

Research Article

Linking State-Owned Enterprises And Energy Diplomacy

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Muhammad Rum¹, Bangkit Aditya Wiryawan²

¹Department of International Relations, Faculty of Social and Political Sciences,
Universitas Gadjah Mada, Jalan Sosio-Yustisia No.1, Bulaksumur, Yogyakarta, 55281, Indonesia

²Graduate School of International Studies, Nagoya University,
Furo-cho, Chikusa-ku, Nagoya 464-8601, Japan

Abstract

Natural resources endowment has always been a critical factor in supporting a country's development, particularly in its early stage, where firm productivity in industry and service sectors are still low. Such is the case with Indonesia, one of the largest oil-producing countries in the East Asia region, where the oil boom period in the 1970s has been able to fund many development projects. Although oil resources have been waning over the last decade, the country is still among the largest producers in the Southeast Asian region, with an also growing demand for the burgeoning industry. The problems are doubled by a high demand for energy from Indonesia's domestic market which has worsened trade deficit in recent years. State-owned enterprises have been mandated by the government to perform better in securing energy deals. Hence, this study aims to survey on what kind of role state-owned enterprises can partake in to strengthen Indonesia's energy diplomacy. The scope of study encompasses energy policies of selected countries since the Oil Shock until recent developments today. This work is utilizing a comparative study of examples from other influential oil-seeking countries such as Japan and China, recent improvement in some developing countries that includes renewable energy sector. We also evaluate 'petrodollar' diplomatic strategies such as Venezuela and Saudi Arabia. It is argued that state-owned enterprises should actively engage in promoting development in targeted countries and maintaining bilateral ties. Furthermore, this article proposes an approach of what could be done by scholars to help in formulating Indonesia's energy diplomacy. The conclusion of this study indicates strong correlations between energy security, international diplomacy, and development assistance. Balancing those nexuses will help Indonesia in exercising its free and active diplomatic stance in resolving various international issues. The promotion of norms and values can serve a potential role in boosting Indonesia's energy diplomacy.

Keywords: Energy Security, Energy Diplomacy, Renewable Energy, State-Owned Enterprises, Indonesia.

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Corresponding Author: m.rum@ugm.ac.id (Muhammad Rum)

INTRODUCTION

Natural resources endowment could serve as an advantage for social and economic development of a country. It should not only manage natural resources as commodities to push economic growth but should also to drive other dimensions of national development including international diplomacy. Although the days of natural resources as the commanding heights of national GDP had been waning for many years, within international diplomacy dimension Indonesia’s natural resources endowment could still be used as a pillar to elevate Indonesia’s bargaining position and influence in the international scheme. Business expansion on an international level that has been done by several companies which manage natural resources should be assisted with the non-economic activities which uphold social dimension, politics, and culture that could strengthen the connection between Indonesia and other countries. This is especially true considering the recent rise of Indonesia’s oil export after a long-term decline (Figure 1). We can learn from Figure 1 that since last 1990s, the performance of Indonesian oil export is significantly declining and reaching its lowest position in 2012 and 2013.

