

## **CHAPTER V CONCLUSION**

Agriculture issue is always the problematic issue in every WTO negotiation agenda. It is because agriculture is very important where billions of people especially developing countries depend on it. Food security and sovereignty are very important for all countries to fulfill people basic need. There will be a lot of reasons why they need Indonesia's agriculture sector to protect their agricultural market proposal of agricultural public stockholding for food security is just like what India did in the 9<sup>th</sup> WTO ministerial meeting which is the content is raising the minimal allowed subsidy that can be given by country and also changes the basic external price which is according to the year of 1986-1988.

Indonesia position shifting in the negotiations is caused by several factors. The first, is at the meeting Indonesia has two works as a host country that led the run of the meeting and was also a leader of G-33 country that insisted about their public stockholding for food security proposal. Indonesia needs to be a bridge between developed countries and developing countries. So, it is hard for Indonesia to choose the side of the party. Moreover, with the pressure of international community gives Indonesia a big responsibility to succeed 9<sup>th</sup> WTO ministerial meeting to end up WTO 12 years of failure.

The second is it has been a long time that Indonesia already enters the world of capitalism in which interdependence is a thing that cannot be avoided. According to the theory of world system, Indonesia can be categorized as a Periphery country where the government is still weak because of the political and

economic force by other countries especially from the core countries. Another condition that Indonesia called as periphery country is: having cheap labor, exporting raw materials, and producing agricultural products. This condition can be seen in the Bali meeting in which Indonesia lose its tension with developed state. Another category is from the export-import condition. Periphery countries tend to export agriculture or raw goods. According to this position, Indonesia still depends on other countries especially United States. So, that is why in the last minute, Indonesia tends to shift its position. Moreover, even Indonesia is suitable when categorized as Periphery country, but Indonesia position tend to increase into Semi-Periphery country because slowly but surely Indonesia starts to export produced goods such as electricity, cloth, footwear and more. Bali Package was not only connection about agriculture sector, but also was a trade facility and also easiness for LDC to gain market and export their product. This is another reason why Indonesia tends to shift its position, where Indonesia is also an exporter who needs a market and also needs a trade facility which will support its product.

One of the impacts after the implementation of Bali package is to the Indonesia agriculture policy. In 2014 Bali package is implemented by WTO general council and in Indonesia there is a new presidential inauguration. The new president Joko Widodo has a big homework in order to protect domestic agriculture from the Threat of peace clause. Agenda promised by Joko Widodo administration clearly gives the intention of lifting up classes from Periphery country become Semi-Periphery country.

There are strategies done by Indonesia government after the implementation of Bali package peace clause. The strategy is in order to prepare domestic agriculture sector to be strengthened before meeting deadline of peace clause. There are three strategies that has been done by Indonesia government based on the “NAWACITA” or Joko Widodo agenda in order to develop Indonesia, in agriculture sector to make food sovereignty.

First, strategy is by implementing import substitution and stop the import surge of agriculture commodities that make loss of domestic market. Then, second strategy is by implementing the strategy of investment. Joko Widodo believes that with investment, it can accelerate the development of national economic, especially agriculture sector. The third is through strengthening domestic agriculture sector and in this case through huge domestic support distributed to the farmer. The amount of the distribution is huge rather than in the Susilo Bambang Yudhoyono era and the amount is larger than the amount of energy subsidy. However, this is the first time that Indonesia ever gives a huge subsidy to agriculture sector. This is indicating that Indonesia tries to be Semi-Periphery country and tries to achieve its food sovereignty.

The thing that needed to do by Indonesia government is consistency in the realization of that agenda. However, Indonesia government also needs to do an improvement in term of public policy that is not against international trade rules, and for the next 4 years Indonesia should have a smarter system if there is unpredictable situation in international trade negotiation not allowing any subsidy in domestic agriculture. So, Indonesia’s agriculture sector will be ready.