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Preface

The editorial boards of the Andalas Journal of International Studies (AJIS) would like to deliver our praises and gratitude to god the almighty since the first volume of our journal eventually resulted in the first publication. This war our very long and hard struggle to eventually accomplish the publication of our first journal comprising a number of academic writings in order to disseminate the result of the researches with various topic in the field of international relations. The long process ranging from the cal for papers to the editing process, from the reviewing to the articulation and now reaching the readers gave such a satisfaction to the editorial team.

The AJIS Vol. 1 No. 1 was the beginning of our contribution in dessiminating the knowledge and the discussion of international relations in the form of scientific periodical publishing. As the starter, this edition could be far from such a qualified journal. However, we are seeking to approach and produce the high quality journal in order to give more benefits to both theoretical development and its application to the society, which is resembling our institutional goal, "…for a better future…"

There are six articles presented in this first edition. The first article, written by ranny Emilia, provides an analysis of potential young leaders, especially Asian youth, in creating a peaceful world without nuclear weapons. With reference to the concept of securitization, the next article, by apriwan analyzes how environmental issue becomes a treat for the states in Southeast Asia. Assuming that envirometal isuue has become one of security agenda, this article attempt to draw a map and provide an analysis of how such securitization becomes an evitable option in the region. Then, Poppy Irawan wrote an article entitle The alternative through the returning of gold monetary system based on the idea of gold dinar exchange economy of global political economy and its impact to the developing states.

The fourth article, written by Malse Yulivestra, analyzes the growing influence of developed countries to developing countries trough international treaties, and other international organizations in the era of globalization with reference to neo-liberalism approach. These interventions provide great influence on local policy in the state. Haiyyu Darman Moenir, subsequently writes an article with the title "ASEAN Connectivity: As a shifting paradigm in the process of ASEAN Integration" and the last but not least, an article written by Rika Isnarti, attempt to describe how a network of the indian diaspora in the USA, is able to changing the brain drain, a phenomenon faced by indian and also other developing countries, into brain circulation.

Finally, all constructive criticism and suggestion are really welcome and highly appreciated so that we can do significant improvement for the upcoming edition. Thanks for the insightful thought and the generosity to care to share the knowledge.

Neo-liberalism and Global Economic Crises (The changing of the state-market relations in Indonesia)

Malse Yulivestra[1]

Abstract

In globalization era, intervention and influence of developed countries to developing countries are more exist. Those influences are not in form of war or radical ways but more moderate and well organized (deregulation, privatization, and liberalization) through international treaties in International organizations (IMF, WTO, and World Bank). Many developing countries can describe how it occurs, for instance Latin American countries, South African Countries, and Asian Countries. The interventions give many impacts toward domestic policies in a country. Under Neo Liberal ideology, those international relationships and treaties have changed the paradigm of state, private, and society relations.

Key-Words: *Neo Liberal, interventions, international relationships, influence*

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1. Background

In the middle of 1997, ASEAN counties were struck by an economic crisis which was caused by devaluation of national currency toward dollar US. Indonesia country was amongst one of the worst affected Asian countries like stated by (Evan, 1998) that ”the collapse of Indonesia economic is the most influencing toward economic which is orienting to the market in the this several decades”. The background to the major problems that have emerged within Indonesia's finance and banking system is, of course, the rapid fall in exchange rates in other Southeast Asian countries such as Thailand, South Korea and Malaysia since mid-1997. These trends have been exacerbated by continuing sluggish growth in Japan. These events have become well known in the Australian media under labels like the 'Asian economic crisis' or 'Asian financial meltdown'. Such descriptions are fairly misleading, however, because the crisis has by no means affected the whole of Asia (China, Taiwan and India have escaped serious problems) and the effects have varied greatly throughout the region.

Principally, states try to manage and bind their civil prosperity, provide security and also have regulation functions toward market activity and civil society by using their authority. In this time, these functions are changing significantly with the influence of globalization and spread of neoliberalism in the world, including in Indonesia. The mainstream thought above was adopted widely by the third world. The economic development model, which was sucessfully developed by industrial countries, was considered as panacea by the third world. By following the example of the first world policy model the third world beleived it could also prosper. Globalization, which encourages co-operation between countries, gives posibilities for thought-sharing. As a result of this, we can see many developing countries develop by utilising the principles offered by the first world, including Indonesia.

