is not integrated with the relevant institution which should be the Ministry of Foreign Affairs. It would be better if this LDKPI was not only under the coordination of the Ministry of Finance but also the Ministry of Foreign Affairs. Thus, the foreign assistance provided can have a major effect on increasing economic diplomacy which is being intensified by the Indonesian government. So, it can be concluded that Indonesia has passed the two initial typological levels of economic diplomacy and stepped on the *evolving* typological level. The lack of coordination between the Ministry of Foreign Affairs and the LDKPI is the reason Indonesia has not yet arrived at an initiative typology. As a donor, it is necessary to develop coordination between Indonesian government agencies in managing foreign aid. This is because integrated coordination can provide benefits for the provision of foreign aid itself, namely increased investment, nation-branding as well as the intensity of economic diplomacy from the countries concerned.

The sixth activity category that determines the capacity of a country's economic diplomacy is trade promotion. In this category, this study will explain trade promotion carried out by the Indonesian government and the involvement of its Ministry of Foreign Affairs. In addition, this research will also identify the involvement of political goals in trade promotion activities carried out. In this context, Indonesia has the *Directorate General of Export Development (DJPEN)* under the Ministry of Trade. Based on its vision and mission, DJPEN does not close export or trade promotions in certain fields, promotions are open to producers who can meet the market needs (Kementerian Perdagangan Republik Indonesia, 2023). In addition, in practice, export promotion in Indonesia has developed through the existence of the ITPC or *Indonesian Trade Promotion Center* spread across several countries. Although not regulated institutionally, the activities carried out by the ITPC involve and coordinate with the Ministry of Foreign Affairs through the surrounding embassies. Figure 1 shows about the values of Indonesia's Export in 2015-2022. By seeing the escalation of the values, it also proves that Indonesia has increased the international trade activity through developing its trade promotion capacity.



Figure 1:Indonesia's Export Values in 2015-2022 in US\$  
Source: Badan Pusat Statistik (2023) Managed by Author

The absence of institutional coordination between the Ministry of Trade and the Ministry of Foreign Affairs proves that the role of politics in trade promotion is still minimal. Moreover, it is stated in the 2015-2019 National Development Medium-Term Draft and the Ministry of Foreign Affairs Strategic Plan that Indonesia focuses on promoting investment, trade, and tourism in carrying out economic diplomacy. Furthermore, in the National Development Medium-Term Draft and the Ministry of Foreign Affairs Strategic Plan for 2020-2024, the results of Indonesia's economic diplomacy (through promotion in three fields) are focused on inward development. These two planning documents from two different periods prove that until now Indonesia is still carrying out economic diplomacy, especially trade promotion for commercial promotion. The expected gains through trade promotion are economic development including an increase in Indonesian exports. Thus, this study concludes that, in this category of trade promotion, Indonesia is still at the *niche-focused* stage, because Indonesia has involved the Ministry of Foreign Affairs as a trade promotion actor. In addition, commercial goals also dominate more than political goals, so this research states that Indonesia has been able to pass *traditional* typologies but has not been able to step on *evolving*.

As with the ITPC, in the context of investment promotion, the Indonesian government has the IIPC namely *Indonesian Investment Promotion Center* under the Ministry of Investment of the Republic of Indonesia. IIPC does not have institutional coordination with the Ministry of Foreign Affairs, but in its activities and practice it still involves the Ministry of Foreign Affairs through collaboration with Embassies in related areas. In 2021, the Ministry of Foreign Affairs and the Ministry of Investment even signed an MoU to work together to increase investment coming into Indonesia through the establishment *Indonesia Investment Authority* (Kementerian Luar Negeri Republik Indonesia, 2021). This MoU has even proven to help increase investment when seen from the soaring investment figures from 2021-2022. Figure 2 shows the escalation of the investment. These two things prove that Indonesia's typology of economic diplomacy has reached the initial stage of *evolving* which means that there is coordination between the Ministry of Foreign Affairs and the Ministry of Investment and there is an expansion of the network through the relevant embassies. In addition, Figure 2 also shows that Indonesia has experienced a fairly stable development from 2015-2022.

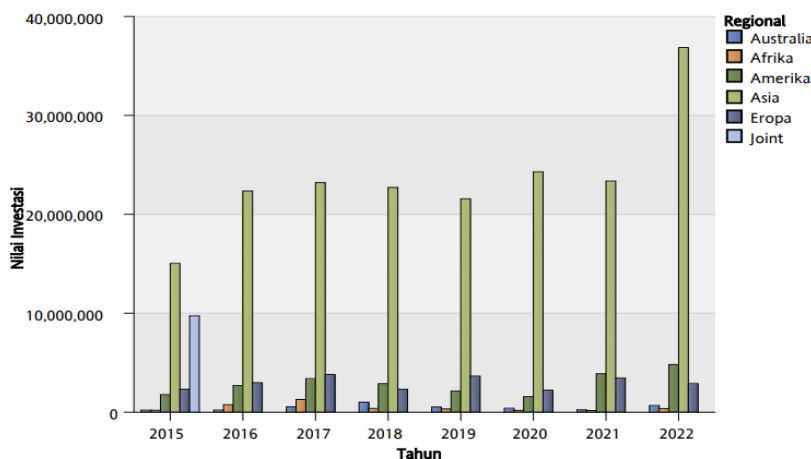


Figure 2: Development of Indonesia's Investment Value in US\$  
Source: Kementerian Investasi Republik Indonesia (2023)

