

AUSTRALIA'S ROLE IN INDONESIA'S INFRASTRUCTURE DEVELOPMENT THROUGH KIAT 2017-2019

Marthania Rizqy Amalia¹, Badrus Sholeh²

¹ Ilmu Hubungan Internasional, UIN Syarif Hidayatullah, Jakarta, Indonesia;
mrizqy.amalia17@mhs.uinjkt.ac.id

² Ilmu Hubungan Internasional, UIN Syarif Hidayatullah, Jakarta, Indonesia; badrus.sholeh@uinjkt.ac.id

ABSTRACT

Australia has a big contribution in Indonesia's infrastructure development, one of that is through the Indonesia Australia Infrastructure Partnership (KIAT) program, which was established in 2017. The KIAT program is implemented as an effort to boost Indonesia's economic growth by providing technical assistance to improve policies, planning and infrastructure provision. This study aimed to find out how the role, impact and interests of Australia in the KIAT program especially in 2017-2019. To analyze this program the writer uses the theory of Neoliberalism. With the theory of neoliberalism it can be seen that in its implementation KIAT not only involves the central government but also many private parties which show that the main actors of international relations are not only the state but other parties can also play an active role. In addition, both Indonesia and Australia try to maximize the absolute gain. In this project Australia has provided funds of AUD 146.2 million for the 2017-2021 period. Although Australia is a party that provides several budgets, Australia also can achieve its national interest from this partnership, especially in economic terms. Besides, Indonesia can also achieve its national interest because this partnership can accelerate economic growth through improved access to infrastructure.

Keywords: *Infrastructure, KIAT Program, Neoliberalism, Economic Growth*

ABSTRAK

Australia telah menjadi negara yang berkontribusi besar dalam pembangunan infrastruktur di Indonesia salah satunya melalui program Kemitraan Indonesia-Australia untuk Infrastruktur (KIAT) yang di resmikan pada tahun 2017. Program KIAT dilaksanakan sebagai upaya untuk mendorong pertumbuhan ekonomi Indonesia dengan menyediakan pendampingan secara teknis untuk meningkatkan kebijakan, perencanaan, dan penyediaan infrastruktur. Penelitian ini ditujukan untuk mengetahui bagaimana peran, dampak, serta apasaja kepentingan Australia di balik program KIAT tahun 2017-2019. Untuk menganalisis program ini penulis menggunakan teori Neoliberalisme. Dengan teori neoliberalisme dapat diketahui bahwa dalam pelaksanaannya KIAT tidak hanya melibatkan pemerintah pusat tapi juga banyak pihak swasta (Public Private Partnership) yang menunjukkan bahwa aktor utama dari hubungan internasional bukan hanya negara namun pihak-pihak lain juga dapat berperan aktif. Selain itu, baik Indonesia dan Australia keduanya berusaha memaksimalkan absolute gain untuk negaranya. Dalam proyek ini Australia telah menyediakan dana sebesar AUD 146,2 juta untuk periode 2017-2021. Meskipun Australia merupakan pihak yang menyediakan beberapa anggaran, namun Australia juga mendapatkan keuntungan dari kemitraan ini terutama dalam hal ekonomi. Selain itu, Indonesia juga dapat mencapai kepentingan nasional mereka karena kemitraan ini dapat mempercepat pertumbuhan ekonomi melalui peningkatan akses ke infrastruktur.

Kata Kunci: Infrastruktur, KIAT Program, Neoliberalism, Pertumbuhan Ekonomi.

A. Introduction

Indonesia is a neighboring country of Australia with the closest geographical area. In addition diplomatic relationship between Indonesia and Australia has also been running since 1949. During this time, many experts discuss the relationship between Indonesia and Australia like a “roller coaster” because of the ups and downs of tension between the two countries (Throath, 2019). But in general, the relations between the two countries have been categorized as strong and solid diplomatic relations (Amanda, 2017). Australia's diplomatic relations with Indonesia are considered as one of the most important bilateral relationships (Schultz, 2014). This is because Indonesia as one of the major countries in the Asia-Pacific Region will indirectly give an impact on domestic stability and international relations in Australia as well as Indonesia will also get an impact from Australia.