The implementation of policies which are main strategy of neoliberalism such as, deregulation, privatization, and liberalization have resulted in effects toward the pattern of state market relationship. Through international bodies such as, IMF, WTO and the World Bank, neoliberalism is not only influencing the national policy of a country but also the country becoming lost power to control market for common interest. In contrast, the country is placed as an institution and has function to save the market interest through policies.

2. State-Market Relationship in theoretical perspective

The world today is portrayed in a new form, where there is no clear border geographically. The countries are described as they areunity in a global village that, sharing information each other and have high dependent each other. Globalization is a terminology used to explain this condition. Global expansion with many value systems embeded to itgives an opportunity and also challenges for the life of a state. In another words, on one hand globalization can support the state system and civil society. On the other hand, globalization can debilitate the legitimacy of a state as a result of market liberal policy.

To understand today's globalization and mechanism we have to understand about Neo-liberalism as a sophisticated ideology since its development in 1970 until now. Neo-liberalism rose up and became common policy and was applied in capitalist countries and gained support from international organizations such as World Bank, IMF and WTO. The study of globalization is a debate about contemporary neo-liberalist macroeconomic policies. Many academics, business executives and policymakers have supported neo-liberalistic prescriptions, with the promise that worldwide liberalization, privatization, deregulation and fiscal restrain would in time bring prosperity, freedom, peace and democracy for all (Scholte, 2005).

Globalization is a mainstay of neo-liberalism which generated a new model of policy mechanism in states, related to context of state-market relationships. This is constituted by economic growth priority, free trade to stimulate growth, unlimited free market, limitation of state regulation and support of social development models according to capitalist state experiences which can be applied in every country. Creating global condition within a state will stimulate the rise of neo-liberalism, which means that neo-liberalism will not arise without adopting globalization pre-requisites. Thus, it can be stated that globalization and neo-liberalism are interdependent one another.

Neo-liberalism wants an economic system equal to capitalism in the 19th century, where individual freedom can be applied entirely and have less intervention from the government in economic activities. The main regulator in economic activity is market mechanism not state. The market mechanism is managed by individual perception and knowledge to solve the complex problem and uncertain economic problem, so that market mechanism also can be a tool to solve the social problem.

Thoughts on economic sub systems have become a discourse over a long time since humans have known that cooperation together can help to achieve their goals. The idea of economics and markets has been starting to grow and has many variations of that idea from the traditional model until the present model.In classic economic perspective; the market is a large system which can be run by people in order to fulfill their economic needs which consist of production, consumption and distribution. Market with its own mechanism can be able to proceed following the logical law itself, supply and demand. Market is managed by an invisible hand and market is deemed as an automatic mechanism or self-regulating appoint to equilibrium, so it will form the effectiveness and efficiency of resources allocation.

Base on Smith's argument, related to state-market relationship. Neo-liberalization has three main functions:

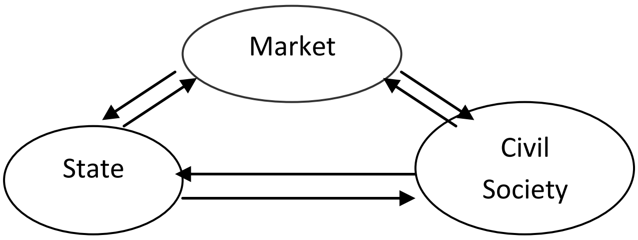
> "First, the duty of protecting the society from the violence and invasion of other independent societies. Secondly, the duty of protecting as far as possible, every member of the society from the injustice of oppression of every other member of it, or the duty of establishing an exact administration of justice. And thirdly, the duty of creating and maintaining certain public works and certain public institution, which it can never be for the interest of any individual or small member of individuals. To erect and maintain: because the profit could never repay the expense to any individual or small member of individuals, though it may frequently do much more then repay it to a great society."

Smith emphasizes the market liberalization widely in its mechanism. In the laissez-faire doctrine, Smith emphasizes market absolutism above other institutions in society. Based on his thought, the market will develop freely if the state does not hamper things, by limiting the market. The roles of state are pressed as minimally as possible in the market mechanism. There are six basic axioms of laissez-Faire basic economic concept (Chalmers, 1997).

1. The principle of private ownership
2. The promotion of individual enterprise
3. The minimization of non-market force
4. The reduction of state intervention in market activities
5. The elimination of trade barriers between nations
6. The commitment of international currency stability.

