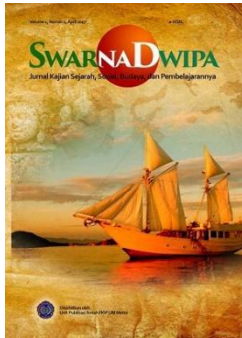


## Economic and Trade Cooperation between Indonesia and Indochinese Countries

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### Abstract

Economic and trade cooperation between Indonesia and Indochinese countries (Vietnam, Laos, Cambodia, Myanmar and Thailand) has great potential to strengthen regional economic relations and encourage economic growth in Southeast Asia. As part of ASEAN, these countries seek to increase economic integration through various bilateral and multilateral agreements and cooperation. This article will answer the existing problem formulation regarding how Indonesia collaborates with Indochina in the existing economy and trade. The author also used library research in writing this article by collecting many sources through journals and other websites. With the conclusion, the author finds that economic and trade cooperation between Indonesia and Indochinese countries shows positive developments, but there are still many challenges that need to be overcome. Factors such as policy harmonization, infrastructure improvements, and institutional strengthening play an important role in increasing the effectiveness of this cooperation.

Received: 7 September 2024

Revision: 9 November 2024

Accepted: 31 November 2024

**Keywords:** Indochina, economy, trade, Indonesia

**Citation:** Pranata, A., S., Saputra, J., Seprina, R. (2024). Economic and Trade Cooperation between Indonesia and Indochinese Countries. *SWARNADWIPA*, 10(2), 57-64. <http://dx.doi.org/10.24127/sd.v8i1.3387>



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### INTRODUCTION

Economic and trade cooperation between Indonesia and Indochina countries (which includes Vietnam, Laos, Cambodia, Myanmar, and Thailand) is one of the important pillars in strengthening relations between countries in the Southeast Asian region. This cooperation not only reflects the commitment to advancing the economies of each country, but also illustrates collective efforts to create regional stability and prosperity.

Since the establishment of ASEAN (Association of Southeast Asian Nations), countries in the region have actively participated in various initiatives and agreements aimed at increasing cross-border trade and investment. Indonesia, as one of the largest economies in ASEAN, has a strategic role in encouraging regional economic integration, including with Indochina countries that have significant economic growth potential (Arlan, 2020).

This cooperation covers various sectors, ranging from trade in goods and services, investment, infrastructure, to tourism. Through free trade agreements and bilateral

cooperation, these countries seek to reduce tariff and non-tariff barriers, improve market access, and strengthen logistics and transportation networks. Thus, closer economic integration is expected to increase the region's global competitiveness, create jobs, and accelerate sustainable economic development.

The success of this cooperation also depends heavily on political stability, a conducive regulatory framework, and strong diplomatic relations. Therefore, in addition to the economic aspect, socio-cultural interaction and political dialogue are also important components in establishing closer relations between Indonesia and Indochina countries. With a shared commitment to continue to deepen this cooperation, it is hoped that welfare and prosperity can be felt by all communities in the region (Kurniasih, 2020).

There is a need to improve security in the ASEAN region and the various countries involved, because the South China Sea dispute does not only directly involve several ASEAN member states. Therefore, what needs to be a priority for ASEAN in the political-security field, especially after the Cold War, is that from a geopolitical point of view, the South China Sea region is an area with high potential for conflict where many countries compete and claim the region. The vulnerability of this region creates a security dilemma that ultimately threatens the security stability of the ASEAN region (Arlan, 2020).

There needs to be an increase in negotiations with the parties who feel aggrieved and it is also necessary for the parties to the disputes in the South China Sea to prepare an agenda for resolving the dispute through legal channels or discuss it through existing bilateral and multilateral forums (Kurniasih, 2020). The multilateral or bilateral negotiation effort indirectly rejustifies the relevance of the use of historical South China Sea claims while increasing the bargaining position in favor of China through bilateral negotiations with other ASEAN countries involved in the South China Sea claims.

Indonesia as an archipelagic country and focuses on the development of the maritime sector is that maritime development has a significant impact on various aspects, both in terms of economy, environment, socio-culture, law, and security. In the era of Joko Widodo's administration, especially through the concept of the World Maritime Axis, the Indonesian government seeks to optimize its maritime potential and build infrastructure that supports connectivity and sustainable utilization of marine resources. This effort involves cooperation with various countries, such as the United States, the Netherlands, India, and China, to achieve common goals in the development of the marine sector.