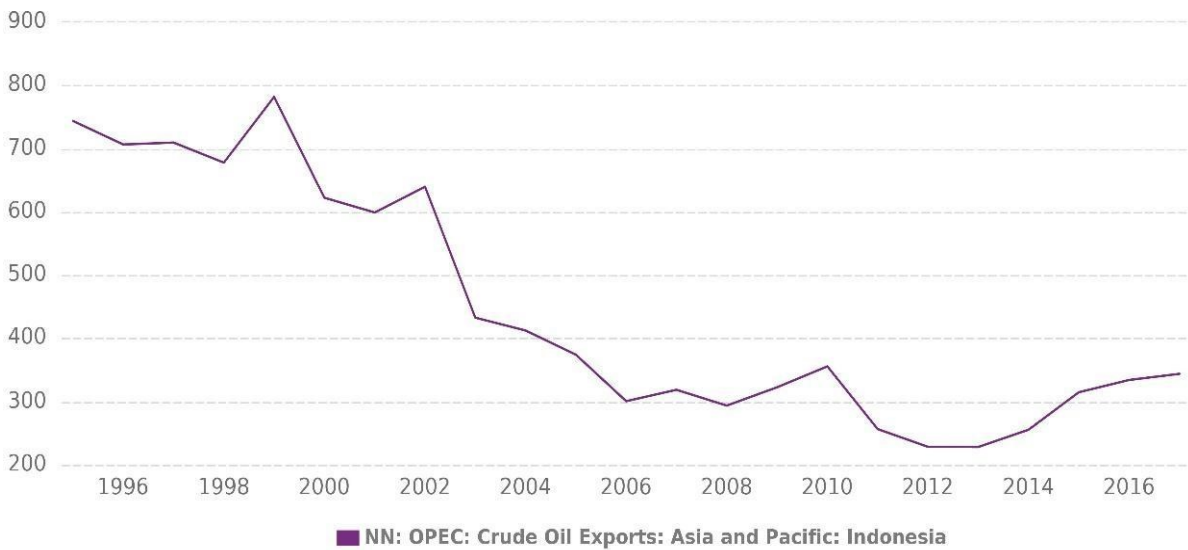


Figure 1. Indonesian Oil Export 1995-2017 (Mil. USD)

Source: OPEC, 2017

In recent developments, Indonesian public witnessed the eagerness of Joko Widodo’s administration to elevate state-owned enterprises’ performance by putting key ally figures in charge of strategic companies. The recent appointment of Basuki Tjahaja Purnama (Ahok), former Governor of Capital Jakarta, as PT Pertamina’s chief commissioner reflects this impetus of transformation. The government wants SOE to be more efficient, resilient, and able to provide ad-

vantages for national development. This article aims to provide an alternative perspective on what could be done to support state-owned enterprises like PT Pertamina and PT Perusahaan Gas Negara (PGN) in formulating its ideal role, particularly in international diplomacy, whilst strengthening national energy security.

Why do state-owned enterprises need to contribute to Indonesia's international diplomacy? There are at least two supporting arguments. First, in a world that revolves around industrial development, control over natural resources becomes an important key to enhance the political position of a country. Second, a strategic advantage will enable a country to expand its network of energy business beyond its border. Intertwined utilization of "energy" and "diplomacy" can be potentially accumulated. The better a country performs in diplomacy, the easier it could secure its energy, and vice-versa.

The problem lies within international politics that shows how developing countries could not transform their eminence as an oil-producing country into a critical player in an international political-economic realm (Keenan, 2005: 395). As an oil-producing country, Indonesia should have better-realized this advantage long ago. However, gaining the title as an oil-producing country does not automatically uplift its pride and position in the eyes of the international community. Moreover, Indonesia has become a net oil-importing country with its share of the oil and gas industry to GDP halving to 3% in four years since 2012 (The Straits Times 15/08/2017). This delicate fact should be the attention of state-owned enterprises like PT Pertamina and PT PGN alongside the government and various stakeholders in the energy sector, including scholars.

It is by any means incorrect to think that energy diplomacy or oil diplomacy could only be done by oil-rich countries such as Saudi Arabia, Iran, and Venezuela that are renowned with its Petrodollar diplomatic strategy. In fact, similar strategies should be done by countries in need of oil. Indonesia which targets industrial growth to advance its development would need a sufficient amount of energy to keep it on the track. Within the international political realm, it is common knowledge that oil diplomacy has also been done by highly industrialized countries such as the United States, European Union, and Japan for decades. Recently, China has launched its own diplomatic strategies to expand its network to areas rich with natural oils and gas. In this sense, Indonesia could reflect the available options; bandwagoning the petrodollar strategies or adopting a far more rational option practiced by industrial countries.

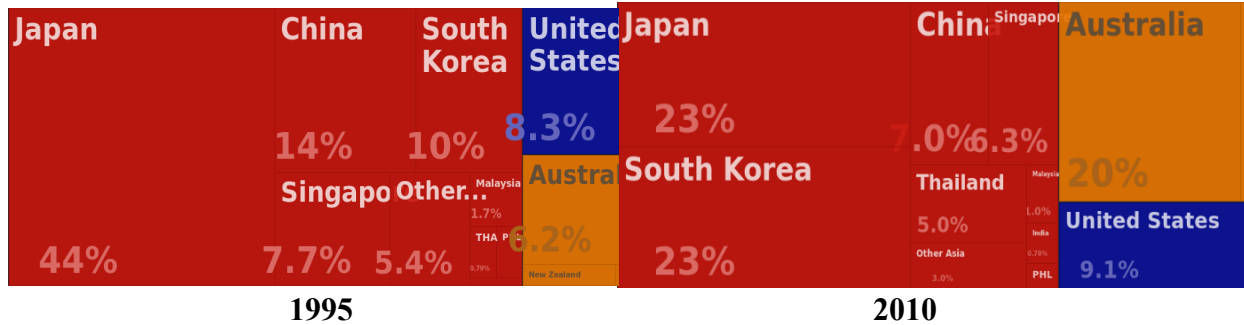


Figure 2. Indonesia Export Share of Crude Petroleum in 1995 and 2010

Source: <https://atlas.media.mit.edu>

As a country with a relatively low in natural-resources endowment, Japan has been one of the best examples for a country that executed an excellent oil diplomatic strategy since 1973, when the oil boom happened. Japan was the first that formally introduced the term petroleum diplomacy for its foreign policy (Hartshorn, 1973: 282). Japanese oil diplomacy was accompanied by broader development aids and assistance. According to the data from the Japan Ministry of Foreign Affairs, Indonesia is the largest aid recipient from Japan for many years during which Indonesia also exports its majority of crude oil to Japan (Figure 2).

