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POLICY ANALYSIS OF INDONESIA'S SEA SAND EXPORT REOPENING 2023

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Abstract

This research aims to analyze why Indonesia reopened the export of sea sand after being banned for 20 years. That in 2002, there was a policy banning the export of Indonesian sea sand because many were sent to Singapore and were detrimental. Then in 2007, another policy affirmation was issued to ban the export of sea sand. Until then in 2023, Indonesia reopened the export of sea sand. This research uses qualitative methods, through primary and secondary data sources. This research uses the concept of Domestic Source of Foreign Economic Policies by Michael J. Hiscox, related to what domestic sources influence foreign economic policies issued. Based on the results of the study, it can be found that the reason Indonesia issued a policy of reopening sea sand exports was based on preferences and institutions influence. Where preferences consist of trade, immigration, foreign investment, and exchange rates. While institutions consist of elections and representation, legislature and policy making, and bureaucratic agencies.

Keywords: *Indonesia, Singapore, Domestic Source of Foreign Economic Policies*

Introduction

Foreign policy is a reference for the state to interact with other countries and non-state actors in the international sphere. There are various kinds of foreign policies, one of which is in the economic aspect. Talking about foreign economic policy, it will be related to government actions that directly or indirectly affect international trade and payment activities. So it relates to exports, imports, tariffs, and much more. Foreign economic policy shows how government actions in a country often change. This includes Indonesia's foreign economic policy, which often changes with each different era of leadership.

Indonesia is a maritime country, signifying that one-third of its territory is part of the ocean. This causes Indonesia to have a lot of Natural Resources (SDA) in the sea ranging from fish, seaweed, coral reefs, salt, sea sand, and many more. Where Indonesia's marine natural resources are exported, it is regulated by foreign economic policy. One of Indonesia's marine natural resources that is often exported is sea sand to Singapore, since the 1970s to 2000s. Indonesia became a supplier of sea sand to Singapore because of the lion country's regional expansion reclamation project. Based on data, in 1997-2002, the amount of

Indonesian sea sand exports to Singapore averaged more than 53 million tons per year (Tempo, 2023). This is detrimental to Indonesia because it causes various problems. Starting from the almost sinking of the islands of Nipah and Sebatik due to continuous sand dredging, causing Indonesia to have to restore the two islands at great cost. Then Singapore's reclamation project extended its shoreline by 12 kilometers, bringing it closer to Indonesia, causing border problems (CNN Indonesia, 2023).

This caused the Indonesian government to issue a foreign economic policy to overcome this problem. Therefore, under the administration of President Megawati at the time, Presidential Decree No. 33 of 2002 was issued regarding the control and supervision of sea sand exploitation. Where there are provisions that call the export of sea sand is designated as a commodity that is supervised by the export trade system. And changed to a commodity that is prohibited from export, after considering proposals from the Sea Sand Business Control and Supervision Team (BBC, 2023). Thus, in 2003, a policy to temporarily stop the export of sea sand was issued through the Decree of the Minister of Industry and Trade (Menperindag) No. 117/MPP/Kep/2/2003,

as a follow-up to the Presidential Decree (Nurzal, 2004).

Meskipun sudah dikeluarkan kebijakan pelarangan ekspor pasir laut Indonesia ke Singapura ternyata masih marak dilakukan, sehingga dianggap sebagai perdagangan yang ilegal. Dengan demikian pada era pemerintahan Susilo Bambang Yudhoyono, kebijakan pelarangan ekspor pasir laut dipertegas kembali melalui Peraturan Menteri Perdagangan RI Nomor 02/M-Dag/Per/1/2007 (BBC, 2023). Namun Singapura menuding Indonesia mengeluarkan kebijakan ini untuk menekannya agar bersedia bernegosiasi perjanjian ekstradisi dan penetapan garis perbatasan. Oleh karena itu melalui penegasan kembali larangan ekspor pasir laut, Singapura mencari pemasok lainnya untuk melanjutkan proyek reklamasi. Serta ekspor pasir laut Indonesia diberhentikan ke negara tersebut (Kompas, 2023).