The strength of diplomatic relations between Indonesia and Australia is evidenced by the some of cooperation created between the two countries. With the agreements that have been formed by the two countries, Indonesia and Australia have worked together in various fields such as economy, infrastructure, agriculture, education, health, gender equality, social protection, law and security. One of cooperation that will be explained in more depth in this paper is Infrastructure cooperation.

The condition of the infrastructure in Indonesia is still considered inadequate. The unequal development and the

difficulty of accessing adequate infrastructure is still felt by most Indonesian people, especially in rural areas. The slow development of infrastructure in Indonesia, both 'hard' infrastructure (referring to physical networks such as roads) and 'soft' infrastructure (such as electricity and health supplies) also detained the growth of the Indonesian economy (Indonesia Investment, 2017). Indonesia as a developing country is surely faced with various challenges to compete in the international world. The Increasing investment and productivity is a major challenge for Indonesia to meet global standards, accelerate development, and reduce poverty and unemployment (Fitriandi, Kakinaka, & Kotani, 2014). To support all of these things, adequate infrastructure conditions for Indonesian people are really needed. Many studies have proven that highly developed infrastructure can play an important role in increasing investment and productivity, which can give an impact on improving the Indonesian economy.

Therefore, as one of the closest countries to Indonesia, Australia is take an action of Indonesia's infrastructure development. Australia is a partner with more than 40 years involved in economic and infrastructure reform in Indonesia (Department of Foreign Affairs and Trade, 2019). During this period much cooperation and assistance in the field of Infrastructure provided by Australia to Indonesia both through bilateral and regional cooperation with ASEAN. Australia sees infrastructure improvement

in Indonesia as important to do to accelerate economic development. Proper infrastructure that is easy to access for all people will contribute to improving the economic level of all groups.

During President Joko Widodo's leadership, infrastructure development was a priority in his leadership program to accelerate Indonesia's economic growth. Therefore the partnership in terms of infrastructure will get good reception from President Joko Widodo. Australia as Indonesia's closest partner then tried to initiate the Indonesia-Australia Infrastructure Partnership (KIAT) program. KIAT is a partnership program between the governments of Australia and Indonesia to encourage inclusive and sustainable economic growth by increasing infrastructure access for all Indonesian people. In addition to working with the central and regional governments, the program also works with civil society and the private sector to provide technical assistance to improve policy, planning, and infrastructure provision. Through this program Australia supports Indonesia to accelerate public and private investment in infrastructure development by providing technical expertise in planning, maintenance design, and assessment of environmental impacts while the infrastructure development.

B. Theoretical Framework

Neoliberalism Theory

In the 1970s a shift in the economic patterns and political strategies of some developed countries began. In response to the inability of traditional systems to resolve economic crises, many western

countries began to turn to alternative political strategies based on the principles of neoliberalism (Brenner & Theodore, 2002). Robert Keohane and Joseph Nye developed this theory in response to neorealism. This theory initially focused on the discussion of power and interdependence (Milner, 2009).

In the 1980s to 1990s neoliberalism reformed in several ways including liberalization and economic deregulation, privatization of state-owned companies, the use of market principles in the public sector and several other things. In the area of regional policy, neoliberalism has also had a significant impact that is reduced government involvement in economic development, infrastructure provision and spatial planning (Tonts, Matthew and Haslam McKenzie, 2005). In the thirty years since its inception, this paradigm has developed substantially and has become a major alternative for understanding international relations. Because, the development of neoliberalism can go hand in hand with the increasing role of non-state actors such as multinational companies, non-governmental organizations (NGOs), and international institutions in the era of globalization (Milner, 2009).