During the oil crisis, oil diplomacy was done by oil-importing industrial countries (Hartshorn, 1973: 285). Even after the crisis has passed, exerting oil diplomacy remains relevant. Especially from the 1970s until early 1980s, the bargaining position of countries with oil resources and state-owned enterprises such as PT Pertamina was still stronger than multinational oil companies (such as Exxonmobil, BP, Caltex, etc.).

Another example of a country which has launched an active energy diplomacy is China. Since the 1990s, China's energy needs have risen significantly due to its massive industrialization. As a response, China launched an external initiative strategy by expanding its operation through state-owned enterprises such as CNPC, Sinopec, and CNOOC, each with a specific role. Similar to Japan, this energy diplomacy step was taken because China has also launched expansion in the first place to secure its bargaining position to oil-producing countries. In other words, China has refused to be taken advantage of while negotiating (Jaffe & Lewis, 2002: 116). In executing the policy, China has formulated three strategies; First, China has strengthened diplomatic ties with countries in the Middle East, Africa, Central Asia, Latin America, and North America. This strategy is delivered whilst capitalizing China's state-owned enterprises' presence in the respected regions. Second, China has developed an alternative road route to lessen the frequency of passing through Malacca Strait. In this case, China aims to avoid political tension with the Unit-

ed States while also reducing its dependence on energy from Southeast Asia. Notice in figure 2 that the share of oil export from Indonesia to China has halved between 1995 and 2010.

China's involvement in energy businesses in Iraq, Iran, and in the South China Sea was done by cautious diplomacy to avoid destabilization, especially in regard to the United States (Lai, 2007: 534). In recent years, their energy diplomacy was strengthened through the Belt and Road Initiative (BRI) scheme. The BRI is a development cooperation project aimed at providing aids and development of infrastructures. China disbursed massive amounts of funds to develop infrastructure in developing countries. Other than oil-rich Central Asian region from where China imported some 400 thousand barrels/day from Kazakhstan, BRI is also present in Africa, particularly in Angola and Republic of the Congo. The two countries contribute an average of 70% of African oil to China in the past five years. As their economy becomes more dependent on China's rising oil demand, those countries are subject to China's growing international influence.

It is essential to be noted that the bargaining power of an oil-producing country *vis a vis* multinational energy corporations has always been dynamic. In the middle of the 1980s and 1990s, the bargaining position of oil-producing countries and multinational energy corporations could be considered as balanced, followed by a tendency that big corporations were becoming more dominant. However, based on research upon international oil companies, Vivoda argued that the dynamic has changed whereas multinational energy companies are now in a weaker position due to shift of international diplomacy in the 2000s (Vivoda, 2009: 517).

Under the current weaker position of multinational energy corporations, at least there are three strategies that can be formulated by developing countries in order for their energy companies to rise. Those strategies are namely the oil for hegemony, political intervention, and norms or value promotion.

In "oil for hegemony", a country can maximize its domination upon energy resources as an instrument for hegemony, or at least, to influence other countries. This strategy entails the strategy for influencing the preferences of one country's affiliation that could be advantageous to the interest of the hegemon. Certain countries with great capability can utilize this strategy in order to increase its global presence. Hypothetically, if state-owned enterprises' involvement with some oil-rich countries could provide acceleration of development in said country, the country of origin could gain benefit by strengthening its legitimation as a critical player in the area. In multilateral forums, such as regional organizations or the UN General Assembly, countries' preference of affiliation can help build a stronger coalition.

The second strategy is "political intervention". A country can use its domination upon oil sources as instruments to directly influence the domestic political process in other countries, for

example, by supporting one of political powers, opposition or ruling party, in those countries. As an illustration, if in the first strategy (oil for hegemony), we can influence said country's behavior in *ad hoc* (case by case), in the second strategy we can influence a country's behavior by choosing leadership that would align with our national interest. Hence, that country's behavior in the next 4-5 years could be predicted. This could also give more accessible access to national energy companies to cooperate by opening concessions there.

