
INDONESIAN COAL EXPORT TO JAPAN: INTERNATIONAL POLITICAL ECONOMIC REVIEW PERIOD 2010 - 2015

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Abstract : Indonesia is one of the largest coal-producing countries in the world but is weak in the utilization, technology, and management of coal. Meanwhile, Japan is a developed industrial country with the largest energy consumption in the world, but its resources are limited, so it relies on imports from other countries such as Indonesia. So that there is a coal export-import trade cooperation with the formation of the IJEPa and IJCPD cooperation as bilateral cooperation between Indonesia and Japan which carries the basic concept of the EPA. The purpose of this research is to find out that Indonesian coal exports to Japan can provide benefits for both countries and meet their respective interests. countries viewed in an international political economy review. This research uses the library research method. Japan in fulfilling its energy consumption cannot be separated from trading with other countries such as importing coal from Indonesia which is manifested in the IJCPD Cooperation which is one of the cooperation frameworks in IJEPa, providing great opportunities for Indonesia to maximize management, technology, utilization of coal and bring in investors in Indonesia. . Indonesia and Japan in fulfilling their political economy interests under the auspices of the IJEPa cooperation, in which Japan has established itself as a guarantor country for economic and political stability in the East to Southeast Asia region. Meanwhile, Indonesia had the opportunity to equalize its position and compete with other competing countries that had established cooperation with Japan in the Japanese market.

Keywords: Cooperation, Trade, Import-Export, Coal, IJEPa, IJCPD,

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INTRODUCTION

Within the basic framework, life is related to economics and politics. To be able to survive requires food, drink, clothing, and other things, so we need a market to meet most of our needs, especially in modern times. The modern market is needed in addition to fulfilling needs, it must also be based on political rules to prevent the Black Market from using threats, bribery, and force. That is why political rules and regulations are needed as a framework in

the functioning of the market. At the same time, economic power is also an important basis for political power.

In international trade activities, export and import are two important things that never escape any study of international trade discussions. Countries carry out export activities to meet demand from other countries, of course for the sake of increasing their economic growth. These export activities will provide benefits, especially for countries that export certain commodities to other countries in need, and the results of this trade will later become a source of state income in the form of foreign exchange income for the country. Indonesia as a developing country needs improvement in its economic performance so that Indonesia can compete in industrial progress with modern industrial countries. In realizing this, by conducting cooperation and trade with industrialized countries such as Japan, which is one of the important factors needed for the economic development of a country.

Coal is known as alternative energy to replace oil which is very popular and affordable, which is used as a fuel for industry and electricity generation. Based on data obtained from the 2015 Statistical Review of World Energy, Indonesia is ranked in the top 5 as a coal-producing country, China is in the first place, followed by America in second, then Australia in third, and India in fourth place, and five by Indonesia. (BP, 2015. *Statistical Review of World Energy*)

Indonesia is also a country contributing to the second-largest export, With Indonesia's position as the second-largest exporter, it can create enormous opportunities and benefits for Indonesia in international trade relations with countries that need coal supplies as their domestic energy consumption, for example, Japan. (BPS, 2018. *Eksport and Import*)

Japan and Indonesia have a complex and long-standing relationship based on historical values that have been going on for more than 50 years. Then Japan thought of creating a new form of cooperation with other countries, namely free trade cooperation called the Economic Partnership Agreement or EPA. Then the Indonesia-Japan Economic Partnership Agreement or IJEPA was formed as a form of bilateral cooperation between Indonesia and Japan. In Japan's foreign policy agenda, energy demand and security will always be the main agenda for the Japanese state. Because this is needed to support the progress of industrialization and the Japanese economy. Japan is also one of the developed industrial countries which are classified as the largest coal energy consumption level in the world. Industrial development is growing fast, but the existing resources in Japan are depleted and almost depleted, not in proportion to the country's energy consumption needs. In overcoming this problem, Japan made cooperation efforts with other countries and imported energy raw materials such as coal from other countries, such as Indonesia.

To create a tighter, more harmonious, and mutually beneficial cooperation relationship with the coal trade for the two countries, Indonesia and Japan have created a new form of cooperation in the coal energy sector called the Indonesia Japan Coal Policy Dialogue or

known as IJCPD which is one of the frameworks in the agreement. IJEPA. In general, the IJEPA cooperation agreement contains the agreed agreements between the two countries in the economic sector in the form of trade in goods and services, investment, intellectual property rights, and fulfillment of energy and minerals. In particular, the agreement covers eleven kinds of negotiations, namely, Trade in Goods, Rules of Origin, Customs Procedures, Trade in Services, Investment, Movement of Natural Persons, Government Procurement, Intellectual Property Rights, Competition Policy, Energy and Mineral Resources, and Cooperation. (Fidel Katsro, 2020)

Japan in meeting its coal energy needs is by choosing Indonesia as a partner country in coal imports. The reason Japan chose Indonesia as the main cooperation partner, to be able to meet its energy needs, also the import of coal from Indonesia to Japan is far more profitable when viewed from the point of view of sea transportation routes compared to other producing countries such as from Australia, India. In addition, Japan is also bound and has an agreement to increase coal demand as stated in the IJEPA agreement with Indonesia. If we look back at that Indonesian coal also contains more coal or medium and low quality which contains high water content which can be processed into quality coal, besides that the price of Indonesian coal production is cheaper than the cost of producing petroleum.

