Increasing cooperation between the countries in a particular region is one of the significant developments in international relations at the end of this century. The idea of regional cooperation, although not new, gained new momentum in the period. This idea appears due to the growing political and economic challenges faced by countries in a particular region. Further consideration will affect actors in the region’s authority in applying its policy respectively, as well as how to keep the cooperation can be really useful and can be obtained profits as much as possible.

Transformations occurring in the regional and global level though followed by renewal of the role and functions of the state. State has been shown to continue to exist in the dynamics of globalization, even the state and new functions in the global change continues. The state also could still exist in the global stage, because until now there are still institutions that can replace the role of the state in full.

Keywords: Transformations, globalization, cooperation

1. PRELIMINARY

Normatively, what is to be achieved by ASEAN so far are as defined in the Declaration of Bangkok, which is ..... “accelerate economic growth, social progress and cultural development ...... (and) keep the peace and regional stability ..... “

In addition it is also affirmed in the Declaration of ASEAN Concord, which reads: “Member States shall make every effort to develop a regional identity and exert all efforts to create a strong ASEAN community ..... And in accordance with the principles of self-determination and non-interference in the domestic affairs of the nation nations ..... “

At times the formation of ASEAN in 1967, merging the motivation of Southeast Asian countries is politically, reducing hostility among members, and the challenges with such a fall in some Southeast Asian countries to the communists. This theme unites herself repeatedly proclaimed, so called by Surayamongkol years 1967-1972 (1988, 77) as The Rhetoric of Unity, and nationalism as a central element shaping it. It was only after the economic motivations appear first summit in 1976, which produced the Declaration of ASEAN Concord in Southeast Asia and the second summit, in 1977.

Lately more people focus on the global implications of regional economic development, all the more so after a remarkable shift post-cold war subsided. The number of frictions that occur that reinforce the emergence of non-conventional issues in fact have unfenced also important actors in Southeast Asia; especially among ASEAN member countries themselves, and certainly needs a critical attitude on the agenda of the ASEAN Community 2015 which proclame on 13th ASEAN summit in Singapore, November 2007.
The importance of a blueprint of ASEAN Community 2015 is make a conditions by freedom traffic of goods, services, investment, labor and the integration of the single market in the region is expected to bring prosperity or could be a “conflict or friction” due to the diversity of levels of economic development and progress of the sticking issues (issues of non-conventional) in their respective domestic country.

Internal conditions in the ASEAN countries seem to be a portrait of a separate interest to pared as a reference in the future to build a better regional cooperation in the future, and Indonesia became interesting study given the fluctuations in the political, economic, social and cultural greatly be affected stability of the organization called ASEAN.

Various analyzes say that globalization is a consequence of the rapid development of technologies that stimulate economic growth to levels unimaginable. High growth rate, it can not be absorbed by subsequent domestic market, so what is needed is how we prepare ourselves to receive the movement of capital flows. Karl Marx said that the rise and fall of wages at the plant is largely determined by the absence of strong working-class movement. The working class is not determined by the increase in the level of prosperity that obtains the bourgeoisie or by the kindness of the bourgeoisie. That way, back and forth and up and down the capital, is not determined by the proflows of the bourgeoisie, but by the existence of the class struggle in society. Scholte (2000) describes globalization as a phenomenon that occurs technological, economic, social, political, and cultural as well. ASEAN Community driven technological advances; particularly in transportation and communications. Furthermore, interactions and transactions between individuals from different countries will result in consequences of political, social and cultural rights. It is also experienced by us; Indonesia. As part of the global community, Indonesia can not avoid the fact that what happened in the yard can not be separated from the global dynamics. Conjecture of economic, socio-political changes in international economic-would result in a situation in the country. Conversely, we also can not deny that the events in the country will affect, at least highlighted the outside world.