Finally, this study will discuss Indonesia's role in conducting economic diplomacy at the regional level. Which means that Indonesia is considered to be very active in conducting economic cooperation or agreements with countries in the region, especially ASEAN members. This is evident from the passing of the Draft Law on *Regional Comprehensive Economic Partnership Agreement* (RCEP), the largest trade agreement between ASEAN member countries and five other economic partners, namely Australia, Japan, South Korea, China, and New Zealand (CNBC, 2022). Not only that, but Indonesia also takes advantage of its political influence by including the agenda of Indonesia's main economic pillar, the blue economy, in the agenda agreement *High-Level Task Force on ASEAN Economic Integration (HLTF-EI)* 43rd. At this meeting, Indonesia also took advantage of the opportunity to produce energy cooperation projects with Malaysia, the Philippines, and Brunei Darussalam (Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2023). Indonesia's economic diplomacy relations at the regional level through ASEAN are fairly comprehensive with the presence of the AEC (ASEAN Economic Community). In 2015 *Blueprint (MEA) 2025* has been approved and contains economic integration between ASEAN countries with the aim of economic development and market expansion (Kementerian Luar Negeri Republik Indonesia, 2015). The relatively close relationship and Indonesia's visible influence on ASEAN prove that the typology of economic diplomacy in its activities regionally is already at the *initiative stage*.

## 2. Development and Mapping of Indonesian Economic Diplomacy Typology

Indonesia has shown quite good progress in implementing the eight aspects included in the Rana (2007) indicators in the 2015-2022 period. However, when viewed based on the typology, there is no significant difference in development during that period. Indonesia has only shown a fairly good increase in intensity and consistency in existing programs. First, on *external economic management* Indonesia proves that there has been a development in the intensity of meetings and coordination between related Ministries and institutions in discussing its economic diplomacy. However, the development of the intensity of this communication was not increased in a more legal direction, such as agreements, unification of institutions, or regulations governing coordination mechanisms. Even though this will be useful to open up opportunities for economic diplomacy to become more comprehensive with minimal effort *miscommunication*. This is also in line with policy management between agencies and ministries regarding economic diplomacy which is still limited. The developments that have occurred are only the development of intensity, even though it would be better if the developments pursued by Indonesia were coordination mechanisms between internal institutions

because in practice economic diplomacy is a comprehensive practice and involves many parties.

Furthermore, with the involvement of private actors, Indonesia has made progress starting in 2019 to expand the network. However, unfortunately, it has not been proven that there is a sufficiently strong network as well as procedures or regulations regarding the role of entrepreneurs in economic diplomacy. It would be better if the role of non-state actors was involved more and harmonized coordination to strengthen Indonesia's economic diplomacy. The next activity category is Indonesia's capacity as a donor and recipient country of foreign aid. Whereas a recipient country, Indonesia has made significant progress starting in 2015-2022. However, unfortunately, coordination between the Ministries regarding the management of foreign aid receipts is limited. The majority of aid that comes in is managed by economic institutions and there is not much role from the Ministry of Foreign Affairs. The management of receiving foreign aid from the Ministry of Foreign Affairs will increase Indonesia's political role in carrying out economic diplomacy.

Unlike the typology in the category of aid recipients, Indonesia has experienced quite rapid development over the past eight years, namely 2015-2019, when 2019 LDKPI was established as a foreign aid donor management agency. However, this existence still draws criticism because there is no coordination or amalgamation of institutions with the Ministry of Foreign Affairs. The amalgamation agency is a fairly effective way of coordinating between the Indonesian governments in making donors. Foreign assistance given to a country will concern Indonesia's relationship and closeness with that country. This indicates that there is always a political context that needs to be considered so the Ministry of Foreign Affairs needs to join and coordinate intensely with LDKPI. Next, is trade promotion which also has development but not as fast as other categories. Even though it has ITPC Indonesia it still focuses on commercial promotion, so it falls on the *niche-focused* typology. This is unfortunate because trade promotion is the focus of Indonesia's economic diplomacy. In the future, Indonesia must have cooperative arrangements and insert political and economic objectives that are integrated into trade promotion. This is because good economic diplomacy is taking advantage of political positions for economic purposes or vice versa.

In contrast to trade promotion, which moves quite slowly, investment promotion has progressed quite well. This is due to differences in typological indicators between investment and trade promotions. On investment promotion, *evolving* typology regarding the coordination of the Ministry of Foreign Affairs, Embassies, and agencies related to the presence of the IIPC. In addition, investment development has also seen a significant increase after the existence of the MoU. This proves that even though Indonesia is only at an early on *evolving* stage its development from 2015-2022 was fairly rapid.