The development of the Indonesian coal industry has become a major foundation for several developments in Indonesia. Exports in the coal sector have supported national development, especially in the economic sector both regionally and nationally. Several contributions from coal exports, one of which is in state revenue, such as increasing the country's foreign exchange from coal export activities, supporting electrification and national energy security, providing a significant amount to the economy for the domestic economy such as GDP, then job opportunities from regional and national levels, and household income. The coal industry also plays a role in state revenue in the form of royalties, taxes, and levies. As a trading partner of Indonesia, Japan is also known as an investor who plays a major role in Indonesia's economic development. The foreign investment that has been carried out by Japan in 2010 has covered as much as 712.6 million US dollars. This amount includes the 323 projects developed in Indonesia. So that Japan plays an important role in helping Indonesia to increase its economic development and growth, in the form of investments made in Indonesia by the Japanese as well as demand for non-oil and gas products that Indonesia has such as coal. (BKPM, 2011)

In this regard, Japan is a major trade partner as well as an important partner for economic cooperation and investors for Indonesia, especially in enhancing Indonesia's economic growth. Japan, which has a role as Indonesia's main trading partner, also has a significant role and contribution to Indonesia's trade balance. Although not always trade between Indonesia and Japan has increased from year to year, sometimes it has also decreased.

Bilateral relations that are more than fifty years have created many cooperative relationships that have been built between the two, such as the formation of the IJIPA cooperation which contains many beneficial cooperation matters for the two countries such as IJCPD, Manufacturing Industrial Development Center or MIDEK, which generally consists of cooperation in fulfillment. national energy security, provision of technological knowledge, exemption from import duties, providing several assistance covering various activities such as basics, studies, trainees and trainers, technology, a large investment by Japan to build the Indonesian economy which generates a large number of jobs, and various fulfillment of interests - economic and political national interests of the two countries. (Achdiat Atmawinata, 2009)

Bilateral cooperation relations between the two of them is like a symbiosis of mutually beneficial mutualism and allows it to be continuously updated to face the challenges in today's globalization. The purpose of this research is to find out "How Indonesian coal exports to Japan can benefit both countries and meet the interests of each country as seen in the international political economy review."

LITERATURE REVIEW

The Concept of International Political Economy

The concept of international political economy, according to the thought of Walter S. Jones expressed his opinion on the concept of international political economy which is defined as a global interaction between politics and economics. Walter then quotes from the viewpoint of the character Robert Gilpin regarding the concept of the relationship between economic and political relations, namely; On the one hand, politics can also determine the framework for economic activity and then direct it to serve the interests of the dominant group in the use of power in its various forms which largely determine the nature of an economic system. On the other hand, the occurrence of the economic process tends to redistribute power and wealth, where the economy overhauls power relations between groups. In turn, it also overhauled the political system, and also contributed to the structure of new economic relations. Therefore, the dynamics of international relations in modern times are generally a function of the reciprocal interaction between economy and politics. (Walter S. Jones, 1993:223-224)

Thus, international political economy is a dynamic reciprocal interaction between the pursuit of power and wealth in international relations. So this view implies that international political economy theory is not a purely economic theory, which means that this theory also discusses economic issues through technicalities and is also not a pure political theory, which sees the continued economic dimension and is political. In this view, the international political economy theory is nothing more than functioning to explain the various linkages or interrelations

between economic and political factors, markets and countries, in an international scope or setting. (Jeffrey A Frieden and David A Lake, 1991:4)

Liberal International Trade Theory

Liberal International Trade Theory, according to Adam Smith, a pioneer of this classical school, states his ideas about absolute advantage or known as an absolute advantage, where the main source of the value of a country's strength and wealth comes from economic growth and the means to make it happen by international trade. His idea is that international trade requires a division of labor or excellence, in which each country in creating its production must be adjusted to its capabilities. In this sense of division of labor or specialization, so that countries that produce a certain number of products can create opportunities for achieving economic growth and national income that are higher than other competing countries that have only a few products and this is what is meant by absolute advantage. (Robert Gilpin, 1987:41-42)

In addition, according to David Ricardo's view, a balanced and fair international trade can be realized if each country emphasizes the dimensions of comparative advantage. In other words, countries that can produce a certain product at a relatively low cost will have an advantage over that product in international trade. In this way, it will create efficiency in which each country will participate in international trade activities following the best ability they have in creating their unique products. Then, David also expressed his opinion that countries specialize in their distinctive products, mainly because of the consideration of the lowest comparative cost, and not only because of the absolute advantage over other countries. (Christ Brown, 2001:154-156)

METHOD

The article uses a qualitative approach. For data collection techniques using literature study where the main emphasis is on various literary media such as print media and online media. The author uses data sourced from the literature that shows the author's reference.