Over time, 20 years later, under Jokowi's presidency, a foreign economic policy was issued that reopened the export of sea sand, referring to Government Regulation No. 26 of 2023. The issuance of this Government Regulation revoked Presidential Decree Number 33 of 2002. Along with the issuance of this policy, there was a statement from the Maritime and Port Authority of Singapore that

designed the third phase of the port project which is expected to be completed in the mid-2030s (BBC, 2023). Some people are worried about this policy because the reopening of sea sand exports will disrupt the ecosystem of Indonesia's small islands, as expressed by Susi Pudjiastuti, the former Minister of Maritime Affairs and Fisheries (Kompas, 2023). Even the Ministry of Finance said through the Head of the Fiscal Policy Agency, Febrio Nathan Kacaribu that so far the export of sea sand has not provided large state revenues, although he was reluctant to provide details on how much (CNBC Indonesia, 2023).

When the policy to ban the export of sea sand was issued in 2002, Indonesia suffered a huge loss in terms of revenue. The price of sea sand, which should have been SGD 4 per cubic meter, was only sold by Indonesia at SGD 1.3 per cubic meter. Indonesia has suffered a loss of SGD 540 million. While other countries, such as Malaysia, sell their sand at SGD 15 per cubic meter. This indicates that Indonesia will experience losses if it enforces a policy of reopening sea sand exports (Asian News Network, 2023).

Based on the explanation above, Indonesia exported sea sand to Singapore from the 1970s to 2000s for reclamation projects. However, this caused problems

for Indonesia ranging from the environment, borders, and revenue losses. Thus in 2002 under the Megawati government, Indonesia issued a foreign economic policy banning marine exports. However, export activities were still carried out, until 2007 in the Susilo Bambang Yudhoyono administration the ban policy was further emphasized. Over time, Indonesia under the Joko Widodo administration issued a policy of reopening the export of sea sand, along with the Singapore port development project. Many people disagree with this policy, as it is considered detrimental to Indonesia. So it is important to look at the reasons for the issuance of this foreign economic policy. Thus the questions of this research are: **Why did Indonesia issue a policy of reopening sea sand exports after 20 years of prohibition?**

In a new study, it is important to review several previous studies that are interrelated. So that some previous studies can be categorized into Indonesia's foreign economic policy in general, Indonesia's foreign economic policy towards trade, and Indonesia-Singapore relations in the economy. Previous research that examines Indonesia's foreign economic policy in general starts from Minarsih (2017) which states that globalization affects Indonesia's economic policy. Where the Indonesian

government's foreign economic policy can be oriented to protect the domestic industry by not closing the entry of foreign products, so it needs coordination with several related parties. On the other hand, Fathun (2021) provides another perspective that Indonesia's foreign economic policy in the digital era is formulated through two considerations, namely rational calculative and psychological cognitive.

Then previous research examining Indonesia's foreign economic policy on trade, starting from Gian and Akim (2020) who wrote that Indonesia had issued a foreign economic policy towards the WTO in the formation of fisheries subsidy rules. Where this happened because of the reorientation of Indonesia's foreign economic policy in the era of Joko Widodo's administration after Susilo Bambang Yudhoyono. Further research by Syafira, Putri, Widyaningsih, and Kusumawijaya (2023) explained that in order to protect domestic nickel supplies, Indonesia established a policy of tightening exports of these commodities. However, this policy had an impact on the European Union's lawsuit because it felt dependent on Indonesian nickel commodities to the World Trade Organization (WTO). So Indonesia needs to prove to the WTO that the lawsuit is not

true. Then Nugroho (2022) further explained that the policy of tightening raw nickel exports resulted in a decrease in the productivity of Indonesia's raw nickel mines. That the policy of tightening raw nickel exports did not make a big difference, this was not in accordance with what was expected.

