DECLARATION OF RESEARCH AUTHENTICITY

بن إلى التعالق التعال

I hereby declare that the undergraduate thesis under the title "The Importance of Joining the Trans-Pacific Partnership for the Republic of Indonesia", is truly the work of my own and I did not do plagiarism or quotation in ways that are inconsistent with the prevailing ethic in the scientific community. On this statement, I am ready to bear the risk/any sanction imposed to me in accordance with applicable regulations, if the future found a breach of scientific ethics, I am willing to accept the sanctions.

Written by:

Name : Falah Al Ghozali

Student Number : 20130610205

Faculty : Law

Major : Law Science (International Program for Law and Sharia)

University : Universitas Muhammadiyah Yogyakarta

Yogyakarta, May 15th, 2017

Falah Al Ghozali

1B296AEF267268244

MOTTO PAGE

"IN THE END, IT IS NOT THE YEARS IN YOUR LIFE THAT COUNT. IT IS THE LIFE IN YOUR YEARS"

(Abraham Lincoln)

"HEROES ARE MADE BY THE PATHS THEY CHOOSE; NOT THE POWER THEY ARE GRACED WITH"

(Brodi Ashton)

"IF OPPORTUNITY DOES NOT KNOCK, BUILD A DOOR"

(Milton Berle)

DEDICATION PAGE

I dedicate the undergraduate thesis to,

My Lord, Allah SWT

Prophet Muhammad SAW

My beloved parents,

Suparno

Ana Agustina

My lovely sisters and brothers,

Ita Khairani,

Andiyuda Ari Wibowo

Rahulia Sadhani

Toni Syarifudin Hidayat

Novianira Nur Laila

FOREWORD

Alhamdulillah, thank you Allah SWT, The Most Merciful and Most Gracious who has given me His blessing and an opportunity to accomplish my Undergraduate Thesis entitled "The Importance of Joining the Trans-Pacific Partnership for the Republic of Indonesia" at Universitas Muhammadiyah Yogyakarta. Thank you to my advisors, Bapak Dr. M. Nur Islami, S.H., M.Hum and Bapak Yordan Gunawan, S.H., Int. MBA., M.H., who guided me with patient, wisdom and compassion. Thank you to Bapak Iwan Satriawan, S.H., MCL., Ph.D for inspiring me and giving me lots of lesson. My deepest appreciations also go to all staff at the Faculty of Law for their assistances during my study at Universitas Muhammadiyah Yogyakarta.

My sincere gratitude goes to my parents, Suparno and Ana Agustina, and my siblings, Ita Khairani, Rahulia Sadhani and Novianira Nur Laila. Your prayer, support, guide and affection are being my strength all the way through my life. Thanks to Try Hardyanthi, Aisah Agustin, Ahmad Zulfikar Pical, Firdausi Alamari, Eka Widi Astuti, Eunhwan Cho, Afiq Rosman, Elias Kadir and to all of my friends in IPOLS batch 2013 for having me and being my second family here in Yogyakarta. At last, I realize that there are still some mistakes in my undergraduate thesis but I do hope that it could bring benefit to all human beings. Amen.

Falah Al Ghozali

TABLE OF CONTENTS

ABSTRACT	i
APPROVAL PAGE	ii
VALIDATION PAGE	iii
DECLARATION OF RESEARCH AUTHENTICITY	iv
MOTTO PAGE	v
DEDICATION PAGE	vi
FOREWORD	vii
TABLE OF CONTENTS	viii
TABLE OF FIGURE	xi
LIST OF TABLE	xii
LIST OF STATUTES	xiii
LIST OF ABBREVIATIONS	
	xiv
LIST OF ABBREVIATIONS	xiv
LIST OF ABBREVIATIONS CHAPTER ONE: INTRODUCTION	xiv 1 1
LIST OF ABBREVIATIONS CHAPTER ONE: INTRODUCTION	xiv 1 1 5
LIST OF ABBREVIATIONS	xiv 1 1 5 5
LIST OF ABBREVIATIONS CHAPTER ONE: INTRODUCTION A. Background of the Research B. Problem of the Research C. Objective of the Research	xiv 1 1 5 5
LIST OF ABBREVIATIONS CHAPTER ONE: INTRODUCTION A. Background of the Research B. Problem of the Research C. Objective of the Research D. Benefits of the Research	xiv 1 1 5 5
LIST OF ABBREVIATIONS	xiv 1 1 5 6

C. Discourse of Indonesia Joining the Trans-Pacific Partnership	12
CHAPTER THREE: RESEARCH METHOD	15
A. Type of the Research	15
B. Source of Information	15
C. Method of Collecting Data	17
D. Method of Data Analysis	18
CHAPTER FOUR: FINDING AND ANALYSIS	19
A. An Overview of the Trans-Pacific Partnership	19
1. The Trans-Pacific Partnership in Brief	19
2. The Trans-Pacific Partnership Agreement as the Constitution of	
International Organization	31
B. The Opportunities and Challenges of the Free Trade Agreement	33
1. The Opportunities of the Free Trade Agreement	33
2. The Challenges of the Free Trade Agreement	42
C. The Opportunities and Challenges of the Trans-Pacific Partnership	48
1. The Opportunities of the Trans-Pacific Partnership	48
2. The Challenges of the Trans-Pacific Partnership	54
D. The Perspective of National Legal System towards the Rules on the	
Trans-Pacific Partnership	61
The Theory of Monism and Dualism	61
2. The Perspective of Indonesian Legal System towards the Rules on	
the Trans-Pacific Partnership	63

CHAPTER FIVE: CONCLUSION AND SUGGESTION	80
A. Conclusion	80
B. Suggestion	81
REFERENCES	

TABLE OF FIGURE

A.	Figure 1. Trans-Pacific Partnership Members	21
В.	Figure 2. TPP Negotiators	22
C.	Figure 3. TPP's Percentage in Global GDP	29
D.	Figure 4. President Trump Signing the U.S. Resignation Letter from TPP	1
		77
E.	Figure 5. U.S. Withdrew from TPP	78

LIST OF TABLE

A.	Table 1. Major U.S. Exports by TPP Members	7

LIST OF STATUTES

- A. The 1986 Vienna Convention on the Law of Treaties between States and International Organizations or between International Organizations.
- B. The Trans-Pacific Partnership Agreement.
- C. The 1945 Constitution of the Republic of Indonesia.
- D. Law No. 24 Year 2000 on International Treaties.

LIST OF ABBREVIATIONS

AEC ASEAN Economic Community

AFTA ASEAN Free Trade Agreement

APEC Asia-Pacific Economic Cooperation

ASEAN Association of Southeast Asia Nations

BFTA Bilateral Free Trade Agreement

CEPT Common Effective Preferential Tariff

DDA Doha Development Agenda

EU European Union

FDI Foreign Direct Investment

FTA Free Trade Agreement

FTAA Free Trade Area of the Americas

GDP Gross Domestic Product

GFC Global Financial Crisis

IGO Intergovernmental Organization

IMF International Monetary Fund

IO International Organization

IPR Intellectual Property Rights

ISDS Inverstor-State Dispute Settlement

MNC Multinational Corporation

NAFTA North American Free Trade Agreement

NTB Non-Tariff Barrier

PTA Preferential Trade Agreement

SME Small and Medium-sized Enterprise

SOE State-Owned Enterprise

TPP Trans-Pacific Partnership

TPPA Trans-Pacific Partnership Agreement

TRQ Tariff-Rate Quota

WTO World Trade Organization