Last but not least, norms and values promotion. A country could use its effort in dominating oil sources as instruments to promote norms or values in a particular country. The difference this strategy possesses with the previous two is that this diplomacy strategy is long-term oriented which is not limited to one government period. Values, for example, democracy and social equity, if internalized within the characterization of one nation, could last as long as that value is still believed. A country with a similar perspective and values with us tends to portray the same behavior within the international political realm so we would know which countries that could be our close ally.

The previous research held by Hartshorn (1973) shows that the practices of oil diplomacy have been exercised by developing countries as early as the 1970s. However, in its development, a study by Keenan (2005) argues that albeit their abundant natural resources, energy-exporting countries from the Global South face hindrances to become key important players in world politics. There is a rising trend of China getting active in energy diplomacy as researched by Jaffee & Lewis (2002) and Lai (2007). Previous studies gave the foundation to understand the nature of energy diplomacy, however, are still emphasizing the importance of economic scales and state's relative powers from one to another. The difference between this study and other previous research is to highlight different options in conveying energy diplomacy, including in exploring the importance of norms building, promotion of multilateralism, and mainstreaming of renewable energy as an alternative to the dominant realist view in energy diplomacy.

Reflecting to this study, the novelty of this article in determining which energy diplomacy policies are best suited for Indonesia? How to integrate state-owned enterprises with energy diplomacy? First, the most suitable energy diplomacy should align with Indonesian free and active foreign policy that upholds the value of justice and committing to humanitarian values and democracy. Secondly, Indonesian energy diplomacy should involve wider collaborations with state-owned enterprises such as PT Pertamina and PT PGN. Energy related foreign policy will profoundly affect the performance of these state-owned enterprises. In modern diplomacy, the government is no longer the sole actor (Diamond & McDonald, 1996). In Diamond and McDonald's multi-track diplomacy, first track diplomacy (government) should collaborate a common

goal with other equally important tracks such as business (third track) and even scholars (fifth track).

RESEARCH METHOD

This article utilizes a qualitative method in comparing different policies and strategies on energy diplomacy specifically from three different groups of countries: Petro-dollar countries, industrialized countries, and developing countries. In the first group, Petro-dollar countries encompass oil-rich producing countries such as Venezuela and Saudi Arabia. The second group consists of highly industrialized countries such as China, Japan, the United States of America, and some European countries. The rest would be examples we gathered from developing countries such as Malaysia, Argentina, Brazil, and Colombia. This study gathers data and important findings resulting from previous studies, reports, and media coverages. We then triangulate this article's comparison results with the interview transcripts gathered from recent study on energy diplomacy done by the Faculty of Social and Political Sciences, Universitas Gadjah Mada.

RESULTS AND DISCUSSION

Until today, Indonesia's diplomacy is still mainly supported by the first track. Meanwhile PT Pertamina and PT PGN as national energy companies whose share is 100% owned by the government under the Ministry of State-Owned Enterprises has not been integrated in Indonesia's foreign policy. According to Law No. 19 of 2003, it is mandated that a company under the Ministry of State-Owned Enterprises such as PT Pertamina and PT PGN to have roles in economic activities, gaining profit, and serving the community at the same time. But, there is still room for state-owned enterprises to do more. According to that law, a state-owned enterprise could eventually receive a relevant task from the government. Related to Indonesia's energy diplomacy revitalization, this study foresees the integration of PT Pertamina and PT PGN into Indonesia's foreign policy scheme. State-owned enterprises which are basing its knowledge foundation in the economy can harmonize a common interest with the government, in this case, the Ministry of Foreign Affairs with its diplomatic outlook. On the other side of multi-track diplomacy, epistemic communities, or the academics with their perspectives on political economy can foster ideas and bridge connections of various milieu goals and interests. The alignment between economic interest and diplomatic interest could be coordinated, and obstacles within delivering technical assistance and policy analysis to formulate diplomatic strategies can be tackled through concerted efforts. The framework for energy diplomacy can be illustrated in Figure 3 below.

