

## **The Impact of International Cooperation Policies on Poverty Reduction and Sustainable Development in Developing Countries: A Case Study of Indonesia**

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### **ABSTRACT**

The purpose of this study is to assess the impact of international cooperation policies on poverty alleviation and sustainable development in developing countries, with a particular focus on Indonesia. International cooperation policies are a crucial part of reducing poverty and promoting sustainable development in developing countries. International cooperation policies have become an important part of the development strategies of developing countries, including Indonesia, to overcome the challenges of poverty and achieve sustainable development. This research uses a qualitative approach with secondary data analysis in the form of reports, statistics, and case studies related to the implementation of international cooperation policies in Indonesia. The results of the analysis show that international cooperation in the form of financial assistance, technology transfer and partnership development programs have a positive impact on poverty alleviation and the achievement of Sustainable Development Goals in developed Indonesia. However, the effectiveness of these measures is often affected by factors such as local institutional capacity, inter-agency coordination, and adaptation to local conditions. These results suggest improved coordination and strengthened institutional capacity to maximize the positive impact of international cooperation policies in the Indonesian development context.

**Keywords:** *Sustainable Development, Poverty, International Cooperation*

### **INTRODUCTION**

Poverty and socioeconomic inequality are two complex and long-standing problems in developing countries. International cooperation has been an effective strategy in alleviating poverty. Many developing countries have achieved significant progress in poverty alleviation through deep international cooperation. Indonesia, for example, has made impressive progress in poverty reduction and sustainable development. In 2015, the UN released the Sustainable Development Goals (SDGs) as a global framework to address the challenges faced by the world community. One of the main goals of the SDGs is to reduce poverty in all its forms. International cooperation plays a key role in achieving this goal. By working together, countries can share resources, knowledge and best practices to ensure that no one is left behind. Indonesia has made significant progress in poverty eradication and sustainable development. Coordinating

Minister for Human Development and Culture Muhadjir Effendy released an update on Indonesia's achievements in poverty eradication and extreme poverty in the first half of 2024. In Indonesia, poverty and extreme poverty continue to decline. According to data from the Central Statistics Agency (BPS) as of March 2024, Indonesia's poverty rate was 9.03%. This number has decreased by 0.33%, while the poverty rate in March 2023 was 9.36%. The poverty rate of 9.03% is the lowest in the last 10 years.

Although international cooperation has brought many benefits, it is also faced with several challenges. Variations in national priorities, values, and strategies can hinder cooperation. The problem of free-riding arises when some countries take advantage of the benefits without contributing significantly. International cooperation also relies on voluntary agreements which can make it difficult to monitor and follow up on violations. To overcome poverty, developing countries can use several international cooperation strategies. These strategies include specialized alliances, experience and knowledge, and advocacy and cultural diplomacy. Specialized alliances allow developing countries to focus on issues that directly affect them. For example, Indonesia has cooperated with international organizations such as UNDP and UNICEF in the implementation of sustainable development goals based on local objectives. Sharing knowledge and experience between developing countries can improve their ability to overcome poverty. For example, organizations such as the UN Environment Programme have supported several African, Asian and Latin American countries through technology transfer projects that support climate change adaptation and mitigation. Advocating and using cultural diplomacy can help developing countries to recognize and integrate their unique perspectives into global solutions. For example, the World Economic Forum has facilitated cooperation between developing countries through platforms such as SDIM 23 and UNGA. Thus, this paper will further explore the influence of international cooperation on poverty reduction and sustainable development in Indonesia. This case study will show how international cooperation has helped Indonesia in achieving significant progress in reducing poverty and improving the quality of life of the people.

## **METHODS**

The type of research used is descriptive where the author tries to explain and describe 'The Influence of International Cooperation Policies on Poverty Reduction and Sustainable Development in Developing Countries' where in this study the author takes Indonesia as a case study. The selection of Indonesia as a case study is not without reason but because the author considers several things, one of the basic reasons is because Indonesia is one of several countries in the world that is included as a developing country. The author chose a descriptive type of research which is in accordance with the meaning of descriptive itself which means that descriptive is used to explain or describe an existing phenomenon or event (Abdullah, 2018). The choice of descriptive research type is based on the reason that the author wants to analyze and explain how the influence occurs with the policy in the form of international cooperation that specializes in reducing poverty in Indonesia as a developing country.