The competition occurring in the market is free for everyone who is able to participate. This deliberation among the individualsis guaranteeed by the state in this context; the state only provides the framework of rules and regulations for contract, safety and security. The state merely becomes secondary to the market mechanism because in the classical economic accent the significant intervention of state toward market will be worse the market condition.

Picture :RelationshipState, Market and Civil Society in Neoliberals' Concept



(Thorsen and Lie :2006)

The chart above shows that the market has a strong and dominant position. It not only has control and dominates both state and society, but those are fully dependent on the market. Ideally, a state is the highest organization whose power can force all state entities to agree to certain decisions in a certain situation, even if the situation should not occur, the state still can make it occur for reasons of representing public or societal interest. Having power, the state should have an authority to control market and society for general or communal interests (Edwars, 1998). But in reality, where global inter-relations among three actors is shown as in the chart above; we can see that state does not have to intervene in the market. In this context, market becomes a sub-system which stands above other systems. The state only becomes subordinate from the market in order to create good conditions for supporting market interests on conducing regulation within the reason of creating welfare for the society. Either the market is kept from state intervention and becomes sterile, or on the other hand, the society stands for adapting with the market regulation or force, and mostly becomes a victim of others.

Practically, neo-liberalism is supported well by international trade and financial organizations. There are three pillars of dominant actors within international political economy structure; IMF, WTO, and World Bank. Those work under the neo-liberalism ideology and are controlled by superpower states like the United States, whom has dominant power or the veto right in decision making processes within these organizations. According to Vreeland (Vreeland, 2006) said that" the United Stated quota is 17.40 percent of total contribution, but it control 17.08 percent of votes. Note that this is enough to give the US veto power decisions requiring an 85 percent majority, such as changing quotas-hence influence-at the fund". So it is not surprising if these organizations only represent the interests of developed countries in dominating developing countries. It has been shown from the power and quota of developed countries in decision making compared to developing countries like Vreeland stated (Vreeland, 2006) that; " if the largest five members-the US, Japan, Germany, France, and the UK-vote as a block, they control a majority of voting power at the IMF".

In this case, we can also see how peripheral the position of developing countries is, in decision-making processes within powerful international political economic organizations. Developing countries have been forced by the developed countries in taking and adapting to the international market or economic regulations that representing their interests, without any concern of developing countries capacity in preparing and strengthening their grand designs; deregulation, privatization, and liberalization toward neo-liberalism and globalization regulations. The basic conditions are needed by developing countries as written by George and Susan (George, Susan, 1999) that" In principal, Neo-liberals have concentrated all their efforts on three fundamental points: free trade in goods and services, free circulation of capital, freedom of investment".

Related to the realization of the program in IMF, neo-liberalism's program take shapes as to be called "macro-conditionally" usually the policy conditions including (1) reducing the government budget deficit, by cutting spending and raising taxes, (2) reducing the money supply, by raising central bank interest rates and placing ceilings on credit creation, and (3) sometimes the devaluation of the national currency (Vreeland,2006). In this case, IMF has already entered internal authority of the state, and intervened in national authority with the reason of debt refund guarantee.

In the same manner as IMF, World Trade Organization (WTO) is the second pillar supporting neo-liberalism in reaching its objective. The WTO is one of the most important international organizations which consists a set of diciplines that affect the ability of governments to impose trade restriction, and has helped to support the steady expansion of international trade (Hoekman,2007). WTO has many ratified trading agreements, but these are not agreements in a sincere sense. They are made under unbalanced relationships among members, whilst furthermore the members are forced to agree with WTO agreements and principles. One of the important principles is privatization, which is placed on the top list of WTO objectives. This principle will be hard for the government to regulate within the state. The WTO made this occur globally, without any consideration as to how it will be suitable to implement in the local context where the states will implement the principle. However, the states have no other choices, they should take and obey it, or they will face the economic sanctions from WTO.