Along with globalization, Indonesia is facing more and more issues and problems are universal dimension. Issues surrounding the environment, democratization, human rights, gender equality, and even terrorism. In addition, many crimes in scope through national boundaries (transborder crime); eg illegal fishing, money laundering, arms and human trafficking. Consequently, Indonesia can not address these issues within the framework of thinking “closed”. Developments force us to accept that the way we solve universal problems are always gets attention from the outside world. With a universal issue, the international community will react to human rights violations, environmental destruction, political repression, and even the things that had been considered an area of "domestic", such as women’s rights and domestic violence. On the other hand, Indonesia have an interest to cooperate with other countries in dealing with transnational crime. How to ask the Singapore government to extradite criminals Indonesia, Malaysia cooperate with the police to prevent the theft of water fish, please ask the Swiss government to unlock access to account perpetrators of corruption, and so on.

How the role of Indonesia to address the ASEAN Community?, How trend of economic policy or political shifts happening?

2. PARTICIPATION INDONESIA

It is difficult to define a clear boundary as to when Indonesia began to actually participate in the trend of globalization. However, if it is used as a reference is a higher integration of the world economy, it can be said Indonesia’s participation in globalization began in the decade of the 1980s. Just like the countries of Southeast Asia to another, the process of entering the ASEAN Community in Indonesia, more encouraged by the government. It is the government, not business or private sector, who took the initiative to cooperate with the global economy. Perpetrators of domestic private businesses to feel the need of Community.
The Government of Indonesia and its neighbors in Southeast Asia ASEAN Community looked more as an economic phenomenon. The implication is that the main focus is on the government's economic policy. The inclusion of Indonesia in the ASEAN Community is characterized by a series of policies aimed at opening the domestic economy in order to broaden and deepen integration with the international market. Jemadu (2008) termed the move as "the first stage of adjustment" (first order adjustment) of the ASEAN Community.

Steps to enter the ASEAN Community can also be seen as a continuation of a series of economic liberalization policies taken by the government. Economic liberalization is the orientation of the government's economic policy since the mid-1980s until the first half of the 1990s. Due to a number of political reasons, the term "liberalization" rather than avoided. Instead, use the term "deregulation" but in principle, deregulation still implies a shift to an economy based on market mechanisms and competition.

Does that make government policy economics orientation shift towards liberalization after 1970's economic policies tend to be protective and "look inside (inward looking)"? In other words, what lies behind the decision to enter the ASEAN Community?

Two perspectives to answer the question. The first perspective, see the reason for this change is merely pragmatism. That is, the change in policy orientation is not based on a long-term grand design for sure, but only on short-term calculations. In the 1970s, when high oil prices, the government has enough resources to undertake protective policy, interventionist and inward looking. In practice, it is translated so dominant state involvement in the economy. Especially in financing of heavy industries in order to implement the policy of import substitution.

The fall in oil prices in the early 1980s, the government has the ability to finance the smaller policy. In this situation, the economic policies that are more open (outward looking) and pro-market becomes a rational choice political economy. From the economic side, the policy of economic liberalization which is the first step toward the ASEAN Community is aimed to increase the ability to compete in international markets. From the political side, this option is also irrational because it is seen as a way to increase the capacity of the state in providing welfare. In the end, this will add to the political legitimacy of the state and the ruling government of course.

In practice, this combined with the liberalization policy of strengthening regional cooperation. This step was taken with the idea that integration with the global economy would be more pro table if done together rather than alone. The implication, of economic regionalization in Southeast Asia are more likely to be open and outward-oriented economic cooperation bloc instead of being closed (open regionalism).

Taking another look at the process of liberalization and ASEAN Community in Indonesia as a result of the struggle of ideas campaigned academics, especially the pro-market technocrats. This thesis proposed among others by Wibowo (2003), describing it as the "epistemic community". Through newspaper and magazine columns, seminars, lecture hall, also direct involvement in power, the technocrats shape public opinion and the relative success in influencing policy.