As well as previous research examining Indonesia-Singapore relations in the economy is Hernawan (2019) which explains that Indonesia and Singapore have Special Economic Cooperation (SEZ) in the Batam, Bintan and Karimun (BBK) regions. SEZ cooperation complements each other as a means to achieve national interests in establishing relations between nations. Likewise, Maharanti (2016) stated that SEZs bring benefits to both countries, especially in the investment sector. In addition, Indonesia and Singapore carry out export activities of various commodities. In Purwaka's research (2014), it was explained that Indonesia once exported sea sand to Singapore, although it was eventually banned. Purwaka then argued that UNCLOS and Indonesian positive law could be the basis for reopening Indonesia's sea sand exports to Singapore.

Previous studies focused more on Indonesia's foreign economic policy in general. As well as foreign economic

policies focusing on export bans and subsidies carried out by Indonesia on nickel and fisheries commodities. In addition, previous studies discussed the economic relations between Indonesia and Singapore still in SEZ activities, and the discussion of sea sand exports was still limited before the new policy was issued. So this research will fill the void of previous research, by looking at the reasons Indonesia issued a policy of reopening exports of sea sand commodities. By looking at the domestic factors that influence it, using the concept in Domestic Source of Foreign Economic Policies by Michael J. Hiscox.

Research Methods

This research uses qualitative methods that focus on data collection and analysis through the use of words (Lamont, 2015, p. 43). This type of qualitative research method helps this research to answer the problem formulation more comprehensively. So this research is explanatory, which aims to explain why a phenomenon occurs and builds, elaborates, expands a theory or concept (Neuman, 2014). Thus, the explanatory type is in accordance with this research which wants to explain the answers to research questions in a narrative manner, related to the reasons why Indonesia reopened the

export of sea sand after being banned for 20 years using the concept of Domestic Source of Foreign Economic Policies. The data collection technique of this research is a literature study, through primary data sources, namely official reports of the Indonesian government and companies. As well as secondary data sources obtained through journal articles, books, websites, and news that discuss related issues.

After obtaining data from various sources, the data analysis technique used in this research is the illustrative method. According to Neuman (2014) illustrative method is an analytical technique that puts theories and concepts in an empty box, which will then be filled in with appropriate empirical data. The type of illustrative method used in this research is pattern matching (Neuman, 2014, p. 490). So that the empirical data that has been obtained will be matched into each variable of the concept of Domestic Source of Foreign Economic Policies by Michael J. Hiscox.

In this concept, Hiscox explains that there are two things that affect the domestic sources of foreign economic policy. First, the policy preferences of each economic group involved. Second, identifying how political institutions influence these preferences in order to become a foreign economic policy

(Hiscox, 2010). By combining and analyzing these two domestic sources, namely preferences and institutions, it will be known why a country's foreign economic policy is issued.

The domestic sources of preferences are divided into four main indicators, as explained below. First, trade, where countries will have economic preferences that tend to be liberal towards sectors that are considered to be the most productive and enforce protection against scarce sectors. This gives an advantage to groups that control the income sector, and disadvantages those who need the production of scarce sectors, so this causes trade issues can turn drastically into political issues that cause conflict (Hiscox, 2010, p. 52). Second, immigrants are related to population movements and job seekers. The state will balance the immigrants who seek work based on their skills according to the needs and the ability to pay based on the profits generated. So the state regulates immigration to make it fit the needs (Hiscox, 2010, p. 55).

Third, foreign investment, by examining the economic objectives to be achieved, namely inflows and the implications that can be caused to the supply of domestic production. It can be seen how the government's attitude towards foreign investment is, whether it

imposes strict restrictions or not. As well as those who have a lot of capital will oppose troublesome regulations in making investments in other countries, but inversely proportional to domestic workers who actually encourage the entry of foreign capital, eventually leading to a decrease in capital by domestic investors. Thus, the presence of foreign investment can be a dilemma of problems from economic to more political issues (Hiscox, 2010, p. 57). Fourth, exchange rates that usually affect developing countries to get income from trade and foreign investment, so they will prefer to maintain monetary stability to prevent inflation (Hiscox, 2010, p. 60).