The states, who do not agree with the unfair agreements, still cannot state their opinion or say their own voices, because decision making process in WTO is not based on the general consensus of the all members, but mostly it takes under the control of four big groups in WTO, they are United State, Japan, Canada, and European Union. They are the key actors which control decision making. WTO general meetings are held to hear the opinions from other members only, without making any decisions. Decisions are made in a certain place, "The Green Room." It was explained by Hoekman (Hoekman,2007), that " the term to describe such meetings become the Green Room, originally base on the decoration found in a meeting room adjacent to the WTO Director-General's offices where such small group interactions were often held". The Green Room consists of some states who usually meet in Ministerial Conference (every two years). They are big developed countries whom have personal interest to strengthen and broaden their business invasions. Even though the Green Room process became very controversial, developing countries cannot state their opinion in fighting for it, never mind having the power to take part in that decision making process.

Developed country policies which are sold by the IMF and World Bank and ratified by WTO have already become a bad influence and have destroyed the national policies of developing countries, including Asian countries. Creating United States, Japan, United Kingdom, and the other G-8 countries as a role model, all countries are forced to adapting with them. By with spreading up the grand design; privatization, deregulation, and liberalisation, the countries influence others a lot.

3. The policy implementation of Neo liberalism (deregulation, privatization, and liberalization) and economic crisis 1997 in Indonesia

Neoliberalism in Indonesia started in 1980s, when the government began to apply liberalized policy in monetary and economic terms which was poured in, in the form of deregulation since 1983. In line with the previous occasion, in 1982 allowance crisis in the third world happened, as Mexico also default at that time. After that, World Bank and IMF get into the economic matters of the countries hit by crisis through Structural adjustment policy (SAP) tool, mainly to Latin America and Africa. Indonesia was not yet involved in that crisis so they didn't experience the frenzy of SAP. But, since that time the model of development in Indonesia has begun to adopt neo-loberalism policy, especially for their tie to IGGI, World Bank and IMF.

The intervention by international organisation towards the aims of Indonesian government policy must be experienced by a majority of Indonesian society by the occurence of a monetary crisis in 1997. Crises happened in many sectors, such as economic, social, politic, and culture. The financial crisis in 1997 was marked by the allowance from IMF of around US $ 23 Billion. This is a part of crisis which attacked some Asian countries in July 1997, beginning from the falling of Bath (Thailand currency) after it was released from "peg". This falling was caused by the speculation of real estate enterpreneur. There was carelessness through using money which could not be paid back. The falling of Bath suddenly spread to the falling of another currency like in South Korea, Indonesia, Hong Kong and Malaysia, Laos and Philipina.

The top the development of neo-liberalism was marked by the signature of allowance from IMF by Indonesian president in *Orde Baru* era. In practice, this allowance was used by Soeharto and his follower, and also his family to dominate the economic matter. Thus, liberalization in economy just to stabilize the structure of conglomeration who are able to dominate all sectors of economic from the upper until the lower or the allowance was used to help a small amount of people (the owner of the finance). This action does not have anything to do with neo-liberalism (in this case World Bank and IMF) since capitalism is suitable with authoritarianism, event this is the best solution. As the result neo-liberalism (World Bank and IMF) gives praise to Indonesian government. In fact Indonesia developed their economic from foundations during Soeharto leadership.

The development of economic Indonesia in *Orde Baru* era was analysed by some people as having orientation to the market and the interest of the owner of the financial. It means the economic policy gives emphasis on the interest of the owner of the financial rather than the society interest. As we know that Indonesian government develop their economic field from the allowance of International organization. This loan must be paid based on the creator of the regulation which is party to market interest. One of them is the claim to deregulate and liberalize toward the country's assets. This effort is in line with the desire to the coming of the foreigner to Indonesia, according to Chalmers, (Chalmers,1997) Another factor working to the advantage is the pro deregulation position of international financial and trade institution, such as International Monetary Fund, the World Bank, and GATT that must always to be taken into account by the Indonesia Government because of the importance of foreign aid to the Indonesian economy.

Deregulation policy means to reduce government regulation of everything that could diminish profits, including protecting the environment and safety on the job (Martines, 2000). In Indonesia, deregulation policy is implemented in financial sector. It is implemented in order to make the capital or investments easily flow in and out of the country. Banking deregulation in 1983 and banking liberalization in 1988 had contributed to the rising of loan interest rate above two digits. It caused a lot of private sectors borrowing the capital from foreign currency for covering their business under the consideration that the loan interest rate was cheaper compared to than that which they borrow it within IDR currency from national banks. Then, it made private sector foreign loan getting swollen, and it is worsen by president regulation No: 39/1991 that lets the private sector having a loan from international financial institution. The swelling of formerly short term loan formed stressing on foreign currency supply. It then caused the weaknesses of IDR currency change. Deregulation and liberalization of national banking and liberalization in accessing international financial institutions, in case of Asia financial crisis (1997), had caused capital flight within Asia developing countries, and destroyed the financial sector because of short term capital placing.