The theory of neoliberalism deals with the theory of practice of political economy which states that welfare can be enhanced by maximizing entrepreneurial freedom within an institutional framework characterized by the rights of private ownership, free markets, and individual freedom. In this case, the state's role is to create an adequate institutional framework. For example, the state must

regulate the functions of the police and jurists to secure private property and support a functioning market freely (Harvey, 2007).

The theory of neoliberalism views that the world of anarchy and the state is the dominant actor in international interaction. But this theory also assumes that international relations is also influenced by non-state actors (Milner, 2009). The theory of neoliberalism states that international institutions are not the only non-state actors that play an important role for neoliberal institutionalism. However, NGOs and actors in the private sector also play a key role, especially on certain issues. Many current financial regulations are formed outside intergovernmental institutions and involve public-private interaction (Milner, 2009).

The theory of neoliberalism emphasizes low politics which views international relations as inseparable from interdependence, international cooperation, institutions, economics, and capitalism (Ferguson, 2010). In relation to the concept of international cooperation and interdependence, this theory views that countries in the world tend to work together to maximize absolute gains as an effort to fulfill the country's economic welfare. In addition the aim is for political stability, peace, education, environmental sustainability, and so on (Devetak, 2012).

The theory of neoliberalism has become the dominant ideology for several developed countries in recent years including Australia. The theory of neoliberalism has influenced many policies made by the Australian government even

in the field of regional development (Beer, Clower, Haughtow, & Maude, 2005). Australia transfers policy and financing to cross-sector partnerships, networks and other forms of policy coordination so that private sector partners become increasingly integrated into decision making and implementation activities of the country, especially in economic development.

In this discussion Neoliberalism is considered appropriate for analyzing this discussion because the actors involved in the Indonesia Australia Infrastructure Partnership (KIAT) are not only countries. But many other parties (non-state actors) are also involved with public-private partnership schemes. So it can be seen that actors in international relations are not only fixated on state actors, but also non-state actors. So that in this partnership program the government also does not have full rights in every project. Besides that collaboration which is the basic thing carried out in KIAT is also an important aspect of the discussion for the theory of Neoliberalism. But surely each party also maximizes the absolute gain separately to improve the welfare of their country.

C. Research Method

This research uses qualitative methods and analytical descriptive. This research explains the relationship between Australia and Indonesia, especially in the field of infrastructure from several sources as well as the latest references from several international relations experts such as books, journals, reports or print media and online news media related to Australia and Indonesia relations. This

article also uses several journals about infrastructure, as well as the impact of economic development that is caused. These writings help the reader to get a clear explanation of Australia's role in developing infrastructure in Indonesia through the Indonesia Australia Infrastructure Partnership (KIAT) program. The authors realize that a more comprehensive analysis requires deeper research. However, comparative literature studies are the most rational choice to explain this phenomenon.

One of the literature used in this article is a journal article from Asia Pacific Development Journal Vol. 22 with the title "Infrastructure financing, public-private partnership and development in the Asia-Pacific region". This journal article was written by Gilberto M. Lianto, Adoracion M. Navarro and Ma. Kristina P. Ortiz. This journal article discusses the significant links between infrastructure and economic development in the Asia-Pacific region (M.Lianto, M. Navaro, & Ma. Kristina, 2015). While the authors of this article will focus their study on the impact of infrastructure made for economic development in Indonesia and how non-state actors are involved through public-private partnerships of the KIAT program. So that the research can be more focused and explained in more detail. In addition, this article was made to find out about the role of the Australian government in the Indonesia Australia Infrastructure Partnership (KIAT), the impact of this partnership and to find out the interest of Australia in the KIAT program especially in 2017-2019.