Indonesia's foreign relations certainly prioritize and are based on Indonesia's national interests. Through diplomatic relations with various countries and increasing cooperation in line with these interests, it can prove that foreign policy progress is not just a principle but has entered into real implementation. To become a country that relies on territorial waters is a big step. Indonesia not only needs support and action from within the country, but support from both countries and regional and international organizations is also a calculation in order to achieve these interests (Kurniasih, 2020).

## RESEARCH METHODS

The research titled "Economic and Trade Cooperation between Indonesia and Indochinese Countries" employs a descriptive qualitative research method with a literature study approach, utilizing a historical perspective. The literature study focuses on obtaining in-depth information and accurate data related to the historical context of economic and trade relations between Indonesia and the Indochinese countries. As Fadli (2021) suggests, this approach allows for a comprehensive understanding of the subject matter. According to Sugiyono (2013), qualitative research methods are rooted in the philosophy of postpositivism and are designed to study the natural conditions of objects, distinct from

experimental research. By adopting a historical approach, this study aims to trace the evolution of economic and trade ties over time, allowing the research findings to be presented in a narrative form, making it easier to comprehend and interpret the dynamics of these international relations.

## RESULTS AND DISCUSSION

### The Arrival of the Indochinese Nation

From 1975 to 1979, there were 52,000 Indochinese refugees who entered Indonesia. According to a United Nations report (1979) there were 43,000 "Boat People" in Indonesia's Riau Islands on 30 June 1979, most of whom were Vietnamese and a small number were Cambodians and Laotians. Even though in 1975 and March 1979 there were 200,000 Indochinese refugee settlements in countries receiving asylum, it was Southeast Asian countries that had to take care of more than 340,000 people trapped in camps such as in Malaysia and Thailand.



**Figure 1** Indochina Wars I, II, and III Page all - Kompas.com

In international relations there is behavior that can take the form of conflict, war, formation of alliances, interactions in international relations, international organizations and can take the form of cooperation. As time goes by, the focus of cooperation between countries is not only in the field of security, but also focuses on other fields such as economics, social culture and others. Cooperation can run well if the relationships fostered by countries are also well established. Currently, cooperation between countries involves actors outside the country such as international organizations, multinational companies and also individuals who have an important influence in decision making (Assyauri, 2019).

Indochina is a large area in the form of a peninsula between China and India, which is now Vietnam, Cambodia, Laos, Thailand, most of Myanmar, part of Malaysia, and a small part of Bangladesh. The territory of the Indochinese people is limited by the Bay of Bengal, the Andaman Sea, and the Strait of Malacca to the west and south, then the South China Sea to the east, and the Ganges and Brahmaputra river deltas to the Red River (Song Hong) delta on the northern border, as quoted from the Encyclopaedia Britannica (Marni, 2019).

At that time, France formed the first Indochinese Union to govern it in Vietnam. Because, this famous country of the Eiffel Tower then founded the Indochina Federation and divided it into part of a new, larger French Union. One of them is the various ethnic groups that inhabit the Indochina region. Some of them are ethnic Vietnamese,

Montagnard, Laotian, Khmer and Chinese. The majority of residents in this area are Buddhist, Theravada, Mahayana, Confucian, Cao Dai and Catholic.

The majority of languages spoken belong to the Sino-Tibetan language family, which is the second largest language in the world in terms of the number of native speakers. In terms of culture, of course this area is heavily influenced by India and China. For example, the cultures of Thailand, Malaysia, Cambodia and Laos are heavily influenced by ideas and language in India. Meanwhile, Vietnam is more influenced by Chinese culture (Marni, 2019).

The Indochina region, which includes Vietnam, Laos, Cambodia, Thailand, Myanmar and Malaysia, has a very strategic geographical position because it is located at the crossroads of Southeast Asia. That is why Indochina received a lot of influence from various major cultures outside its territory which encouraged the formation of high civilization which was reflected, among other things, in its arts. *Indochina: Cultural Crossroads* is the first book in Indonesian that examines the history of culture in Indochina in a complete and comprehensive manner, starting from its geographical conditions, the history of ruling kings, architecture, to its high art sculptures.

Not only South Vietnamese residents sought refuge in western countries, but also some other Indochinese residents who were involved in the Vietnam War. The Indochinese citizens in question are citizens of South Vietnam and also several Cambodian citizens who were victims of the Vietnam War, many of whom managed to reach land but quite a few also had to die in the vast sea. The ferocious waves, pirates blocking them, and the lack of food were factors in the deaths of Indochinese refugees.