Privatization or liberalization, generally means transferring of state-owned corporate (BUMN) become private corporate. Referring to Martines (Martines,2000); Privatization is Sell state-owned enterprises, goods and services to private investors. This includes banks, key industries, railroads, toll highways, electricity, schools, hospitals and even fresh water. Although usually done in the name of greater efficiency, which is often needed, privatization has mainly had the effect of concentrating wealth even more in a few hands and making the public pay even more for its needs. But, nowadays, the meaning of privatisation becomes boarder than selling the public assets through direct stock market or direct selling. It now is sold through the biding process like sub-contract and concession from government service; licence agreement; management contract; assets and tools licence agreement; joint-venture agreement; or build-operate transfer scheme.

Privatization in practice is not for solving financial problems only, but it is the basic component of new governance paradigm, called neo-liberalism; demanding for government efficiency and effectiveness. Governments should come out from financial deterioration, and giving or delivering unqualified and under standard service to the society. It can involve private sectors to handle or to run government functions. Privatisation is a corporate paradigm. It has market orientation, looking for the benefits, and minimizing the state role in economic cycle. Base on Savas argument (Savas: 1987) neo-liberalism believes that the objective of state are" *to protect individual especially business, freedom of ownership where in this sense role of state must minimum. That way state has to do privatization so that private role becomes strength not only in action but also in the ownership of asset.*" Furthermore is explained that privatization in this doctrine become the key for state to be better. And also this doctrine can be implemented internationally in shape of free trade and free market.

Indonesia has already implemented privatization since the Soeharto's regime, under the consideration of involving the private sectors for public infrastructure investments. But, in reality, that privatization policy is used to facilitate conglomerates, Soeharto's allies, and his family business (Cendana Farm). In order to support this objective going smoothly and seem not to be in illegal action, this policy is covered by a legal framework. The government created some fictional regulations to legalize bad politicians with bad policies. It was the time to pursue great personal interests, the time when a lot of strategic state-owned corporate are start controlled by foreign corporate. For example, Paiton case with State Electricity Corporate (PLN), Palyja and Thames Jaya with Local Government Water Company (PDAM), Camex with Gresik Cement Corporate, and Grosbeak with JICT. And finally, it also caused a lot of labor disputes among the government, labor union and foreign corporate. The condition created a lot of political chaos and instability, and badly affected to the state economic situation.

The following 1997 economic crisis has seen Indonesia trapped in debt and been in debt crisis. Under the conditionality implemented by the World Bank, ADB, and IMF, the Indonesian government is asked to sell its 144 state-owned corporations. State-owned corporate privatization is one structural adjustment required by the IMF for recovering Indonesian economic condition, which is stated in the Letter of Intent. Privatization means the government should transfer the state-owned corporate to become a private corporate management, which is most of its obligation letter controlled by private sectors, or the operation should be under public private partnership scheme or modality. Mentioned in IMF LOI January 15th 1998 item no.5, that, "… the 49 percent limit on foreign holdings of listed shares was abolished"

For banking privatization, in item no.26, it is mentioned that: "With technical assistance from the World Bank, the government has also taken steps to resolve the problems of the state banks and ensure their safety and soundness. The aim of this program is to improve their efficiency and subsequently privatize them. The state banks will not be recapitalized except in conjunction with privatization. In item no.27 forces: "In support of the ultimate goal of full privatization of all state banks, the government will introduce legislation by the end-June 1998 to amend the Banking law in order to remove the limit on private ownership**".** In order to regulate electricity sector, IMF LOI May 14th 1999 item 37 stated "the government is overseeing PLN's restructuring effort. A working group of senior government and PLN officials is defining the framework of principles within which PLN conducts the renegotiations of contracts with independent power producers (IPPs) and to ensure that fair, well-structured, and transparent procedures are followed. However, all negotiations with the IPPs are being conducted by PLN on a commercial basis, without direct government involvement".