D. Result and Discussion

The existence of Indonesia as one of the big countries in the Asia-Pacific region has attracted many parties to strengthen diplomatic relations with Indonesia, including Australia. With this condition Australia is trying to expand its influence and involvement in Indonesia. This is evidenced by the amount of assistance provided to Indonesia. In the 2017-2018 period the Australian government has provided official development assistance funds to Indonesia in the amount of AUD360.3 million. The funds include bilateral funding managed by the Department of Foreign Affairs and Trade (DFAT) of AUD297.4 million (Department of Foreign Affairs and Trade, 2018). Whereas in the 2018-2019 period the Australian government has provided development assistance funds to Indonesia with a total amount of AUD 335.6 million, including bilateral funding managed by DFAT Australia of AUD 279 million (Department of Foreign Affairs and Trade, 2019). Australia provides assistance in this development program based on several objectives namely establishing effective economic institutions and infrastructure for Indonesian people, carrying out human development for productive societies, and forming inclusive societies through effective governance.

Indonesia's economic growth has been considered quite stable, but there are some things that still hamper economic acceleration in Indonesia, one of which is the problem of infrastructure. Unequal development and difficult access to adequate infrastructure is seen as an opportunity by Australia to be involved in

it. In addition, in the first period of President Joko Widodo's leadership, he had prioritized infrastructure development throughout Indonesia as a work program. Therefore, Australia, which has collaborated in various fields with Indonesia, then decided to strengthen partnership cooperation in the field of Infrastructure which had also been carried out previously. With that idea then Australia initiated the formation of the Indonesia Australia Partnership for Infrastructure (KIAT) program.

Role of Australia in KIAT Program

The Indonesia Australia Partnership for Infrastructure (KIAT) is a partnership between the governments of Australia and Indonesia in an effort to encourage Indonesia's economic growth that is more inclusive and sustainable by increasing infrastructure access for all communities (KIAT, 2015). In the process of its implementation, KIAT works together with the government and civil society to provide technical assistance to improve policy, planning and infrastructure provision. In addition, KIAT also cooperates with local governments to improve the quality of spending and infrastructure development planning.

The Counselor Minister for Investment and Infrastructure of the Australian Embassy Steven Barraclough stated that KIAT is an infrastructure partnership program proposed for a period of 10 years with an estimated fund of AUD 300 million (Kompas.com, 2017). The KIAT Phase 1 program has a term of 4 years, from 2017 to 2021. Based on data from the Australian Government the Phase

1 KIAT program is implemented with a budget of AUD 146.2 million (Department of Foreign Affairs and Trade, 2018).

KIAT is a form of replacement for IndII (Indonesia Infrastructure Initiative) which has been running since 2008 and ended in June 2017 with the main focus areas of water and sanitation, roads and transportation, and cross-sectoral policies and regulations. Until 2017 IndII has managed to have a significant impact on Indonesia by successfully realizing more than 400,000 water pipe connections, new bus infrastructure valued at AUD 23 million, and the Water Hibah program worth AUD 115 million distributed to 156 local governments (local governments) (Kompas.com, 2017). The success of the IndII program has subsequently attracted Indonesian sympathy to reopen the partnership in Infrastructure with Australia so that the Indonesian economy can run inclusive and sustainable.

In its implementation KIAT focuses on Public Private Partnership (PPP). The Public Private Partnership is simply defined as a cooperative institutional arrangement between public and private sector actors.

“A cooperative venture between the public and private sectors, built on expertise of each partner that best meets clearly defined public needs through the appropriate allocation of resources, risk, and reward” (Ke, Wang, Chan, & Cheung, 2009).

Many parties have stated that PPP is connected to infrastructure projects and is an institutional arrangement for cooperation expressed through the

formation of new organizational units. In the world of infrastructure projects, PPP is also seen as a financial model that enables the public sector to use private financial capital in ways that increase the likelihood of both government and private companies being elected (Hodge, 2007).