For writing techniques and data analysis, the writer does this with analytic descriptions, which is a study that creates systematic, factual, and accurate descriptions and paintings based on facts, characteristics, and also the relationship between the phenomena that the writer is studying. This descriptive research can produce a detailed picture of situations and conditions as well as social relationships. Its main purpose is intended as an information tool that can later explain events that synergize with each other, after which the data will be searched as a step in the research process in order to obtain a generalization and can be used as a basis for research that is more extensive and in-depth.

Meanwhile, the authors use secondary data sources in the form of books, journals, articles, and documents from various institutions, and annual official reports on Indonesia's cooperation with Japan in the field of coal exports in the 2010 - 2015 period. use, namely library research o

library research by collecting some relevant literature related to the author's research which afterward will be analyzed.

The importance of a concept and theory to analyze and dissect the content in a study. The use of these concepts and theories is very necessary to be able to see from the author's point of view in compiling or compiling the content of the writing to reach to what extent and how the research. In this thesis, the theories that have been used by the writer are adjusted in analyzing the research data.

RESULT AND DISCUSSION

International cooperation has close relations based on the national interests of the countries concerned. Because it is only natural that if a country cooperates with other countries, of course, each country concerned has its national interest behind the cooperative relationship that exists. Quoted from Jemadu, according to Miroslav Ninic, there are three basic assumptions to be able to identify national interests. The first basic assumption is that its interests must be vital so that its attainment becomes the top priority of the government and society. The second assumption, these interests must be related to the international environment situation, and to achieve national interests must be influenced by the situation in the international environment. The third assumption, national interests must exceed the particularistic interests of individuals, groups, or government agencies, and must focus on the interests and concerns of society. (Aleksius Jemadu, 2008:67)

Indonesia is also known as a country with abundant natural resource wealth, especially in the oil and gas sector, metal minerals, non-metals, various types of rocks, and coal, which are scattered in almost all parts of Indonesia. Abundant resources must be managed wisely and optimized based on the principles of justice, benefits, balance, and siding with Indonesia's national interests. (Ministry of Trade, 2020) Resource-rich Indonesia, of course, also has an abundant supply of coal resources. The supply of coal resources and coal reserves in Indonesia exists in almost all parts of Indonesia, but most of them are spread across the islands of Kalimantan and Sumatra, and a small number of others are scattered in the islands of Java, Sulawesi, and Papua. Based on data from the Geological Agency in 2015, the total coal resources owned by Indonesia in 2015 were in the range of 126.609 billion tons, while for coal reserves it was around 32.263 billion tons. (Ministry of Development Plan, 2009)

Countries in the Asian region are the main export destinations for Indonesian coal with export value (75.71%) of Indonesia's total coal production, countries in the European region of 11.34%, and others (12.95%). Countries that are the main destinations for Indonesia's coal exports in Asia are Japan, China, Taiwan, India, South Korea. As for the European region, namely Switzerland, Spain, and Italy. In 2015, Indonesia's total coal production, especially in the coal export sector, was as much as over 75% for export and the rest was marketed domestically. So

that Indonesian coal production is still predominantly aimed at exporting coal abroad and causes the absorption of domestic use of coal to be relatively small compared to its production. (Journal of Mineral and Coal Technology, 2013) In 2015 Indonesia as one of the largest coal exporters in the world, played a major role as a coal supplier in the international market by 24%. Indonesia's coal exports are shown in China, South Korea, India, and Japan. Seeing the promising prospect of coal which has made a major contribution to the Indonesian economy, the peak of Indonesia's coal export prosperity contributed around 85% of total state revenue from the mining sector in 2015. One of the factors that increased demand for coal imports from abroad was the demand from the Japanese. (BPS, 2015)

This is because Japan is one of the modern countries which is also one of the modern countries that consume the largest energy in the world. Industrial development in Japan is growing very fast, so the need for raw materials for power plants is very high. However, Japan has limited resources and is not proportional to the country's energy consumption needs. In overcoming this problem, Japan imports energy raw materials such as coal, petroleum, from countries that have a lot of resources such as Indonesia which is rich in coal resources. For the required coal demand, Japan usually imports coal from Indonesia low-quality types (below 5100cal / gr) usually have a moisture content of 30-45%, and coal with medium quality has a value (5100 - 6000 cal/gr) with moisture content 10-25%. (Ministry BUMN, 2017)