After knowing the preferences that influence a policy, then there are institutions that authorize it to become a policy. Institutions are divided into three main indicators, with the following explanation. First, elections and representation, that there is a relationship between a country's form of government and its foreign economic policy. For example, in a government whose leaders are elected based on general elections, policies are made to fulfill the interests of the supporters. That is why parliamentary and legislative systems are needed to represent each group, so that the policies issued are appropriate (Hiscox, 2010, p.

65). Second, the legislature and policy-making rules, that the legislature can make rules for how policies are proposed, considered, changed, and reviewed in a structured manner through interactions between the legislature and the executive. This also includes designing a veto against a policy that is deemed deviant (Hiscox, 2010, p. 68). Third, bureaucratic institutions, that the rules made to regulate bureaucratic institutions and the way they make decisions can play a strong role in shaping economic policy. This is because the legislature delegates responsibility for implementing policies to bureaucratic institutions (Hiscox, 2010, p. 71).

Results and Discussion

Policy Preferences Affecting the Reopening of Indonesia's Sea Sand Exports

In order to find out the reasons for reopening Indonesia's sea sand exports, it is important to analyze its preferences. Referring to the concept of Domestic Source of Foreign Economic Policies, there are 4 indicators that influence a country's preference to issue certain foreign economic policies. Where these 4 indicators can be related to each other, even complementary because they have a distributive impact. The following is an explanation and analysis of each indicator

of preference for the reopening of Indonesia's sea sand export policy.

The first indicator is trade, launching data from the Central Statistics Agency (BPS) Indonesia has 17,001 islands in 2022. Indicating that the amount of sea sand owned by Indonesia is quite a lot. Due to the large number of assets from sea sand, the Indonesian government liberalized the commodity for re-export. This is reinforced by the existence of 4 mining companies that support the government to issue a policy to open the export of sea sand (Media Indonesia, 2023). Although there are a handful of parties who feel disadvantaged from this policy, but with 4 mining companies supporting the government, it seems that they have a strong influence in politics, causing this policy to be issued..

On the other hand, since 2008 or after the reaffirmation of the policy of banning the export of sea sand, Indonesia's trade with Singapore has often experienced a deficit. Indonesia's trade balance with Singapore has experienced a deficit of US\$ 1.63 billion in 2020, indicating that it has decreased by 65.14% compared to the previous year (Sucita & Prasetya, 2021). The following is data from Indonesia's trade balance with Singapore before the sea sand export policy will be reopened.

Table 1: Indonesia's Trade Balance with Singapore 2018-2022 (Per Million US\$)

Year	Total Trade
2018	34,354.6
2019	30,506.6
2020	23,003.1
2021	27,087.5
2022	33,805.2

Source: Ministry of Trade, data processed by the author (2023)

The table above shows that Indonesia's trade balance with Singapore has fluctuated. In each year, the total trade balance has often decreased, especially since 2018-2020. Even the lowest decline occurred in 2020 or during the Covid-19 pandemic. However, the total trade balance increased again in 2021-2022, although the figure was not as large as 2018 and even less. Through the data in the table, it indicates that the dynamics of trade between Indonesia and Singapore are very fluctuating. Because there can be many factors that influence it

Not only that, in addition to the often fluctuating trade balance with Singapore, when wanting to carry out export activities to countries that pass through the Strait of Malacca, Indonesian commodities must first transit through Singapore. Referring to the statement of Indonesian BUMN Minister Erick Thohir, that Indonesia experiences problems when

its export commodities transit in Singapore. Because the time to arrive at the destination country becomes longer, making additional costs 20-30% more expensive (CNBC Indonesia, 2022). Therefore, Indonesia needs to find ways to streamline its international trade interests.