The scope of this research starts from 2020 to 2024, because in 2020 is the year when 'A New World Bank Report' carried out the 'Reversal of Fate' movement. This is done because the extreme increase in poverty occurs due to an outbreak of a very dangerous disease that can paralyze the economy of most people, the disease is the Covid-19 outbreak. The data collection technique used is the literature study collection technique. Data collection techniques are divided into two types, namely primary data collection techniques and secondary data collection techniques. In this study, the author used a secondary data collection technique. In contrast to the primary data collection technique which is a technique that relies on direct observation of the actors in the phenomenon. The secondary data collection technique is a technique with data collection obtained from literature studies, official pages, online articles, journals, and previous research (Neuman, 2014). So by reviewing this, this study uses data obtained from previous research, news, articles, journals, reports, and online websites. Sourced from several data results that have been obtained by the author, it will be a reference spearhead to explain the influence that occurs due to international policies on poverty reduction that exists and occurs in Indonesia.

In this study, the author uses a data analysis technique in the form of a qualitative technique. This data analysis technique is a technique that has a relationship with phenomena related to regions, countries, organizations, or individuals (Lamont, 2015). Based on what has been described, the author feels that this study is suitable for qualitative data analysis techniques.

## **RESULT AND DISCUSSION**

### **Analysis of the Influence of International Cooperation Policy on Poverty Reduction in Indonesia**

Indonesia as a developing country with a large and diverse population has received various forms of international support to address the problem of poverty reduction, one of which is from the International Cooperation Policy. According to K.J. Holsti (1988) defines international cooperation as a view or form for each party that cooperates to promote and implement the values, benefits, and objectives of the cooperation. Then he also added that international cooperation can be established because the countries concerned want to improve economic welfare in their respective countries.

Several of these international cooperation policies have a fairly supportive impact or influence on overcoming the problem of poverty reduction, namely First, Technology Transfer. Through international cooperation between Indonesia and other countries, there is technology transfer in it, this has a major influence on reducing poverty in Indonesia, such as in the agricultural sector, there is technology transfer in the form of agricultural machines and tools to increase productivity and yields in the agricultural sector, this is more efficient both in terms of manpower and finance (becoming more efficient), this can encourage farmer welfare. Second, New Jobs. With international cooperation, especially in the field of trade (economy), there will be many foreign

companies that establish their companies in Indonesia, therefore many workers from the Indonesian population are needed, thus reducing unemployment and improving the welfare of the Indonesian people as an effort to reduce poverty problems. Third, Progress in the Education Sector. The existence of new learning patterns from the results of comparative studies and international cooperation, provides new learning methods for the education sector in Indonesia, such as progress in the IT field can facilitate students who have talents in that field. In addition, there is also international cooperation in the form of free scholarships, either student exchanges abroad or providing opportunities to study for free abroad for outstanding students (especially those with economic limitations). These things can increase the intelligence of the nation's children where this has the opportunity to create potential workers and can improve the welfare of life so that it can reduce poverty in Indonesia.

According to data from the Central Statistics Agency of Indonesia, the number and percentage of poverty in Indonesia from 2013-2024 has decreased, although not large, but this proves that efforts to reduce poverty have been achieved even though it requires a long time and various efforts, including international cooperation.

### **Analysis of the Influence of International Cooperation Policies on Sustainable Development in Indonesia**

Indonesia as a developing country prioritizes Sustainable Development in various sectors, both economic, social, and environmental to support the achievement of the Sustainable Development Goals (SDG'S). According to data from the Sustainable Development Report, Indonesia's sustainable development score from 2000 to 2022 has increased quite significantly. This means that for more than 20 years, Indonesia has and is still striving for encouragement and/or efforts to maximize sustainable development to date. Therefore, Indonesia is establishing international cooperation to encourage sustainable development. First, Inclusive Economic Development. Encouraging workforce skills through job training programs, such as those that have been established, namely Indonesia-Austria which agreed to cooperate in vocational training and work-based training in 2022. Then, there is also international cooperation to advance the Indonesian MSME sector, such as the International Cooperation established by the Indonesian Ministry of Foreign Affairs with the United Nations Conference on Trade and Development (UNCTAD). Second, Development of Social Infrastructure (Health). Through international cooperation, there is a transfer of technology and experts in it. For example, in the field of social health, technological advances greatly help access to services to the community to be more efficient, then with the presence of expert health workers, they can also provide more qualified health services for the community. Third, Natural Resource Management and Climate Change for future generations. Indonesia has established many international collaborations in this field, such as REDD+ (Reducing Emissions from Deforestation and Forest Degradation), a program that focuses on reducing carbon emissions by protecting forests and preventing deforestation, to support climate change mitigation (Ministry of Finance, 2014).