Bilateral cooperation between Indonesia and Japan, which has been established for a long time from historical factors, has been more than 50 years after the second world war and has created many cooperative relationships that were built between the two, such as the formation of IJEPAC cooperation which contains many other cooperation frameworks that are beneficial for the two countries such as Indonesia Japan Coal Policy Dialogue or IJCPD, Manufacturing Industrial Development Center or MIDEAC. The framework of the cooperation agreement contained in the IJEPAC generally consists of cooperation in fulfilling national energy security, providing technological knowledge, exempting import duties, providing several assistance covering various activities such as basic, study, trainees and trainers, technology, large investments by Japan for building an Indonesian economy that generates a large number of jobs, sending workers, because the IJEPAC cooperation is comprehensive, which does not only discuss trade and service liberalization but also concerns the increased need for labor migration or movement of natural persons which is manifested in the form of fulfillment and delivery of labor work of nurse and careworker in Japan, and various fulfillment of the national economic and political interests of the other two countries. (Achdiat Atmawinata, 2009)

The development of the Indonesian coal industry has provided a substantial foundation for national development. The coal sector has succeeded in supporting national development in various economic sectors, both regionally and nationally. The results of the coal export, provide several contributions to state revenue, such as increasing the country's foreign exchange from

coal exports, providing benefits to the domestic economy in the form of GDP, household income, and job opportunities both at regional and national levels, increasing state revenue in the form of taxes, royalties, and user charges, and provide a multiplier effect on the Indonesian economy. From these mining and export activities, it can grow and develop many sectors of economic activity units in the country. (CDMI, 2020)

The motivation of Japan to fulfill the economic and political interests of its country in cooperative relations with Indonesia under the auspices of the IJEPA cooperation because the development of global trade is increasingly experiencing difficulties in conducting multilateral negotiations which have only resulted in little progress, so Japan took the initiative to create its regional trade cooperation as a complement to the mechanism. WTO, in the form of an Economic Partnership Agreement. The cooperative relationship between Japan and Indonesia in IJEPA is to enable Japan to maintain its important position in Indonesia. Japan as a strong developed industrial country has formulated various policies to maintain world economic stability which can be realized from regional economic stability in the East Asian region. Japan hopes that the formation of the EPA can play an effective role in increasing economic integration in the East Asian region to contribute to economic, political, and social, stability which can also have an impact on Japa so that Japan can establish itself as a guarantor country of stability both economically and politically. in the East and Southeast Asia region.

Indonesia in fulfilling the economic and political interests of its country in cooperation relations with Japan or IJEPA, is considered profitable and consistent. With various domestic reform programs caused by this cooperation agreement, Indonesia is used as an offensive strategy that is to achieve a position in the international market for highly competitive Indonesian products and also to increase foreign investment in the country. Then, it is also used as a defensive strategy that is to protect unprepared industrial commodities. Indonesia's economic interests, which are to be achieved from the cooperation of IJEPA, can be seen from 3 main indicators, namely to improve market access for Indonesia's flagship export products in the Japanese market, increased Japanese investment in Indonesia, and the development of technology and technology knowledge transfer process. As for aspects of its political interests, it is expected to provide opportunities for Indonesia to equalize its position with other competing countries that have also been involved in EPA cooperation with Japan, so that Indonesia can face its competitor countries such as Malaysia, Thailand, Filiphina, and other ASEAN countries in the Japanese market..

DISCUSSION

Indonesia is an island nation, as well as a country that is rich in natural resources, especially in the mineral and coal sector which is one of the natural resource wealth that Indonesia has so far which is non-renewable and has an important role in the wheel. activator to fulfill national interests. Because Indonesia is abundant in various types of coal mines and other types of mining, this is due to several driving factors that are expressed according to scientific opinion. The driving factor is the geographical factor where the islands in Indonesia are located between two major world plates, namely the Pacific Plate in the north and the Australian Plate in the south.

Based on data from the National Geological Agency in 2010, the results of the total calculation of balance data in 2010 show that Indonesia's coal resources reached a total of 105,187.44 million tons. As for coal reserves, according to balance data in 2010, it was not much different from the previous year, which was around 21,131.84 million tons. (KESDM, 2010)

The total calculation from the 2011 balance data shows that there was an increase in coal resources from 2010 up by 15,151.16 million tons so that it reached a total value of 120,338.60 million tons. Meanwhile, coal reserves also increased from 2010 with a total amount of 28,017.46 million tons.(Geological Agency, 2011)

The total calculation from the 2012 balance sheet data from the Geological Agency data shows that there is a decrease in coal resources compared to 2011 however, coal reserves are increasing every year. The decline in coal resources reached a figure of 892.24 million tonnes and the total amount to 119,446.36 million tonnes. Meanwhile, coal reserves in 2012 increased compared to the previous year by 961.15 million tons, bringing the total to 28,978.61 million tons. The factor causing the decline in the calculation of coal resources is because some of the coal resources have changed to become a reserve calculation.(Geological Agency, 2012)