In the KIAT program, public private partnerships play a significant role in infrastructure financing. This is in accordance with several regulations concerning existing in Indonesia such as Presidential Regulation Number 78/2010: Infrastructure Guarantee Facilities for PPP Projects; Law Number 2/2012 & Presidential Regulation No. 71/2012: Land Procurement for Public Interest; Presidential Regulation Number 38/2015: Cooperation between the Government and Business Sector in Provision of Infrastructure; Regulation of the Minister of Finance No.190 / 2015: Availability of Payments in PPPs; Presidential Regulation Number 44/2016: List of Business Fields Closed and Business Fields Open with Requirements in the Field of Investment (KIAT, 2018).

KIAT regularly provides services including construction management, engineering, research and technical advice. Initially KIAT aimed to implement large and small projects related to transportation, water and sanitation, energy, private sector involvement and gender equality and social inclusion (Edwards, 2019). But then KIAT expanded its support to other infrastructure areas in accordance with the agreement that had been established by the Australian and Indonesian parties. KIAT no longer focuses only on the development of remote areas,

but also seeks to develop sectors in urban and peri-urban areas. Thus, KIAT has 8 focus groups which in its implementation also involve the government sector and the private sector, including urban water supply, urban sanitation, urban solid waste management, road network development, road network management, urban mobility, infrastructure financing and funding, and gender equality and social inclusion. The entire focus of implementation to be implemented in the KIAT program always involves the role of the central government, the Australian government and the role of several private sectors such as the Directorate General of Highways, the Multilateral Development Bank.

One of the main focuses of KIAT is the Gender Equality and Social Inclusion Program (GSEI) and Civil Society Engagement (CSE). This program is implemented to ensure that Indonesia's infrastructure policies, planning and operations meet the needs of all citizens including women, people with disabilities and other vulnerable groups (KIAT, 2018a). An example of the magnitude of Australia's involvement is the GESI-CSE Program for the period 02 November 2018 - 30 April 2019 implemented by the Australian government. The program has partnered with 4 partners in Lombok including the NTB Road Traffic and Transportation Forum (RTTF), West Lombok Road Traffic and Transportation Forum (RTTF), the Indonesian Business Women Association (IWAPI) NTB; and the Indonesian Women's Association with Disabilities (HWDI) NTB and in collaboration with Penabulu Foundation.

Based on data accessed from the Penabulu Foundation website the budget provided for this period is IDR 506,050,000 (Penabulu Foundation, 2018).

In an effort to focus the main KIAT program on the development of the road network and the road network management, KIAT supports the implementation of the Provincial Road Improvement & Maintenance (PRIM) program. In this program the Australian government through KIAT works with the Indonesian Ministry of National Development Planning (PPN), the Ministry of Finance, the Ministry of Public Works and Housing and the Ministry of Home Affairs to improve the quality of work, maintenance and governance of local roads. The PRIM program is carried out in the West Nusa Tenggara region as a pilot area. In 2017 the PRIM Program fund allocation was 573 billion with 75% good road conditions in the West Nusa Tenggara region. With the implementation of this program the community can obtain their rights more equitably such as the availability of better access to accelerate the rotation of the economy in the regions and the improvement of road safety.

In addition, KIAT also supports the implementation of the Palembang City Sanitation Project (PCSP), which is a form of KIAT's focus, which is to improve urban sanitation systems and urban water supply (Department of Foreign Affairs and Trade, 2019). In this subject the Australian Government collaborates with Palembang City Government, South Sumatra Province Government, and the Ministry of Public Works and Public Housing. This project was carried out by building wastewater

treatment plants and pipelines in the area of Palembang to collect household and company wastewater which was then expected to have an impact on 100,000 residents of Palembang and surrounding areas. Funding for this project is jointly borne by the following shares: the Australian Government by 41%, the Indonesian Central Government by 30% and the Municipality of Palembang City and the Province of South Sumatra by 29%. The total investment for the Palembang City Sanitation Project is AUD 109 million. All projects and programs implemented by KIAT have become evidence that cooperation between countries can have a good impact on the two countries, especially in Indonesia's infrastructure.