## **Case Study of Indonesia's International Cooperation Implementation Policy in Alleviating Poverty**

Indonesia as a developing country is currently still striving to achieve sustainable development goals or Sustainable Development Goals (SDGs) and trying to overcome global problems. One of them is the problem of economic inequality and social inequality. On September 18, 2024, Indonesia together with the UN through BAPPENAS (National Development Planning Agency) released an annual report on the contribution of cooperation to development in Indonesia in 2023 (UN in Indonesia's 2023 Annual Results Report) which summarizes the cooperation between Indonesia and the UN. In the goal of economic transformation, the results obtained are through the National Food Agency, the UN provides food and nutrition assistance that has an impact on 25,000 school students, and provides assistance to more than 900 factories in improving the latest technology so that it can increase competitiveness. In addition, there are more than a total of 330,000 farmers who receive assistance in improving their businesses in the agricultural sector, one example is the palm oil industry which is given support in utilizing products both on plantations and in factories (UN, 2024). The percentage of poverty in Indonesia has succeeded in decreasing in 2024. In the G20 Ministerial Meeting of the Task Force for Establishing a Global Alliance Against Hunger and Poverty cooperation forum held in Brazil on July 24, 2024, Indonesia and Brazil became the main drivers in the global alliance. The forum discussed the sustainability of the Indonesia-Brazil bilateral MoU on poverty alleviation (KEMENKOPMK, 2024).

The decline in poverty rates is inseparable from Indonesia's increasing economic growth. The decline in the percentage of poverty among Indonesian society cannot be separated from the cooperation attempted by the Indonesian government with international parties over the past 5 years. In the ASEAN regional forum, in 2023 where Indonesia became the chair of ASEAN, it has been used to encourage economic growth to be faster and more equitable. Some of the collaborations that have been carried out in ASEAN over the past 5 years are the Digital Economy Framework Agreement (DEFA), Chiang Mai Initiatives and Local Currency Transaction (LCT), ASEAN Leaders Declaration on Strengthening Food Security and Nutrition in Time of Crises, ASEAN Leaders Declaration on the Developing Electric Vehicle Ecosystem, and many more. With this cooperation, it facilitates the practice of exchanging goods and services, as well as labor for each member country. As a country with the largest economy in the ASEAN regional area, Indonesia is active in the digitalization of MSMEs which of course has an impact on society. Foreign policy in the era of President Joko Widodo's leadership also tends to be dominant towards the economic agenda. Economic cooperation between countries continues to be carried out so that it produces many achievements for the Indonesian economy which of course has an impact on reducing the poverty rate in Indonesia today (Sari, 2024).

## CONCLUSION

Improving people's living conditions and combating climate change can be achieved through international cooperation. As a leader, Indonesia has made great strides towards achieving these goals. With an estimated growth of 9.03% in 2024 and 9.36% in 2023, the Indonesian government has revised its commitment to meet the Sustainable Development Goals (SDGs) by 2024. However, barriers such as national priorities, tactics, and priorities exist for international cooperation. Countries can utilize international techniques such as campaigns, knowledge sharing, collective action, and cultural diplomacy to address climate change. Climate change adaptation projects have also been implemented with the assistance of international organizations such as UNDP and UNICEF. The World Economic Forum has also facilitated global collaboration through channels such as UNGA and SDIM 23.

This is a study that aims to examine how International Cooperation impacts the production and export improvement of developing countries, with a special emphasis on Indonesia. International cooperation is very important for developing countries like Indonesia to overcome production challenges and increase exports. To do this, it uses quantitative data analysis, statistics, and case studies. The results show that to address climate change issues, Indonesia has collaborated with other countries through technology transfer, new job opportunities, and education. Industrial production and efficiency have increased as a result of technology transfer, which helps reduce greenhouse gas emissions. The tourism sector has attracted more Indonesian businesses, boosting the country's economy. The country's education system has also been aided by educational cooperation, such as classes on information technology. Programs like these can help create new job opportunities, improve the quality of life in Indonesia, and help combat climate change. Indonesia supports sustainable growth in a variety of areas, such as economic, social, and environmental. They have joined international cooperation, such as the Indonesia-Austria program, and strengthened the Indonesian Ministry of Trade and Development (UNCTAD) to promote inclusive economic development. In addition, Indonesia focuses on social infrastructure development, technology transfer, and health service development. In addition, the country supports climate change efforts such as REDD+.

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