The total calculation from coal energy balance data in 2013 according to the calculation results of the geological agency shows an increase in coal resources from the previous year of 1,079.06 million tons and the total to 120,525.42 million tons. On the other hand, data on the status of coal reserves in 2013 has increased from the previous year amounting to 2,378.54 million tons and the overall total to 31,357.15 million tons. (KESDM, 2012)

Meanwhile, the total calculation from coal energy balance data in 2014 is very different from previous years. Because in 2014 the increase that occurred was very high where the total coal resources in that year increased by 4,271.32 million tons and the overall total became 124,796.74 million tons. data on the status of coal reserves in 2014 increased by 1,027.59 million tons and the total was 32,384.74 million tons. (KESDM, 2014)

The total calculation from coal energy balance data in 2015 according to the results of the calculation of the Geological Agency shows an increase in coal resources from 2014 of 1,812.06 million tons and the overall total to 126,609.34 million tons. Whereas the Resource Reserves in

2015 decreased compared to 2014 with a total of 85.06 million tonnes and the total of Coal Resource Reserves to 32,263.68 million tonnes. (Director General of Mineral and Coal, 2015)



Figure 4.1

Source: Data based on Strategic Planning ESDM 2015 – 2019 and BPS

It can be seen in Figure 4.1 above, the data is taken from the 2015-2019 Strategic Plan of the Ministry of Energy and Mineral Resources, which shows that Indonesia's total coal production for 5 years from 2010 to 2014 has increased by 158% starting from total production in 2010 which reached 275 million tons which increased every year until 2014 reached a total production of 435 million tons. The size of Indonesia's production from year to year has shown that Indonesia has an abundant supply of coal resources and reserves so that each year it will increase the supply of energy in the future. However, it can be seen in the figure that coal production is mostly used for export needs than for consumption for the country itself, both in power generation and for other industries. Because almost more than half of coal production is exported to various countries that need this energy supply, one of which is Japan. Furthermore, according to the 2020-2024 KESDM Strategic Plan data, in 2015 Indonesia succeeded in increasing the total coal production again by 27 million tons so that the total Indonesian production reached 462 million tons. The increase was divided into the realization of DMO (Domestic Market Obligation) of 86.81 million tons. Then the export for other countries reached a total of 328.387 million tons, one of which is Japan. (Strategic Planning ESDM, 2015)

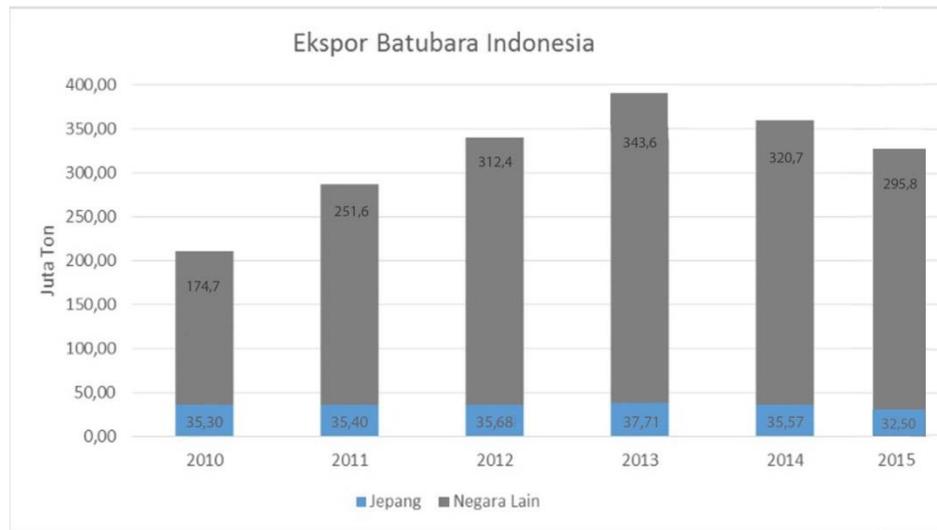


Figure 4.2

Source: Data based on Strategic Planning ESDM 2015 – 2019 and BPS

If seen in Figure 4.2 above, data published from the Central Statistics Agency has shown the value of Indonesia's coal exports from 2010 to 2015. Based on these data, in 2010 Indonesia exported 35.30 million tons of coal to Japan, then in 2011 experienced an increase in the number of exports to 35.40 million tons. In 2012 there was also an increase in exports to Japan and reached as much as 35.68 million tons, then in 2013 it increased quite a lot and reached 37.71 million tons. After continuing to experience an increase in exports for 4 years, in 2014 it had experienced a decline again and became 35.57 million tons, until 2015 it also declined quite a lot and reached 32.50 million tons. Indonesia exports coal to various countries - small and large countries such as India, China, and also Japan. Most of Indonesia's coal exports are aimed at these three major countries, in which Japan occupies the top third position in export destinations, followed by China with second place, and first position as the destination for coal exports to India. For Japan itself, Indonesia is the second main importer of coal for Japan after Australia, which is in the first position. The export value is high enough to be able to meet the domestic demand for Japanese coal which each year consumes the amount of coal energy around 123 million tons and will continue to increase every year because Japan is one of the largest energy-consuming countries in the world and Japan is also very dependent on imports of coal energy. for industrial needs and power plants. (BPS, 2012)