There are several reasons that make Galang Island a place to accommodate Indochinese refugees before being placed in the destination country, first is because of its strategic location between two countries, namely Singapore and Malaysia and is easily accessible by air and sea, second is the availability of clean water sources, third is its wide location and there are still few residents. Even though Galang Island has an area of 8,706.25 hectares, only 200 Indonesians lived on the island in 1979 (Marni, 2019).

The policies issued by the Indonesian government regarding Indochinese refugees will be discussed, with regard to the impact of these policies not only on refugees but also local residents of Galang Island and residents of Batam City as a whole. The free and active international politics chosen by the Indonesian government will also be discussed how it affects the local population. According to the 1945 Constitution Article 26 paragraph 2, residents are Indonesian citizens and foreigners residing in Indonesia. Residents of a country or region can be defined into two, namely, people who live in that area and people who are legally entitled to live in that area. In sociology, population is a group of people who occupy a certain geographical area and space (Bidarti, 2020).

The Indochinese struggle after 1945 occupies a central place in 20th century international history. Fought for three decades, at the cost of millions of lives and great physical destruction in Vietnam, Laos, and Cambodia, this conflict captured in microcosm all the great political forces driving this century's global history: colonialism, nationalism, communism, and democracy-capitalism. This was an East-West and North-South struggle, closely linked to two of the most important developments in international relations after World War II, the Cold War and the breakup of colonial empires.

However, it took a long time for Indochina to become a center of tension in the international system. In its early years, the conflict was largely a Franco-Vietnamese conflict, resulting from the efforts of Parisian leaders to rebuild the colonial state and international order before World War II, and the determination of Vietnamese nationalists to redefine the country in a postcolonial order that new. France had lost colonial control

when, after the fall of France in 1940, Japan moved south and gradually gained effective control over all of Southeast Asia. The Tokyo government initially felt comfortable leaving day-to-day control of Indochina's affairs in French hands, but in March 1945 Japan overruled France and chose to rule Indochina itself. However, by then the tide of the Pacific War had turned against them, and in the following weeks and months, the French government and various Vietnamese nationalist groups – the most powerful of which was Ho Chi Minh's Communist-led Viet Minh – fought over for power.

The Vietnam War or Indochina War II is remembered as the longest war in history. The outbreak of this war could not be separated from the influence of two superpower countries that adhered to different ideologies, namely the United States and the Soviet Union. This event can be said to be the impact of the Cold War, at which time two powerful countries tried to spread their influence to other countries. Vietnam is one of the destination countries for the spread of this understanding in the Southeast Asia region. As a result, Vietnam was divided into two large parts. The northern part of the country was renamed the Democratic Republic of Vietnam which was influenced by communism thanks to the doctrine of the Soviet Union. Meanwhile, the Republic of Vietnam, which occupies the southern region of the country, adheres to views of liberalism inspired by the United States (Meiliana, 2016).

### **Cooperation between Indonesia and the Indochinese Nation**

Cooperation between Indonesia and countries in Indochina, which include Vietnam, Laos, Cambodia and Myanmar, covers various fields such as economic, political, social, cultural and defense. The following are some significant forms of collaboration.



**Figures 2** Indonesia's role in the III Indochina War Page all - Kompas.com

Economy and Trade Indonesia and the countries of Indochina have growing trade relations. Both parties export and import various commodities such as agricultural products, textiles, electronics and raw materials. There are bilateral and multilateral agreements within ASEAN that facilitate free trade, investment, and the elimination of tariff barriers among member countries (Arlan, 2020).

Investment Indonesian companies have invested in sectors such as mining, plantations, manufacturing and infrastructure in Indochina countries. For example, Indonesian plantation companies have concessions in Laos and Cambodia. On the other hand, investors from Indochinese countries also see Indonesia as an attractive market for various sectors, including fisheries and agriculture.

Politics and Security Indonesia and Indochinese countries actively participate in various ASEAN forums to discuss regional issues such as maritime security, countering terrorism and human trafficking. There is cooperation in the defense sector, including joint military training and exchange of intelligence information.

Social and Cultural Cultural exchange is carried out through student exchange programs, arts and culture exhibitions, and cultural festivals involving artists and cultural figures from both parties. Scholarship programs and academic exchanges also strengthen social and cultural ties between the people of Indonesia and Indochina.

Tourism Tourism is an important sector in this collaboration. The increase in the number of tourists from Indonesia to Indochina countries and vice versa has encouraged local economic growth. There is joint promotion of tourist destinations in the ASEAN region to attract international tourists (Arlan, 2020) .