Liberalization is seen as a way to reduce the dominance of the country is too big. Moreover, the consequences of the liberalization of the domestic economy that is increasingly competitive. This condition is expected to further reduce the space for the practice of rent-seeking (rent seeking activities), which in Indonesia known as corruption, collusion and nepotism (KKN). Commitment to Community or ASEAN economic integration with the region used as a way to strengthen the position of the technocrats is in campaigning for pro-market policies. The reason, the necessity to open up to global competition / cooperation will further narrow the space for corruption practices. Until now, certain steps were successful. Still, there are limitations to the technocrats and liberalization policies to reduce the dominance of the country that still have autonomy in running economic policy oriented distribution of rents.

Throughout the decade of the 1980s and 1990s the countries of Southeast Asia, including Indonesia, have been successful in implementing the first phase of adjustment to globalization. It demonstrated various economic indicators such as growth rates, trade flows of goods and services, and capital that describe the high
economic performance of these countries during the period in question. But on the other hand, these countries are not overly pay attention to the “adjustment of the second stage (second order adjustment). Adjustment of the second stage is the handling of the economic impact that open as a consequence of globalization on the economic, social, political, and culture in the country. One of the impacts is the gap between social groups have more access to globalization and what does not.

In addition to economic inequality, globalization also carries wider implications. David Held (2000), to mention some of the implications that include increased risk of life, cultural penetration resulting in threats to cultural identity and local values, as well as perceptions of national political sovereignty.

There are a number of problems related to the adjustment of the second stage in Indonesia for ASEAN Community is lifted to the surface by the crisis. First, the vulnerability of the domestic economy to the mobility of global capital flows. Second, proven domestic political-economic fragility. Some practice is the problem of moral hazard in the banking sector, the certainty and the rule of law, rent-seeking activities. Third, the crisis also underlined that economic progress is not matched by adequate welfare policy. This problem was shown around the distribution and lack of social protection. As a result, the bottom segment of society highly vulnerable to economic shocks. In a sense, the crisis is the reason some people to question the meaning of the ASEAN Community. Also, to say globalisasilah root causes of the crisis. But some others argued that the crisis was precisely due to the adjustment of the ASEAN Community that is partial, the imbalance between the adjustment of the first stage and the second stage.

Indeed, on the one hand, the Indonesian crisis also lowers the level of integration in the global economy. Among others, the rate of decline shown in the import, export, and foreign investment flows. Another phenomenon is the strengthening of regional identity, along with a wave of regional autonomy that occurs. The existence of this phenomenon can not be removed from the system during the New Order state management which includes economic, social and political centralized. Centralized management of the country as it proved to be significantly attenuated the local identity. In fact, these systems reinforce feelings of regionalism. When Soeharto’s authoritarian regime fall, space to express those feelings to be open and exploited. In an extreme form, the expression is manifested in demands secession. If no such separation demands, which are often found is regional autonomy which translates as “exclusivism”.

Two paradoxical phenomenon, the ASEAN Community on the one hand, and the strengthening of regional identity on the other hand, take place simultaneously. Two things that have become a test for Indonesia to redefine its identity as a nation state.

### 3. ECONOMIC POLICY AGENDA

Urgent agenda of economic policy today is to bring the economy out of the crisis. That is, the focus of attention from policy makers is economic recovery. To achieve these goals, it needs a credible macroeconomic policy management, to improve the level of economic growth and control inflation.

Economic growth is Necessary though not sufficient condition for improving welfare. Apart from sharing the critique of the concept of growth, the economic crisis has illustrated how negative growth effect of deteriorating standard of living. Economic growth is also considered to reduce unemployment, because of the increased production capacity will create a demand for labor.

In terms of employment, Indonesia needs a growth rate of 7-8% per year to absorb the labor force who are unemployed because of the crisis. That is, although the past five years is quite a lot of progress made, a growth of 3-4% which is still far from enough to address unemployment (CBS, 2011) Low inflation is necessary. The reason is very simple, if inflation is not controlled (high inflation), it will lead to the decline in purchasing power.