Singapore then has a Tuas port development project, which is expected to become the largest container terminal in the world. So that the process of ships transiting the Tuas port will be faster, more effective and efficient. To build the Tuas port project, Singapore is reclaiming land, so its need for sea sand increases (Tempo, 2023). Indonesia can utilize the Tuas port to increase its trade with Singapore to surplus and smoothen its export interests to other countries that pass through the Malacca strait more quickly, effectively and efficiently. Thus, the construction of the Tuas port indicates that Indonesia needs it to launch export activities to various countries. Considering that in 2004, the export of Indonesian sea sand was banned because it was used by Singapore to build its tourist attractions such as Sentosa Island (Defilla, 2016). But now it is for the port, which Indonesia can utilize in trade activities.

Furthermore, the second indicator is immigration, so far many Indonesian Migrant Workers (TKI) have been sent to

Singapore. Launching data from BPS in 2020, the number of migrant workers in Singapore was only 4,474 people, reduced by one third from the previous year's number of 19,354 people. This happened because the policy of limiting foreign workers in Singapore was tightened, the aim was to increase the recruitment of local workers. This led to discrimination against foreign workers, including migrant workers. In the end, the policy led to a decrease in foreign workers by 32,000 people in the last 15 years, including migrant workers (CNBC Indonesia, 2018). Whereas migrant workers who are usually employed in the service sector, especially in households and public places, are quite needed by Singapore. Given that local Singaporean workers are usually recruited for jobs that require special abilities and skills.

This is a problem for Indonesia, considering that migrant workers are able to help the country's economy. Although foreign exchange or remittances (administrative fees when transferring money from abroad to within the country) of migrant workers do not enter the state revenue. However, remittances from migrant workers are enough to help the movement of the Indonesian economy. According to Bank Indonesia data, migrant workers' remittances in 2019 reached IDR

164 billion, but decreased in 2020 to IDR 135 billion (Kompas, 2022). This research sees that there is bargaining power applied by Indonesia so that the number of migrant workers increases to Singapore, namely through the export of sea sand. Given that Singapore is building the Tuas port as a “mega port”. Signaling that the port is not only for containers, but also immigrants or population movements. As well as migrant workers who enter Singapore by sea, they will land at the port. On the other hand, there is the fact that many workers are needed at the Tuas port to run activities there (Tempo, 2023). Where this can also be utilized by Indonesia to send migrant workers to work at the Tuas port.

In addition, Indonesia and Singapore have experienced problems related to extradition or the handover of a person suspected of committing a crime in a country to their home country, which means that it is related to population movements (Simanjuntak, 2019). This problem had not been resolved since 2007 or when the policy of banning the export of sea sand was reaffirmed. Finally, in 2022, an extradition treaty was ratified between Indonesia and Singapore. This indicates the reciprocity of the extradition agreement on the reopening of Indonesia's sea sand exports (Media Indonesia, 2023). Thus, related to immigration indicators,

the Tuas port can be utilized by Indonesia to enter migrant workers into Singapore. As well as an extradition agreement for the movement of residents of the two countries, indicating reciprocity so that Indonesia's sea sand exports are reopened.

Then the third indicator is foreign investment, there are investments made by several international companies in PT Pelabuhan Indonesia II (Persero) which are aimed at building PT New Priok Container Terminal One (NPCT1). A container and cargo port located at Kalibaru port, Tanjung Priok, North Jakarta. A little flashback that in the past the Kalibiru port area of 32 Ha with a 450 meter long pier, was only able to accommodate a cargo capacity of 1.5 million TEU / year. Where this capacity was lacking for Indonesia's national and international trade activities at that time (NPCT1, 2022). So that foreign investors come to help so that Kalibiru port can be bigger to become NPCT1. There are 4 foreign investors in the NPCT1 development project where the total investment reached IDR 4.9 trillion (IPC, Mitsui, NYK Line, PSA, 2014). One of these investors is PSA International Pte Ltd (PSE). It should be noted that PSA or Port of Singapore Authority is a Singapore port company, which is currently working to build the Tuas port (IPC, Mitsui, NYK Line, PSA, 2014). Due to data limitations,

it was not found how many percent of PSA's investment in NPCT1. However, according to a statement from Corporate Secretary and General Affair of PT Pelabuhan Indonesia II (Persero), Hambar Wiyadi, most of the total investment of Rp 4.9 trillion came from PSA (Detik Finance, 2016).