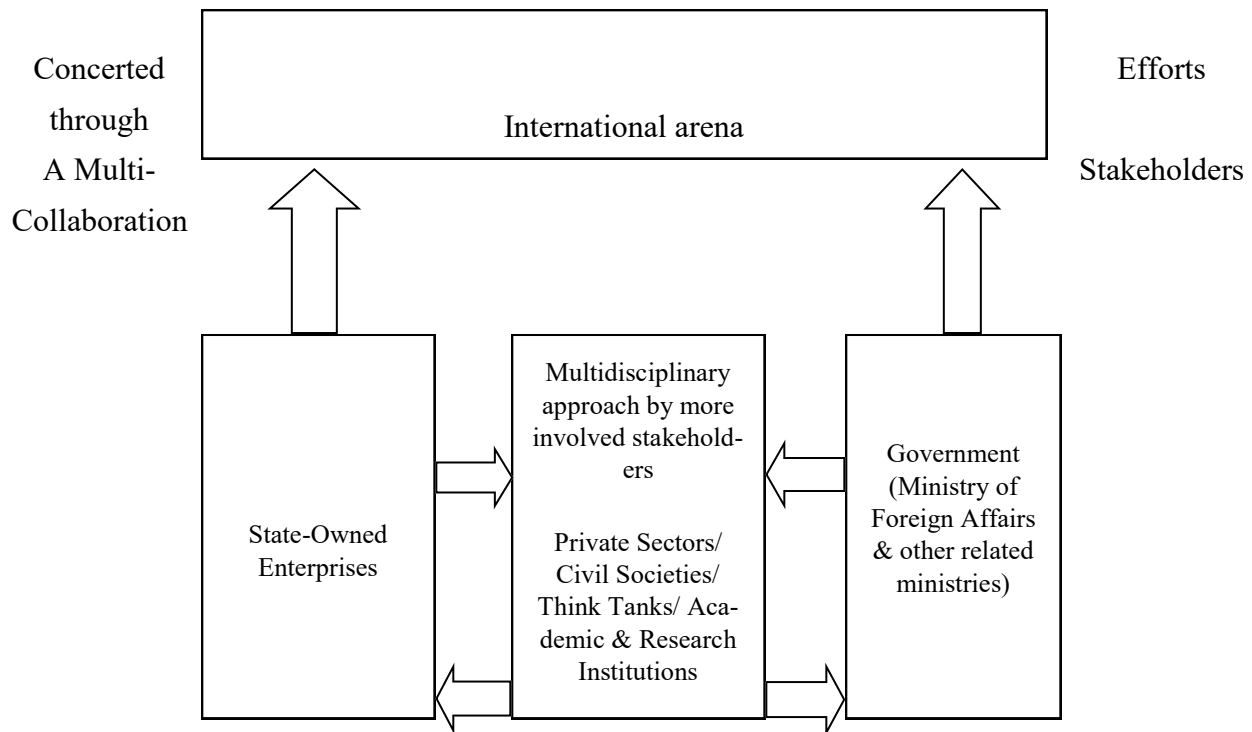


Figure 3. Concerted Efforts on Energy Diplomacy

State-owned enterprises should clearly define its role whether these companies would initiate technological improvement regarding its relations with major multinational corporations in negotiating deals. According to a study by Vivoda in 2009, the bargaining position of two corporations, state-owned enterprises and multinational corporations, are determined by their technological advantage during business negotiation. The power of the oil-producing country and its enterprises become weaker if multinational companies possess technical excellence that could not be mastered by state-owned enterprises. Meanwhile, state-owned enterprises' position could be stronger if the competition in its sector is stiff (Vivoda, 2009: 518).

Plausible Options for Energy Diplomacy

Considering three practical formulas in energy diplomacy, norms and values promotion could serve a suitable framework to bridge various approaches. By possessing the influence to internalize norms and values through energy diplomacy, Indonesia’s active role in ASEAN and global politics can be exercised without sacrificing free and active foreign policy principles.

1. Energy Diplomacy and ASEAN

Indonesia puts ASEAN as a pivotal forum to promote peace, stability, and common prosperity in the region. Beside its function as a regional economic bloc, ASEAN is also a political grouping that can benefit Indonesia’s interests in international diplomacy. As one of the most

influential key members in ASEAN, Indonesia could earn support from other nine member states in several forums. At this point, state-owned enterprises' active diplomatic contributions could be essential to support the vision to establish ASEAN as the '*Soko Guru*' for Indonesia's foreign policy.

Considering the geographical and cultural proximities between Indonesia and other ASEAN countries, possibilities for investment and expansion in cooperation between private sectors and state-owned enterprises intra-regionally are widely available. The history and memory of cordial relations and solidarity among ASEAN member states are strong. Many refer to the oil crises in 1973, when oil producing countries like Indonesia which allowed its oil to be accessed by neighboring countries got appreciations. Indonesian multi-track stakeholders including state-owned enterprises should also maintain their cordial relations with Thailand. The country has gradually increased its energy dependence to Indonesia in the past couple of decades. Indonesia was also deeply remembered by Thai diplomats for its help during the oil crisis in early 1970s (The Jakarta Post 27/02/2020). However, exerting Indonesia's energy diplomacy to Thailand is more delicate as competition arose. Gulf Coast Countries have been the main source of fossil fuel energy. As Griffiths (2019) put it, some of those countries particularly UAE has been exercising excellent soft-power diplomacy that goes beyond the government. Only by realizing the potential importance of a united Southeast Asia region as one of the world's major growth centers, can Indonesia develop a tighter relations through energy diplomacy. It should also go beyond the government to include state-owned enterprises and other related business and cultural entities.