Finally, in its efforts to improve its economic diplomacy relations in the regional area, Indonesia has made quite good developments, even starting in 2015. This is due to Indonesia's high political influence. Besides that, Indonesia's entry into the G20 also supports its role in diplomacy at the regional level. Until now, it is hoped that Indonesia will continue to increase its role and influence in ASEAN through economic diplomacy. Because the regional area is the first step that can be taken to strengthen the economic diplomacy strategy at the global level. Table 2 is the result of mapping the typology of Indonesia's economic diplomacy. This paper produces different typology tables based on a particular year or period because the majority of developments only change the intensity, not the typology.

Table 2. Typology of Indonesian Economic Diplomacy

Activity	Indonesian achievements	Typology
External Economic Management	There is coordination between the Ministry of Foreign Affairs and the Ministry of Trade	Evolving (adaptation of a country, a country begins to adapt to opportunities accompanied by goals and changes in structure)
Policy Management	There is limited coordination between government agencies and the Ministries of the Republic of Indonesia	Evolving (adaptation of a country, a country begins to adapt to opportunities accompanied by goals and changes in structure)
Role of Non-State Actors	Indonesia has made efforts to expand its network with entrepreneurs	Evolving (adaptation of a country, a country begins to adapt to opportunities accompanied by goals and changes in structure)
Economic Aid: Recipient	Limited coordination of ministries and economic agencies	Niche-focused (countries begin to identify their strategic fields and develop economic diplomacy in these fields)
Economic Aid: Donor	There are institutions and cooperation aid programs in the form of LDKPI	Evolving (adaptation of a country, a country begins to adapt to opportunities accompanied by goals and changes in structure)
Trade Promotion	Trade promotion is still focused on commercial promotion	Niche-focused (countries begin to identify their strategic fields and develop economic diplomacy in these fields)
Investment Promotion	There is an IIPC that coordinates with the Embassy and the Ministry of Investment	Evolving (adaptation of a country, a country begins to adapt to opportunities accompanied by goals and changes in structure)
Regional Diplomacy Role	Indonesia has an active role and opens opportunities to benefit from potential cooperation	Innovative (countries that have ongoing reforms going forward)

### 3. Indonesia's Economic Diplomacy in Facing the Issue of Global Economic Crisis

Sooner or later the global economic crisis is inevitable, forcing Indonesia to move carefully in implementing its economic diplomacy. Several categories of economic diplomacy activities with *niche-focused* stages must be increased immediately because the world and its instability will bear fruit every time. If Indonesia does not immediately increase it, then its Economic Diplomacy will be left far behind. In addition, several new activity categories are entering their infancy *evolving* must continue to be developed because global uncertainty will demand changes from time to time. Institutional coordination that has been carried out by developed countries in economic communication and foreign policy can be used as a reference for Indonesia in increasing its economic diplomacy.

Foreign policy is an important thing to be involved in global uncertainty and conflicts between countries that are currently rife. Because by studying Indonesia's foreign policy, economic diplomacy actors will be able to map strategies well. Indonesia's foreign policy relations are also a major factor in carrying out intensive and targeted economic diplomacy. Indonesia's position as a Non-Aligned country brings advantages, because Indonesia is rarely involved in conflicts and can continue to take advantage of the cooperation of two different parties. Therefore, it is very unfortunate if there is no integration of political and economic objectives in carrying out economic diplomacy. The issue of the global economic crisis whose existence is undeniable must be well prepared by Indonesia through the practice of balanced economic diplomacy. This is important to do as an effort to prevent a significant decline in economic growth and an excessive increase in inflation.

## V. CONCLUSION

The differences in each indicator at a certain typology category and level lead to differences in Indonesian typology in several activities. However, when viewed from the majority of typologies, Indonesia's current economic diplomacy has entered the *evolving stage*. That Indonesia has opened up new opportunities and adapted according to existing developments in managing its economic diplomacy. In fact, at the regional level, Indonesia is already at the *initiative stage* which means it must continue to be increased development and intensity. Even so, there are still categories of activities such as trade promotion and management of recipients of foreign aid that are still at the top *niche-focused*, which means that the activity and merging of structures must be continuously improved.



The results of this research can measure Indonesia's management capacity as a developing country in implementing economic diplomacy. Then, this research can be used as an evaluation by the Indonesian government in the future to maintain control of economic diplomacy so that it remains balanced and synergized. Not only that, this study also can be used as a tool to see the act of Indonesia Government in the future leadership era. Typology of Indonesia's economic diplomacy is an important study to see the condition of the economic development in Indonesia. This is needed in Indonesia's efforts to deal with the issue of the global economic crisis. Next research is expected to discuss about Indonesia's economic diplomacy to specific region, in order to see the potential market.

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