The construction of NPCT1 phase I was completed in 2016 so that it can be operationalized. And the development of the next stage is still ongoing until the next year. Through NPCT1, the cargo capacity, which was previously only 5 million TEU/year in 2009-2010, has increased to 7 million TEU/year. It is estimated that when it is fully completed, the total cargo capacity will reach 11.5 million TEU/year. It is even expected to be able to accommodate cargo capacity of up to 13-15 thousand TEU/year. With the length of the pier, which at the end of 2016 had reached 850 meters, enlarged from previous years. The port of Kalibiru Tanjung Priok is a strategic entry and exit point for Indonesian commodities, making it an important infrastructure for combining the country's logistics (NPCT1, 2022). Thus, assistance from foreign investors, including PSA, is very helpful for the continuity of Indonesia's trade activities. In addition, the Indonesian government's restrictions on foreign

investors during the Jokowi administration tend not to be strict, so that NPCT1 can be built optimally to meet domestic supply (Mahadinasar, Setiawan, Darmawan, & Kurnianingsih)..

The foreign investment from PSA indicates that Indonesia is willing to reopen the export of sea sand, why is that? Because the construction of the Tuas port in Singapore will expand the scope of NPCT1 connectivity, in particular a significant increase in throughput. The rapid increase in throughput by the Tuas port to NPCT1 will likely change the overall distribution map of containers entering Indonesia. So that NPCT1 will become the largest Indonesian container port in Indonesia (Mimbar Maritim, 2020). Through this indication, the NPCT1 encourages the Indonesian government to issue a sea sand export policy, so that the Tuas port development project can be completed. Therefore, as a result of foreign investment coming in through PSA, which is the company building the Tuas port, the Indonesian government was encouraged to issue a policy to reopen the export of sea sand.

Furthermore, the fourth indicator is the exchange rate, this relates to the exchange rate of a country's currency. Where the factors that affect the exchange rate on Indonesian exports are people's

income, government economic policy, domestic economic conditions, capital flows or foreign investment. This factor is quite influential on Indonesia's exchange rate, which then affects trade including exports to several other countries (Silitonga, Ishak, & Mukhlis, 2017). Reflecting on the past when Indonesia's sea sand exports were only purchased at SGD 1.3 per cubic meter, causing huge losses. At that time, SGD 1 was only about Rp 5,000 so that what Indonesia got, did not match what Singapore got (Asian News Network, 2023).

Over time, trade relations between Indonesia and Singapore in the oil and gas sector have shown a positive trend, although it has fluctuated. The impact on providing high selling value, due to high demand from Singapore (Ragimun, Handoko, Rosjadi, Mutaqin, & Yasin, 2022). To see the amount of Indonesia's oil and gas exports to Singapore more clearly, the following is the data collected in the years leading up to the sea sand export policy being reopened.

Table 2: Indonesian oil and gas exports to Singapore 2018-2022 (Per Million US\$)

Year	Total Trade
2018	3,912.6
2019	3,479.6

2020	2,128.5
2021	3,552.5
2022	4,662.2

Source: Ministry of Trade, data processed by the author (2023)

The table above shows that Indonesia's oil and gas exports to Singapore tend to be quite stable, although they have experienced a decline from 2018 to 2020. However, exports increased again in 2021, even in 2022 the amount of oil and gas exports was higher than in 2018. Through this data, it has indicated that Indonesian mining companies who see an increase in trade in the oil and gas sector, encourage the government to believe that the export of sea sand will also provide a high selling value than before. So that the exchange rate impacts on state income through trade and foreign investment. Especially now that the Tuas port built by Singapore is a mega port, so it is impossible if they export at a cheap price. Given that at this time the Rupiah exchange rate against Singapore has reached around Rp 11,000.