Meanwhile, the amount of Japanese coal consumption from 2010 - 2015 has increased quite a bit. Every year the use of Japanese coal energy for industrial purposes or electricity generation is very high, exceeding the fair figure for other countries. As a modern country, in 2010 Japan's consumption of coal energy reached 123.7 million tons. Then in 2011, Japan's consumption of

coal energy had decreased to a total of 117.7 million tons. In 2012, Japan's coal energy consumption increased again and reached a total of 124.4 million tons. In 2013, Japanese coal energy consumption experienced quite a high increase compared to previous years and reached a total of 124.4 million tons. In the following year, namely 2014, Japan's coal energy consumption experienced a decline again, but the figure is still quite large and reaches 126.5 million tons. And in 2015, Japanese coal energy consumption also experienced a significant decline but was still within the scope of a large amount of consumption, which reached a total of 119.3 million tons. (BP, 2015)

The aims and objectives of the establishment of the Indonesia Japan Coal Policy Dialogue or IJCPD agreement under the auspices of the IJEPA, namely: to become a means of exchanging various information for the two countries in terms of policies and opportunities for cooperation in the coal sector; then to be able to encourage and create more investment and trade opportunities in the coal sector as a mutual benefit; to enhance cooperation between the two countries in research and development activities; In addition, to increase cooperation in education and training in the coal sector to encourage participation in the private sector between the two countries to play a role in the scope of trade or the development of technology that is more efficient in the use of coal. (KESDM, 2009)

The contribution that Indonesia gets from the formation of various bilateral collaborations with Japan in terms of exploration and exploitation of mines in Indonesia, especially in coal mining, to toe development in an area and also improve, advance the economy for Indonesia which can be seen from 4 aspects , among others. The first aspect is the provision for employment. The second aspect is supporting economic growth. activity will create an impact on annual revenue for the government, be it the central, provincial, or district governments as wherever the coal mining operations are located. Thanks to the activities in the coal mining sector, it can contribute to the government from taxes or non-tax state revenue (PNBP).

The third aspect is the supporting aspect in sustainable development and national energy needs. The easy picture is that the mining sector can contribute to the activities of regional economic movements. The coal mining sector is a primary business sector whose activities are to process or extract non-renewable natural resources so that to carry out mining activities requires a variety of assistance from other sectors such as other primary sectors and the service sector. (Arief Irwndi, 2014) The fourth aspect is the contribution of coal mining to social conditions. The existence of the company for the benefit of stakeholders, namely employees of suppliers, shareholders, customers and, the community around the company. The community around the mining company can contribute to the success of the mining company or can also share the impact of mining operational activities.

In the IJEPA agreement, the scope of cooperation is not only on cutting import duties, but also concerning human outflows, investment regulations, economic cooperation, trade, and so on.

For Japan, the existence of an EPA is the most comprehensive cooperation agreement by considering the advantages and disadvantages of the sustainability of each other's economic resources. Because the free trade cooperation program promoted by Japan, when viewed in terms of bilateral relations, is based on the motivation to fulfill economic and political interests. This motivation is to avoid isolation from major trading partner countries that are actively working on free trade agreements, besides that Japan also strives to be able to drive its domestic economic activities and increase its economic and political influence in the Asian region. (Triksaningtiyas Gayatri, 2014)

The benefits that Japan gets from this IJEPa cooperation are in the form of security in terms of investment, providing expansion of market access for Japanese products in the Southeast Asia region, and Indonesia in particular. The purpose of investment security in the sense that Japan succeeded in making Indonesia implement a deregulation package of investment, and also Japan succeeded in expanding market access for Japanese products in the region, even though the current era of globalization made Japanese products compete with products from other countries. (Ministry of Trade, 2017) Japan to continue to maintain its important position in Indonesia, the IJEPa cooperation relationship is an important factor in making this happen. Japan, as a strong and advanced industrial country, has made strong efforts to formulate its various policies to maintain world economic stability, which is realized from the stability of the regional economy, namely the East Asia region. Therefore, Indonesia is one of the main partners which is very important for Japan in the IJEPa cooperation and is also one of the ways for Japan to continue to maintain Indonesia as its trading partner under the auspices of the EPA. (Ministry of Finance, 2017)