Forcing from IMF, World Bank, and IDB finally made the government regulating president regulation no.96/2000. In this regulation, the government determined or decided the number of business sectors that are opened for domestic and foreign capital partnership. It is divided in two categories; (a) Maximal obligation owned by foreigner or legal foreign firm in 95%; and (b) maximal obligation owned by foreigner or legal foreign firm in 45%. From that categories, there are two business sectors that still covered by the government from the foreign capital, means that maximal obligation owned by the foreigner or legal foreign firm not more than 45%. They are telecommunication and scheduled commercial air transportation and unscheduled commercial air transportation. Other sectors are opened for privatization; even they are quite relevant for protecting public interests. Nowadays, President Regulation no.96/2000 has become a legal framework for privatization of state-owned corporate in Indonesia.

That regulation is being contradictory to Indonesian amendment. It is not reflected in the main principles that are stated in Indonesian amendment 1945 article 33. This is the highest law in Indonesia. This article stated that; "…only the corporate that not control over the public interest that can be owned individually". And it also mentioned in regulation no.1/1967 about Foreign Capital Investment, that; "…it is forbidden for foreign investment taking over the all asset of the corporate that related to public interests".

Further more, under this condition Indonesian government is forced by IMF to tight and reduce budget also in the same time cut subsidy for people. Thus, under this condition IMF also commands government to increase the price of basic/public goods and public utilities for instance: Indonesian government cuts subsidy for BBM (*bahan bakar minyak*), fertilizer for agriculture and etc. It has happened almost in every president succession. Not only those policies but also Indonesian Government must achieve the improvement of national receipt target in tax sector and out sourcing in national assets (BUMN) by privatization.

From New Order until Reformation Era, Indonesian Government has done a lot of privatizations in many vital sectors to foreign companies such as; in 1998 Government has sold 14 % stock of PT. Semen Gresik to CEMEX Company, in 1999 Government sold out 9, 62 % stock of PT Telkom, 51 % stock of PT Pelindo II to Hongkong investor and 49 % stock of PT. Pelindo III to Australian investor. In 2001 the government sold out 9,2 % stoct of Kimia Farma Company, 19,8 % stock of Socufindo company, 11,9 % stock of PT. Telkom. From 2002 to 2006 privatizing policies are continued by sold out 14 national companies BUMN by which IPO (Initial Public Offer) and Strategic Sales.[1] In 2008, government agency of privatization decided to approve proposal from BUMN Ministry to do privatization 37 BUMN. The privatizations will be done by IPO strategy and strategic sales that are appointed by the Indonesian Government.[2]

Liberalization, the rule of the market involves liberating "free" enterprise or private enterprise from any bonds imposed by the government (the state) no matter how much social damage this causes. Greater openness to international trade and investment, as in NAFTA reduces wages by de-unionizing

[1] www.bumn-ri.com
[2] http://www.jurnal-ekonomi.org/2008/02/18/fakta-dan-kebohongan-privatisasi-di-indonesia/

workers and eliminating workers' rights that had been won over many years of struggle. No more price controls. All in all, total freedom of movement for capital, goods and services. To convince us this is good for us, they say "…an unregulated market is the best way to increase economic growth, which will ultimately benefit everyone." It's like Reagan's "supply-side" and "trickle-down" economics -- but somehow the wealth didn't trickle down very much (Martines, 2000).

This argument strengthened by Colclough (Colclough, 1993) that the principle the comparative advantage has been capture by neoliberal trade theory and policy advocacy. It is usually argued that 'liberalization' of the market is the key to development policy reform, and that this will lead to the realization of the comparative advantage and maximization of the gain for international trade. In Indonesia this liberalization policy is implemented in trading sector, which is the government took off of import tariff. It caused domestic markets are overflowed by import stocks or goods and it is become the beginning of the death of domestic industries. IMF through its LOI has caused overflow of agricultural products in Indonesia. It is responsible for the death of rice industry in Indonesia, like the death of hemp fibre in Bangladesh since 1960, and the death of coconut oil in India. Labour market flexibility that forces by IMF also made Indonesia face very serious unemployment problems.