Impact of the KIAT Program on Indonesia

In the 2017-2019 period, the KIAT Program has had a significant impact on Indonesia. Partnerships in the field of Infrastructure between Australia and Indonesia can provide a stimulus to the improvement of the Indonesian economy. Infrastructure is needed to support the success of various economic processes. With the better condition of Indonesia's infrastructure, the opportunities for economic improvement will also be higher.

Improving the quality of infrastructure can increase domestic productivity. Infrastructure plays an important role in the smooth production and distribution of goods and services. So as to increase economic equality in the regions. The higher productivity can also have an impact on the more jobs created for the community. So that the poverty rate

will decrease. Based on data compiled from the World Bank, the poverty line in Indonesia in 2017 amounted to 10.6% while in 2019 it has increasingly fallen to 9.4%.

In addition, getting access to proper infrastructure such as water sanitation and roads is a right for all Indonesian people. This program has helped create a decent life for the entire community, especially in several areas. An example is the Palembang municipal wastewater treatment program which is implemented by building wastewater treatment plants from households and companies that can later benefit about 100,000 residents (Bappenas & DFAT, 2019). So that public health can be better maintained because the water is used in good condition.

The massive impact of infrastructure development becomes a long-term investment. Massive infrastructure development is expected to be able to improve the welfare of all Indonesian people and create a national economy that is inclusive prosperous, balanced and sustainable (Lestari & Suhadak, 2019).

The Interest of Australia in KIAT Program

The Partnerships between Australia and Indonesia that are sustainable in various sectors indicate that it is not only Indonesia that get benefits from this KIAT program. But Australia as a country that issues funding also benefits from the program being implemented. In various foreign policies issued by a country, there must be a national interest that must be achieved. This national interest which then

becomes the goal of the implementation of a country's domestic policy.

Indonesia's conditions and future will have an impact on Australia's conditions and future. This is because Indonesia is a neighboring country of Australia and also one of the big country in the Asia Pacific region. The geographical proximity of Indonesia and Australia can be seen from the distance of the mainland of the two countries separated 240 km. Therefore the interdependence of the two countries in various fields is very strong (Beeson & Lee, 2015). The development of Indonesia will affect how domestic conditions and Australia's relations with the international world and so do Indonesia. Besides these following are Australia's interests in Indonesia:

a) Indonesia is a country that has great potential for investment.

Indonesia is a country with fairly stable economic development with Indonesia's economic growth of 5.05% in 2017. Stable economic growth is a very important consideration for investors. Many parties consider that Indonesia's increasing economy will attract investment both from inside and outside the country. Based on data from the Investment Coordinating Board in 2017 the amount of investment realization in Indonesia is IDR 692.8 trillion while in 2019 the realization of Indonesia's investment amounted to IDR 809.6 trillion exceeds the target of IDR 792 trillion. This indicates a significant increase in the realization of Indonesian investment. Experts also predict that the realization

of Indonesia's investment will continue increase every year.

In addition, Indonesia receives a lot of investment due to the large amount of development that continues to be done. This is considered a great opportunity for investors to invest their capital in Indonesia as well as Australia. The partnership program carried out between Australia and Indonesia helped to expedite Australians in investing in Indonesia. Therefore the majority of Australian business people support the Australian government program to provide assistance to maintain and improve the economy and investment climate of Indonesia (Eldridge, 1979).

b) Improving Indonesia and Australia relations

The partnership program will of course have implications for increasingly solid relations between the two countries. The cooperation developed by the two countries will also reduce the various conflicts that have occurred between the two, which have been known as "roller coaster" relations. Other forms of cooperation will also have the potential to be formed primarily to strengthen trade cooperation between Australia and Indonesia. In principle, various assistance provided to Indonesia is not only to improve the private and economic sectors in Indonesia, but also to benefit Australian companies that export to Indonesia or produce in Indonesia. This assistance will secure the position of these companies because infrastructure which is a vital

role in the economy will also accelerate the economic process for all parties. So that sustainability for all Australian companies will also be maintained.