2. Energy Diplomacy in International Level

Study upon energy diplomacy at the international level is important to be done and evaluated periodically. Due to the nature of depletion of resources like fossil fuel energy, political investments done by Petro-dollar countries, not all of them could achieve satisfactory results. Ill-calculated energy diplomatic strategies could end in failure. Spending Petro-dollars does not guarantee the success of a foreign policy. This is where the importance of the cooperation schemes between government, energy sector stakeholders, companies, and researchers is relevant and should be done continuously.

One of the biggest oil diplomacy failures is experienced by Venezuela. In public eyes, Venezuela was once known as one of the biggest oil-producing countries that could convert its economic advantage as a strategy to win the diplomatic competition. Such perception appeared in public because, in the last few decades, Venezuela used oil as its primary diplomatic tool by spending funds earned from energy to Caribbean and Latin America. (Poertner, 2011: 85).

Venezuela began its attempt to launch oil diplomacy in 1973. As an oil-producing country, the crisis became a 'blessing' for Venezuelan economy. In 1973 and 1974, Venezuela boosted and optimized its oil production. As researched by Poertner (2011), Venezuelan government also signed an agreement to distribute their oil to Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama with an easeful financing scheme. In the 1980s, this cooperation was expanded by the involvement of Mexico and several other countries who joined with oil sales in the form of half loan such as Barbados, Belize, Republic of Dominican, Haiti, and Jamaica. The agreement was added more in the 2000s by conducting oil-selling cooperation with Cuba by utilizing 'ideological proximity' between Hugo Chavez and Fidel Castro (Poertner, 2011: 88). Statistically, the amount of investment Venezuela put into those countries is immense considering their doubted capacity to return the loans.

The result of diplomacy success was not monitored thoroughly by the Venezuelan government. To understand how oil diplomacy could influence one state, we need to understand the voting pattern of countries where we invested our oil. In the case of Venezuela, the familiar terms that could describe the influence of oil diplomacy are Petrocaribe, Petrosur, and Petroandina. And the progress of their cooperation was made before Hugo Chavez was elected as president.

Poertner's study in 2011 is very interesting because it shows how Venezuelan oil diplomacy was tested when the country competed for a seat as a non-permanent member of the UN Security Council in 2006. At that time, Venezuela faced Guatemala as their competitor, which was backed by the United States and Mexico. Venezuela gained votes from Argentina, Brazil, Uruguay, Paraguay, and several Caribbean countries (Poertner, 2011: 93). Public speculated there was an influence from oil diplomacy from those votes. But both countries failed to secure their seats because they did not meet 2/3 of the votes.

Poertner argues, when it was further reassessed using voting pattern analysis, there was an indication that since the oil diplomacy initiated a few decades ago, and the increase of the amount of international assistance Hugo Chavez launched during his presidential period, only Cuba, Dominican Republic, and Saint Kitts and Nevis which showed positive correlation with the aforementioned oil diplomacy. Meanwhile, most data from Latin America countries and the Caribbean did not show any correlation between oil diplomacy initiatives with their voting behavior (Poertner, 2011: 106). This was identical with other research that shows PDVSA (Venezuela's oil company) admit their partners in Latin America and the Caribbean could not be responsible in their commitment financially until Venezuela had to pay for the expenses needed for this diplomacy (Jácome, 2011: 8).

This case ignited critical review that oil diplomacy can be inefficient. Despite countries' financial ability, the effort in oil diplomacy still has the possibility of failure if the basic foundation of shared values and milieu goals are not fulfilled. Learning from Venezuela's case, spending significant investment does not guarantee voting behavior of countries will follow the donor's influence. Energy diplomacy could be an inefficient instrument if it is not supported with rigorous frameworks of analysis. Scientific analysis upon the progress of energy diplomacy can be done by studying a set of behavioral data within the international political realm. Without examining such a trend, international assistance and energy diplomacy-related policies will result in unnecessary expenditures.

Methods in reading the data set for countries voting behavior in the UN, for instance, is made available by international researchers. Other research related to market potential and marketing strategies in business expansions can help further corporations to venture abroad. Poertner studies in 2011 was benefited by the data set on the United Nations General Assembly Voting database developed by Harvard and Georgetown University. Sampled below is an example of voting behavior visualization that can be produced out of the data set to examine the success of energy diplomacy of a state and compared with its influence to another state.