Environment and Sustainable Development Cooperation on environmental issues such as water resources management, forest conservation and natural disaster management is an important focus. These countries share experiences and technologies to overcome environmental challenges. With these various forms of cooperation, relations between Indonesia and the Indochinese countries continue to strengthen, which is expected to bring benefits to the stability and prosperity of the Southeast Asian region.

After the completion of the Indochinese refugee case on Galang Island, Indonesia again received refugees from the neighboring country of Indonesia's former 27th province, namely East Timor. The political conflict and civil war in East Timor finally forced its citizens to flee temporarily to Indonesia. Although in fact the displacement of East Timorese citizens has been around since 1975, this was due to the death penalty for East Timorese citizens who still had integrity towards Indonesia as a result of Fretilin's envoys. However, the conflict has heated up again since East Timor changed its name to the Democratic Republic of Timor Leste because it had officially become a sovereign country (Putri, 2021).

Apart from collaborating with UNHCR to handle incoming refugees, Indonesia also collaborates with IOM (International Organization for Migration). IOM is a UN migration agency which was founded in 1951. Collaboration between Indonesia and IOM has existed since 1979, because IOM also helps Immigration in dealing with the Vietnamese refugee problem. In 1991, Indonesia became one of the IOM supervisory countries. Cooperation continues between IOM and Indonesia in dealing with migration issues, such as the Timor Leste repatriation issue in 1999. It was only in 2000 that Indonesia and IOM made a written cooperation agreement called the Cooperation Arrangement between the Government of Indonesia and the International Organization for Migration.

Economic and trade cooperation between Indonesia and Indochina countries (Vietnam, Laos, Cambodia and Myanmar) plays an important role in strengthening bilateral and regional relations in the Southeast Asia region. Strong economic and trade cooperation between Indonesia and Indochinese countries not only increases economic growth in the region, but also strengthens regional stability and integration in Southeast Asia (Princess, 2021).

## CONCLUSION

Economic and trade cooperation between Indonesia and Indochinese countries is a strategic step that brings great benefits to regional progress and stability. Through various initiatives and agreements, these countries have succeeded in reducing trade barriers, increasing investment, and strengthening infrastructure and connectivity. The commitment to increasing regional economic integration not only encourages sustainable

economic growth, but also strengthens diplomatic and socio-cultural relations between countries in the Southeast Asia region.

The success of this cooperation depends on political stability, a supportive regulatory framework, and close diplomatic relations. By engaging various sectors and ensuring active participation from all relevant parties, countries in the region can create a conducive environment for greater trade and investment. Through this collective effort, Indonesia and the countries of Indochina can jointly face global challenges, increase competitiveness, and achieve more equitable prosperity for their people (Putri, 2021) .

In the end, it is hoped that this strong and sustainable cooperation will not only improve economic prosperity, but also strengthen the sense of togetherness and solidarity among countries in the Southeast Asia region. In this way, the vision of achieving a peaceful, stable and prosperous region can be realized in reality.

**Increased Trade Volume:** Trade value between Indonesia and Indochinese countries continues to increase, covering various commodities such as agricultural products, textiles, electronics and consumer goods. **Free Trade Agreements:** Through free trade agreements such as AFTA and RCEP, tariffs on various goods have been reduced or removed, which facilitates the flow of goods and services between member countries. **Growing Investment:** Indonesian companies are investing in strategic sectors in Indochinese countries, and vice versa, Indochinese countries also see Indonesia as an attractive market for investment. **Technology Transfer and Industrial Development:** Cooperation in technology transfer and SME development increases productivity and industrial competitiveness on both sides.

**Forums and Trade Fairs:** Trade fairs and economic forums provide a platform to promote products and discuss cooperation and investment opportunities. **Tourism and Creative Economy:** The tourism industry and creative economy are also significant areas of collaboration, increasing the number of tourists and opportunities for collaboration in the creative sector. **Policy Support:** Cooperation in harmonization of policies and regulations helps facilitate trade and investment, supporting sustainable economic growth. Overall , this collaboration not only brings economic benefits but also strengthens diplomatic and socio-cultural relations between Indonesia and Indochinese countries, as well as contributing to regional stability and prosperity in Southeast Asia.

## SUGGESTION

This article is still far from perfection, so I really contribute criticism and suggestions from readers so that this paper can be used as an introspection to become better. Thank you to all parties who have helped and contributed so that this can be realized.

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