All the three principles basically rely on the economic development of the free market mechanism, so that the governments cannot protect the society any more. These policies against the acts as stated in *UUD 1945*[3] that Indonesian government is responsible to protect and guarantee their society's prosperity. In *UUD* section 34 stated that "the orphans and the poor are protected by the nation". And section 33 said that "land, water and all things are needed to fulfil the society need and interests are owned by the state". In fact, the country has a minimal role towards the development of the prosperity of the society; the country tends to stand up to economic market and international organization. But, because of the state is trapped in debt, many countries have no more budget for their own society welfare, they cannot control over the price of public consumption goods, education cost, and health care cost. The prices rise, and the nations become a main actor of land and labour conflict with arm violence to protect foreign capital and investments. According to Peter Evans (1979) "*this in turn is base on the triple alliance of the*

[3] UUD 1945 is the basic rule of Indonesian state

multinational, the state and the local bourgeoisie". In this triangle alliance, the citizen was suffer, they only victims of the three actors. The duty of the state is to keep the harmonization of these three actors and press the society to obey to triangle clique. The society who fight against these actors would be oppress by the state apparatus like police, soldier and other. This cause many actions by force even many people was fall in mysterious killed.

4. Conclusion

From the explanation above, I conclude that Neo-liberalism has changed the pattern between country, market and society. In the process, Neo-liberalism created the economic dependency which causes the development of a country to not be able to free itself from the rules enacted by the organization which follow this concept like world bank, WTO and IMF. Indonesia is a country in Asia which falls very much in this category when the crisis began in 1997, until now. Indonesia must follow all the regulation required by the IMF since this country received the allowance from IMF.

Privatization policy, deregulation and liberalization are three main pillars which making the the changing of the function of the country. By privatization policy, the government must detach the organization of the asset and company which covered the vital sector that is used to fulfill the needs of society. Deregulation policy also demand the government to minimalize their role and intervention toward the market. Market is the main actor in defining the economic growth in a country like definition of the price. The last is economic liberalization, in this case a country must stop their protection of domestic enterpreneurs and certain sectors. A country must give freedom to the importation of commodities where this import commodity may compete freely with domestic commodity without any subsidization from the government. A country is not anymore becoming the main responsible actor when the market falls to fulfill the need and prosperity of the society. Nation has no power to control the market for its society, on the contrary, it becomes a watchdog for private interests and international capitalist under neo-liberalism paradigm.

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    d. Kata-kata kunci (5 kata)
    e. Pendahuluan
    f. Metode Penelitian (untuk artikel hasil penelitian)
    g. Hasil dan pembahasan
    h. Kesimpulan dan Saran
    i. Bibliografi
5. Berikut adalah contoh penulisan (Style Turabian) catatan kaki (**N**) dan sekaligus contoh penulisan pada bibliogafi (**B**). Panduan ini berasal dari buku *A Manual for Writers of Term Papers, Theses, and Dissertations* ed. yang ditulis Kate L. Turabian.

    Catatan: Pengutipan pada sumber berupa ide atau kutipan langsung harus muncul dalam catatan kaki dalam angka yang berurutan.
    Pengutipan untuk pertama kalinya harus dilakukan secara penuh; nama (nama pertama lebih dulu), judul, tempat, penerbit, tahun dan nomor halaman atau bagian yang dikutip.
    Pengutipan selanjutnya untuk karya yang sama bisa disingkat.

Buku
DuaPenulis

N 1. Kai Bird and Martin J. Sherwin, *American Prometheus: The Triumph and Tragedy of J. Robert Oppenheimer* (New York: Alfred A. Knopf, 2005), 52.

B Bird, Kai, and Martin J. Sherwin.*American Prometheus: The Triumph and Tragedy of J. Robert Oppenheimer*. New York: Alfred A. Knopf, 2005.

Bentuk Singkat dari Satu karya yang sebelumnya sudah pernah dikutip
Ketika satu karya yang dikutip telah dikutip sebelumnya dan langsung pada satu halaman berikutnya dikutip.

N 20. Philip Ball, *Bright Earth: Art and the Invention of Color* (New York: Farrar, Straus and Giroux, 2001), 140.
N 21.Ibid., 145.
Jika karya yang dikutip sudah pernah dikutip sebelumnya, tapi tidak langsung pada satu halaman yang sama dan hanya satu karya dari penulis yang sama pernah dikutip
N 22.Ball, 204.
Jika dua atau lebih karya sudah pernah dikutip sebelumnya, gunakan tambahan judul singkat
N 23. Ball, *Bright Earth*, 204.

6. Naskah dialamatkan pada Program Studi Ilmu Hubungan Internasional Gedung Jurusan – FISIP Universitas Andalas, Lt. 2 Kampus Limau Manis Padang, 25163 Telp/fax: (0751)71266,

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