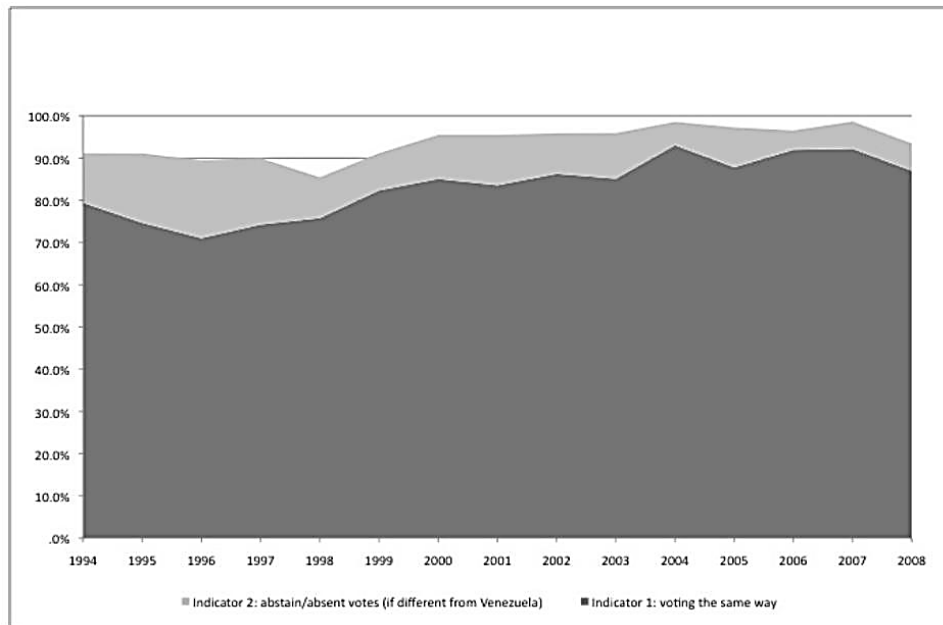


Figure 4. Comparison of Venezuela Voting Behavior and Cuba

Source: Poertner, M. (2011: 97)

The figure above (Figure 4) explains a leaning on positive correlation between assistance by Venezuela with the support of Cuba in international politics. From the survey conducted by

Poertner using the database from 1994-2008, it can be concluded that there are relatively positive trends of voting behavior of both counties particularly after 1998 (Poertner, 2011). This trend can be linked with political or ideological proximity between the late former president Hugo Chavez and the late Cuban leader, Fidel Castro. Comparative and correlational analysis are pivotal to read the trend occurred in a given period of research.

3. Rethinking the Role of Norms and Values in Energy Diplomacy

Other essential aspects that need to be further examined is the role of norms and values in conjunction with energy diplomacy. How far should we consider the importance of this aspect within state-owned enterprises' business marketing? What would be the implication if these aspects are not well addressed? This study learns that there are several models of norms and values utilization in energy diplomacy. The European Union and the United States tend to underline the importance of norms and values such as democracies and human rights protections with their energy diplomacy. The Russian government, on the other hand, performs a more pragmatic attitude, while the Chinese government attempts to not to meddle intensively with values and norms. The study on which model we should adopt to deliver a solid stance on our energy diplomacy is urgently needed. Our nation who upholds humanitarian values and democracy, also our free and active foreign policy principles, should be reflected in our effort of internalizing them within our foreign affairs polity.

As an illustration of how the debate on values and norms emerges in energy diplomacy, this study examines several cases. The Malaysian approach and its central role in the Organization of Islamic Cooperation has helped in connecting business links with the Middle Eastern communities. A state-owned enterprise, Petronas, and its networks, operates in post-war Iraq. Together with Total and CNPC, Petronas won the bidding to operate in the Halfaya oil field in November 2009 (Zhang, 2015: 137). This advantage also applies to Malaysian ventures in Sudan and South Sudan. It is reported that Petronas has opened the business since 1997 through a consortium led by CNPC and ONGS and the minority share of Sudapet to manage block 1/2/4, block 3/7 in 2000, and block 15 in 2005 (Zhang, 2015: 141). Petronas also holds most of the shares in Energy Africa operating in Equatorial Guinea (Dare, 2002).