Institutions that Influence the Reopening of Indonesian Sea Sand Exports

After the preference is determined, the Indonesian institution will follow up on whether the sea sand export policy can be

reopened. Because this is related to the authority of the institution to authorize foreign economic policies. Referring to the concept of Domestic Source of Foreign Economic Policies, there are 3 indicators that influence a country's institutions to approve certain foreign economic policies. The following is an explanation and analysis of each institutional indicator that influences the issuance of the policy to reopen Indonesia's sea sand exports.

The first indicator is elections and representation, Indonesia's democratic form of state creates many dynamics of interests in a governing body. Indonesian President Joko Widodo, who was elected through general elections, comes from the Indonesian Democratic Party of Struggle (PDIP). Where many of the legislative members come from the party, although there are also legislative members who are not PDIP. However, foreign economic policy tends to be oriented to meet the interests of the party, as they are supporters of Joko Widodo. A little hindsight shows that PSA started its investment in NPCT1 in 2014 or when Joko Widodo's government was just starting (IPC, Mitsui, NYK Line, PSA, 2014). Of course, the approval for PSA to invest in NPCT1 was authorized by Joko Widodo due to encouragement from PDIP.

This thus indicates that there is a good relationship between PSA and PDIP.

On the other hand, to strengthen these indications, this research found a statement from the Executive Director of the Maritime Studies Center for Humanity, Abdul Halim, that the government deliberately reopened the export of sea sand because of the momentum of the upcoming 2024 elections. Abdul also explained further that usually the legislative and executive parties will issue policies that make it easier for them to get political funds in the elections (Tempo, 2023). Given that PDIP has already announced their party's candidates for the 2024 elections, of course they need political funds so that the campaign process runs well. So it seems that the funds for the election could be obtained from the export of Indonesian sea sand. Moreover, since many legislative members are from PDIP, it indicates that they have mutually agreed to issue this policy.

In addition to funding issues, support from outside parties is also needed in elections. As mentioned earlier, since PSA's license to invest in NPCT1 was passed by a legislative body dominated by PDIP members in 2014, there is an expectation that PSA will support PDIP in the 2024 elections. It can be seen from the need for sand for reclamation of the Tuas

port development project by PSA, utilized by PDIP to issue policies that can provide benefits for them in the form of funds. So that there is a mutual relationship for both PDIP and PSA. Thus, related to the indicators of elections and representation, there is a link to the upcoming 2024 elections, especially by PDIP.

Then the second indicator is the legislature and policy-making rules, that the legislature can make, consider, change, and review foreign economic policy (Hiscox, 2010). Signaling that they have considerable authority in the policy formation process. The foreign economic policy of reopening sea sand exports was announced by President Joko Widodo, who is a member of PDIP. As mentioned earlier, PDIP has great power in the legislature, in this case meaning in the House of Representatives (DPR). Therefore, all policies will be re-determined by the DPR, but are currently oriented to fulfill PDIP's interests given their large numbers in the institution. Therefore, the legislature, especially members from PDIP, has a significant role in the policy of reopening the export of sea sand (Dewan Perwakilan Rakyat Republik Indonesia, 2023)..

On the other hand, there was a statement from a member of Commission IV of the House of Representatives,

Yohanis Fransiskus Lema, who considered that the process of drafting the policy to reopen Indonesia's sea sand exports was not transparent and lacked public participation (House of Representatives of the Republic of Indonesia, 2023). This indicates that the PDIP is in control of the issuance of this policy, because other members of the House of Representatives consider that the formation process is not transparent. In other words, there is a lack of interaction between fellow Indonesian legislators in making foreign economic policy, because it is dominated by members of certain parties. It almost does not even involve public participation, seeing the reaction of a handful of people who are quite disappointed with the issuance of this policy. Such as the former Minister of Maritime Affairs and Fisheries, Susi Pudjiastuti, who expressed her disappointment through posts on social media (Kompas, 2023).