Infrastructure development provided by the Australian government indirectly helps increase the productivity of Indonesia and Australia which then contributes to the increase of Indonesian commodity products to be sold in Australia and so do Indonesia. In addition, the better the level of infrastructure in Indonesia, the distribution of products from Australia will also run faster. Based on data from the Central Statistics Agency (BPS) the value of Indonesia's and Australia's trade balance deficit is getting bigger. In 2019, the trade balance deficit is worth US \$ 3.2 billion, up by around 5.5% from 2018, which is only US \$ 3 billion. This deficit occurs due to the fact that the import value is greater than the export value carried out by the Indonesian government. In 2019 the total amount of Indonesian imports from Australia is US \$ 5.5 billion, while the value of Indonesia's exports to Australia is only US \$ 2.3 billion. This shows that Australian commodities entering Indonesia are higher than Indonesian export commodities to Australia. Then, it can be seen that Australia has more to gain from this trade cooperation.

c) Realizing Australia's "Good International Citizenship" interests

Although Indonesia has stable economic growth, development in Indonesia is still uneven. Many regions of Indonesia do not have access to

infrastructure such as roads, bridges, and good sanitation. This then led to economic growth in some of these areas is still low. Even poverty levels in some provinces are still far higher than those in Java.

This unequal development has driven the Australian government to provide assistance to Indonesia. This assistance is considered to be able to help realize the interests of “good international citizenship” that was initiated by Australia. The interests of good international citizenship can be interpreted as the interests of Australia to collaborate with the international community to solve environmental problems. In addition, this interest is also often regarded as an Australian Humanitarian impulse, one of which is carried out through a financial assistance program aimed at reducing poverty in developing countries. This is what the Australian government wants to show, that Australia is a country that is committed to creating a better world and good citizenship.

E. Conclusion

Australia has become a country that plays a significant role in infrastructure development of Indonesia Infrastructure. In 2016, Australia initiated the Indonesia-Australia Infrastructure Partnership (KIAT) program, which has established in 2017. The KIAT program is an effort to encourage economic growth in Indonesia by providing technical assistance to improve policies, planning and infrastructure provision. Australia provided funds of AUD146.2 million for the

implementation of the Phase 1 KIAT Program for the 2017-2021 period.

To analyze how the role and impact and interests of Australia in the 2017-2019 KIAT program the author uses the theory of Neoliberalism. In its implementation KIAT not only involves the central government but also many private parties involved in it which is often referred to as the Public Private Partnership. This is one of the principles of neoliberalism, in which the main actors of international relations are not only the state but other parties can also play their role in international relations. In addition Indonesia and Australia try to maximize absolute gain for their country. In the Infrastructure partnership between Indonesia and Australia, both try to maximize their profits to achieve their national interests. Although Australia is a party that provides several budgets, Australia also get benefits from this partnership, especially in economic terms.

The impact of infrastructure development is more directed towards long-term impacts. Therefore infrastructure development that is being carried out later can have a significant impact on Indonesia's sustainable economic growth and prosperity that can be obtained by all Indonesian people.

In the period 2019-2020 and 2020-2021 Australia and Indonesia will still complete the KIAT phase 1 program with a predetermined budget. Whereas in general Australia's official development funding assistance for Indonesia in the 2019-2020 period was AUD 298.5 million, which included bilateral funding managed by DFAT of AUD 255.5 million. This

partnership is possible to continue because both Indonesia and Australia has to achieving their national interests. It is undeniable that each country does have its national interests, but it is just how the country maintains the rhythm of relations with other countries well and in the same time succeeded in achieving its national interests.

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