Another agenda that needs to be addressed is the question of decentralized management. Similarly, ASEAN Community, the trend of decentralization also be something that can not be avoided. Decentralization should have a positive effect because the central government is no longer the burden is too
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decentralization, the area also has a wider space for the household and show the existence of the identity of each. Of course, with a record when it is done with the concept, sequence, and appropriate provisions.

The agenda is no less important is to keep the rhythm of economic growth but kerkesinambungan (sustainable), in the sense of not vulnerable to external shocks, eP sisen in the use of natural resources, and well distributed to all segments of society.

For that, we need fundamentally strengthening economic institutions that include good governance, corporate governance, legal and judicial reform, and competition policy. According to the World Development Report 2003, the institution is a set of rules and organizations, including the informal norms that coordinate economic actors. In that humble, institutions can be trust, networks, and various other forms of social capital. When economic activity is increasingly modern and complex, it is also required a more modern institution that includes formal and legal / regulatory and formal procedures.

There are at least three fundamental role of institutions in economic transactions. First, to capture the signals from economic actors about the needs and problems faced by economic actors. Second, to balance different interests. Third, the decision-makers about the steps involved.

Modern theories about economic growth says the economic performance of a country cannot be separated from the institutional factors. Kegley (2001) write quality institution that explains the difference in performance is the economies of many countries today. Countries that have good economic performance, are usually those who have a credible institution basis.

The basic premise of the theory of the market economy is if the market goes perfectly, resources will be allocated most efficiently. But, in reality, the market does not always work perfectly. This is where the role of the institution is important to address market failures and ensure the efficient allocation of resources, so that the overall performance of the economy increases.

The next policy agenda include distribution and social protection policies. This policy includes Social Security system, improving the quality of human resources through education policy, health and other welfare facilities, unemployment benefits and pensions, as well as the policy of direct intervention in terms of income distribution and poverty alleviation.

There are two main functions of distribution and social protection policies. First, to create competition among individuals in an economy by improving the quality of human resources. Second, to provide protection to those who are not able to compete properly in order to stay alive in a particular standard. The ultimate goal of the policy is to reduce disparities in carrying out economic activities.

4. CONCLUSION

In the arena of global competition is increasingly competitive, the increased competitiveness of the national economy is absolutely necessary and may not negotiable. Implementation of democratic and economic systems in accordance with the value system of the nation Indonesia will certainly provide opportunities that rules are better suited for Indonesia in efforts to achieve social justice for the people. Many of us feel pessimistic or sad face huge economic power outside, so to think diff alone is considered unnatural. As a result we gave up before doing resistance. It is very wrong to make free competition globally as a destination.

If the economist Joseph Stiglitz warned that a government advisor in developing countries not to be too rigid hold on Neoliberal ideology, it means that the need for economists developing countries embrace the ideology of the state and nation. If the PRC Stiglitz praised for not carrying out privatization in a hurry, then it must be concluded the presence of ideological role of the state in the national economy PRC. And if the ideology of the PRC is the case, the economic advisers from outside should not use the "ideology" of their own as to criticize the PRC government has violated human rights in a free market system. So Stiglitz calls for a "leave of ideology" of economic advisers from outside, actually means there was a "national ideology" of each country is different and must be "respected" by his economic advisers.
Economic globalization is not a natural process, but it is a political choice through a policy issued by both countries, international financial institutions, and multinational companies. Because of interest in which there is a sharp fight with rules and management that benefit both developed and developing countries harm. Indonesia has felt the negative impact when the crisis hit in 1997. Facing globalization governance unfair, Indonesia should formulate the vision and strategy of economic diplomacy on behalf of the national interest. Improved position of Indonesia’s diplomacy in the international arena based on the internal strength would be far more effective than expecting compassion developed countries or international bodies; as well as of course in Southeast Asia, particularly in facing the ASEAN Community by 2015.

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