This research then sees that the interaction between the legislative and executive institutions, which means that members of the DPR are dominated by PDIP and President Joko Widodo, is a strong reason why the policy to open up the export of sea sand was issued. So that there is no need for interaction between other legislative institutions that are not PDIP members or the public. This is

because DPR members from PDIP already have great power in making policies, supported by the position of the president from their party. Thus the legislature and policy-making rules are related to who holds high power. In this research, the legislature referred to is PDIP.

Furthermore, the third indicator is bureaucratic institutions, where policies that have been issued by the legislature will be delegated to bureaucratic institutions to carry them out. Bureaucratic institutions are usually related to state government agencies, for example from the Ministry. Then to find out how the policy of reopening sea sand exports is based on Government Regulation Number 26 of 2023, to be carried out by the following bureaucratic institutions (Liputan 6, 2023):

1. Domestic reclamation.
2. Development of government infrastructure.
3. Infrastructure development by business actors.
4. Export as long as domestic needs are met and in accordance with statutory provisions.

Through this policy, there are bureaucratic institutions that will implement it. Until this research was made, 3 Ministers from different bureaucratic institutions have responded to

this policy. Starting from the Minister of Marine Affairs and Fisheries (KKP) Sakti Wahyu Trenggono who stated that this policy could regulate the process of dredging sea sand. Then the export of sea sand is the result of sedimentation not the island, because domestic needs have been met and received permission from the study team. Then the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar Pandjaitan also stated that the reclamation project could be used for solar power plants. And added that exports also provide benefits for SOEs and the government. Likewise, Minister of Energy and Mineral Resources (ESDM) Arifin Tasrif stated the reason for exporting sea sand is to maintain shipping lanes and economic value due to sediment (CNBC Indonesia, 2023). Meanwhile, there has been no response from other Ministers.

Not only from government bureaucratic institutions, as mentioned earlier, there are 4 mining companies that support the government to issue a sea sand export policy (Media Indonesia, 2023). Although the data obtained is limited regarding who these companies are, when examined in the activity of exporting sea sand they will also benefit. As stated by the Coordinating Minister for Maritime Affairs and Investment, Luhut Binsar

Pandjaitan that there are benefits for SOEs (CNBC Indonesia, 2023). Indicating that the 4 companies could be SOEs. Thus, there are already bureaucratic institutions that approve of this policy and consider it a positive thing.

Conclusion

Based on the results of the analysis through the data found that Indonesia reopened the export of sea sand not without reason. Broadly speaking, the reason for the reopening of Indonesia's sea sand exports can be seen from its domestic sources, which are divided into preferences and institutions. Regarding preferences, there are 4 indicators that explain the issuance of this policy. First, the trade that Indonesia has quite a lot of sea sand assets and there are mining companies that encourage the government to issue this policy. On the other hand, Indonesia needs Singapore's newly built Tuas port for international trade activities. Second, immigration where the Tuas port is also used by Indonesia to enter migrant workers into Singapore. As well as an extradition agreement in return for Indonesia's sea sand exports to be reopened. Third, foreign investment from PSA towards NPCT1 caused the Indonesian port to encourage the government to issue a policy to reopen the export of sea sand. Because this is a

reciprocal effort from the investment provided by PSA to increase the development of NPCT1. Fourth, exchange rates related to Indonesia's trade relations in the oil and gas sector have an impact on providing high selling points. Making mining companies encourage the government to issue a policy to reopen sea sand exports, in order to benefit.

After preferences, then there are institutions that influence so that this policy can be legalized. Regarding institutions, there are 3 indicators that explain it. First, elections and representations that the policies issued tend to support the party that is currently leading, namely PDIP. That the proceeds from the export of sea sand and its funds can be used for the 2024 PDIP election campaign, and have the support of the PSA. Second, legislative and policy-making rules because PDIP has great power in the legislature, so policy-making is made without much interaction with non-PDP legislators and the public. So that the interaction between the legislature and the executive in forming policies is quite influential on this indicator. Third, several existing bureaucratic institutions have shown the green light to implement and support the policy of reopening sea sand exports. Plus the support from 4 oil and gas companies so that this policy is issued

by the government, because they will also benefit.

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