One of the IJEPa cooperation frameworks in which Japan also provides several compensations to Indonesia in the form of a Manufacturing Industrial Development Center or MIDEc. This compensation is obtained from the time of market opening which is also included in the exemption of import duty through a special scheme known as the User Specific Duty-Free Scheme or USDFS. MIDEc has a function and function as a driving force for capacity building development where the Japanese should provide several assistances covering various activities such as basic, study, trainee and trainer, technology, to Indonesia. (Achdiat Atmawinata, 2009:4) MIDEc, which is one of the cooperation frameworks from IJEPa, also has a goal that Japan wants to achieve from MIDEc, namely to increase or increase industrial capacity in Indonesia. This is because USDFS in MIDEc has a scheme that will target and focus on three sector drivers, namely, energy conservation, automotive, electronics, and heavy equipment. So that it is hoped that it can encourage Japanese investment in Indonesia in these sectors. (Ministry of Trade, 2017)

As for the interests and objectives that can be obtained from MIDEc for Japan and Indonesia, namely: Increasing the competitiveness of Indonesia's manufacturing industry, Indonesia is expected to become an important base in the production of Japanese manufactured products, to

increase the ability of human resources in the industrial sector through industrial training, increase purchasing power the Indonesian people through the prosperity development program, to establish a network between the manufacturing industry development actors through the MIDECA "virtual network organization", so that Indonesia can play a role as a strategic partner of Japan in the international market, especially in the ASEAN market, and can establish long-term continued cooperation. between Indonesia and Japan in the development of the manufacturing industry with Japan under the MIDECA-IJEPAA umbrella. (Achdiat Atmawinata, 2009:1-3)

Japan is a developed and interesting country, Japan in fulfilling the political interests of its country with Indonesia as its main partner involved in the auspices of the EPA or IJEPAA cooperation agreement, one of which is to establish itself as a guarantor country of economic and political stability in the East to Southeast Asia region. From the formation of the EPA by the Japanese, Japan hopes that the EPA can play a role effectively in increasing economic integration in the East Asia region, to contribute to economic, political, social stability which can also have an impact on Japan, so that Japan can establish itself as guarantor of economic and political stability in the East and Southeast Asia region. (Trixaningtyas Gayatri, 2014)

Fulfilling Indonesia's political interests under the auspices of cooperation with Japan or IJEPAA can provide an opportunity for Indonesia to equalize its position with other competing countries that have also been involved in EPA cooperation with Japan, so that Indonesia can face competing countries such as Malaysia, Thailand, the Philippines, and other ASEAN countries in the Japanese market. For example, in the competition in the Japanese automotive industry, the struggle for investment in Japanese automotive factories in the Southeast Asian region is inevitable, especially between Thailand and Indonesia. It is hoped that with this IJEPAA agreement, investment in Japanese automotive factories in Indonesia can increase and can increase state income. If Indonesia becomes the main basis for the development of Japanese automotive products, the profits will increase. Apart from obtaining investment and creating jobs, Indonesia can also gain knowledge from Japanese automotive experts for the Indonesian people and that is only part of the benefits that are gained from cooperation with Japan under the auspices of IJEPAA. Another advantage that can be obtained by Indonesia from cooperation with Japan is the opening of doors for the Indonesian component industry to penetrate the Japanese automotive market because the Japanese market will have great prospects in the future. Therefore, the local component industry must also prepare itself to capture the prospect of this opportunity to take advantage of its potential in the Japanese market.(Trixaningtyas Gayatri, 2014)

The establishment of bilateral relations with Japan, of course, makes Indonesia also have its interests which are the background for cooperation with Japan in IJEPAA. Indonesia's interest in the EPA is to increase Indonesia's competitiveness capacity in general in certain sectors

including Capacity building especially in the area of product standardization and hygiene testing and health standards for food and beverage products, skills training, and technology in the manufacturing sector that will improve product quality Indonesia in the domestic and international market, the creation of capacity building programs in the fields of energy, industry, agriculture, export promotion, and investment as well as SME development.

Furthermore, Indonesia also received several other benefits from cooperation with Japan in the IJEPA including Capacity building program in the industrial sector in the form of MIDECA, Food and Beverage Center of Excellence, which is expected to increase the capacity and skills of Indonesian human resources in the metalworking field mold and die, welding and it is hoped that it can also improve standards and quality for specific industry and cross sectors, the automatic sector, electronics, steel, textiles, petrochemicals, metals, and food & beverage, various collaborations will also be carried out in the fields of agriculture, fisheries, forestry, and energy. The existence of a User-Specific Duty-Free Scheme program aimed at raw materials that have not been produced in Indonesia for the automotive, electrical, heavy equipment, and oil and gas industries, and is expected to be a trigger to encourage Japanese investment in Indonesia in these sectors. (Reza Pahlevi Chairul, 2010:8)

In addition, the cooperation in sending labor experts in the form of nurses and careworkers from Indonesia to Japan also provides benefits for Indonesia in a comprehensive IJEPA collaboration, which does not only discuss trade and service liberalization but also concerns increasing the need for labor migration or movement of workers. natural person in the form of fulfillment and delivery of nurse and careworker workers to Japan. Due to the problem of the Japanese population, the number of elderly people continues to increase while the population growth is unproductive and a shortage of labor.(Reni K Arianti, 2013:122)

CONCLUSION

Indonesia as a developing country adheres to an open economic system so that it is inseparable from cooperation and trade relations with other countries including the export-import of product. Products that are favored by Indonesia in its export activities are more dominated by the non-oil and gas sector, one of which is coal. As the fifth-largest coal-producing country in the world, Indonesia is also the second-largest coal exporter after Australia. So that with Indonesia's position as the second-largest exporter, it can create enormous opportunities and benefits for Indonesia in international trade relations with countries that need coal supplies as their domestic energy consumption, for example, Japan. Japan as a modern industrial country is also one of the developed industrial countries which are reclassified as the largest coal energy consumption level in the world. Japan needs energy to carry out industrial activities and the country's economy, but coal energy resources in

Japan are classified as almost depleted. Japan is dependent on meeting the supply of coal energy from coal-producing countries such as Indonesia.

The formation of free trade cooperation, namely EPA by Japan, has Japanese interests in Indonesia under the framework of bilateral cooperation IJ-EPA are: First, utilizing Indonesia's resources in the form of energy such as coal to meet Japan's energy needs. Second, using Indonesian workers who are engaged in nurses and careworkers to solve the growing problem of elderly people in Japan, which is expected to continue to increase. Third, increasing investment in Indonesia with the consideration of cheap workers so that it has implications for lower production costs. Fourth, take advantage of the import duty exemption scheme aimed at developing the driver sector (USDFS) as compensation for the Manufacture Industries Development Center (MIDEC). Politically, Japan has succeeded in fulfilling its political interests as a guarantor country for economic and political stability, especially in the East Asia region with various strategies including this partnership economic cooperation. This partnership cooperation, apart from offering a reduction in trade barriers, also offers capacity-building cooperation which can be interpreted as an extension of the interdependence pattern between Japan and partner countries. This will strengthen Japan's position in the East Asia region so that Japan can establish itself as a guarantor of stability both economically and politically in the East and Southeast Asia region.

Indonesia, in fulfilling the economic and political interests of its country in cooperative relations with Japan or IJ-EPA, is considered favorable and consistent. IJ-EPA also means that the positive side for Indonesia is the existence of a special partnership with a developed country so that it can get special treatment to enter the Japanese market, which is known as a market with high standards as well as expanding market access to the wider region. The benefits of IJ-EPA for Indonesia are increased market access for goods, increased access to service markets, increased Japanese investment in Indonesia, increased competitiveness, and increased purchasing power of Indonesians. Japan's selection as Indonesia's first EPA partner is inseparable from the experience of longstanding mutually beneficial relations and a high degree of complementarity between the economies of the two countries, and that Japan is Indonesia's largest trading partner, the largest source of investment, and the largest source of bilateral foreign assistance. . To fulfill its political interests, it is hoped that it can provide opportunities for Indonesia to equalize its position with other competing countries that have also been involved in EPA cooperation with Japan, so that Indonesia can face competing countries such as Malaysia, Thailand, the Philippines, and other ASEAN countries in the Japanese market.

RECOMMENDATIONS

Based on the author's research which is in line with the data and theories that the author has previously conveyed, sometimes in the cooperation between Indonesia and Japan in the field of coal exports from an international political economy perspective, Indonesia must be able and able to develop, manage coal, so that it is expected to be able to Export is not just raw material products that are still rough, but can be finished goods, which can be used as a further step towards becoming Indonesia as a modern industrial country like Japan. In addition, trade relations with Japan must be continuously improved, but in products that do not rely solely on the country's natural resources. It is hoped that Indonesia will be more selective in considering various decisions that may have good and bad implications for Indonesia in the IJEPA. The two countries are expected to be able to maximize the opportunities opened up through IJEPA and get equal benefits. Japan is expected to be more flexible and sure in implementing the agreements and all agreements that have been agreed by both parties.

To fulfill national interests, Indonesia must be able to re-learn the cooperation that has been established for so long with Japan, so that Indonesia, which is a country rich in natural resources, is also able to imitate Japan in developing its advantages so that it can become an independent and modern country. In addition, Indonesia must also be able to realize for itself that in international cooperation with major partner countries, it does not have to always use its natural resources as a driving force for trade, Indonesia must be able to create its incentive finished goods products that are needed by other countries.

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