Different trajectory is developed by the Chinese corporations. According to research done by Ian Taylor, China's oil diplomacy in Africa is mostly based on strategic options. In the short-term, it serves the purpose in securing domestic energy needs of the Chinese industries (Taylor, 2006: 938). Meanwhile in the long term, China aims to strengthen its position as a global energy powerhouse (Taylor, 2006: 938). Both goals are accommodated by China's approach to not to meddle much in democratic values and human rights practices evaluation. Further, Taylor argues

that the Chinese side takes the opportunity to approach some of African regimes that are in doubt of the motivations of the western world and multinational oil companies (Taylor, 2006: 938). Non-interference approach led Chinese government and business to gain access in many flawed democratic countries and to grow its influence in the continent.

4. The Role of Energy Diplomacy in Securing Regional Stabilization

Competition for limited resources might escalate into open conflicts. Hence, conflict potentials in the region should be mitigated by strengthening relations with neighboring countries. The need to achieve energy security for all countries must be pursued through peaceful means. There are several disputed areas in Southeast Asia. In recent times, we have witnessed a heated situation in the South China Sea. Without prudent diplomatic approach by the involved parties, open conflicts might have a great impact on the economy and energy security.

As studies by Simon (2012), related the operations in the South China Sea, the Chinese government pressured Petronas not to sign an arrangement with the Vietnamese side. The pressure portrays interconnectedness between business and international politics. Based on Simon's assessment, among few under-pressured companies are Petronas, Idemitsu, Exxon-Mobil, British Petroleum, ConocoPhillips, and Chevron, with only Exxon-Mobile could stand against the pressure (Simon, 2012: 1001). However, a further investigation found there is indication where China offers reciprocation from its pressure. Chevron officials admitted that China offered an exchange for a natural gas concession in Sichuan Province to Chevron, and this is considered as an opportunity for energy diplomacy in the United States to invest in China (Simon, 2012: 1002). With this precedent of reciprocation gesture, China also provides a careful consideration on its energy diplomacy. Another example, China maintains communications with the United States' interests, not to escalate tensions in the South China Sea while expanding businesses. This might appear as a gesture by the Chinese government to showcase its claim of China's Peaceful Rise strategy (Lai, 2007). Meanwhile for countries like Indonesia and other ASEAN member states, to maintain confident building and constructive multilateralism involving major powers might appear to be a rational move. Consistency in upholding multilateralism and the adherence towards international norms are important for an ASEAN centrality in maintaining regional peace and stability.

5. Diplomacy for Sustainability

To be an influential actor and gaining more diplomatic standing, the government and state-owned enterprises should work hand in hand in supporting pro-renewable energy policies domestically and support the internalization of international environmental regimes such as the Paris Agreement. These efforts can work as a thruster to help promote energy transition from

fossil-based fuel into renewable energies in both domestic market and international diplomacy. The withdrawal of American support towards international commitment to safeguard pro-environment policy initiated by the Trump administration is a setback towards the energy transition campaign. Hence, it is necessary to call for the re-emergence of environmental diplomacy from both the developed and developing world. To effectively campaign energy transition towards renewable energies, more countries need to foster their domestic implementations.

In this section, we underline that Indonesia, as a middle power, can encourage state-owned enterprises and private sectors to set a clear vision for the global interest in safeguarding the environment. The government can create a better environment for the market to get more benefits in investing and venturing in renewable energies. As suggested by a recent research done by Winanti et al. (2020), pro-environment policies to support energy transition in Indonesia are essential to sustainable development and stimulating technological advancement. Moreover, mastering the production and processing technology for more sustainable development could elevate Indonesia's international standing. In addition to government's incentive and fiscal policies, state-owned enterprises like PT Pertamina and PT PGN should explore more rooms for renewable energies mainstreaming.

We can learn from the efforts initiated by various countries. One of the sectors a country might put focus to develop is the biofuel industry. Surveyed by Winanti et al. (2020), selected countries like Argentina, Brazil, Canada, Colombia, Malaysia, and the United States might provide examples for us to learn and develop. First trend, these countries had set laws and regulations to implement the use of biodiesel and bioethanol (Winanti et al., 2020: 29). Secondly, different governments gave incentives for the industry to be able to reap benefits in biodiesel and bioethanol investment and innovation. Hence, with the natural resources and the abundant bioenergy potentials, Indonesia can potentially be one of the pioneers in biofuel.

Since 2005, we witnessed a remarkable 23% increase of global biodiesel production (Naylor & Higgins, 2017: 695 as cited in Winanti et al., 2020: 29). Hence, state-owned enterprises should seize the momentum and start to project their role in helping champion environmental protection campaigns and link it to Indonesia's potential role as one of the world's pioneers in developing bioenergy production and mainstreaming. In order to do so, incentives, fiscal policies, environmentally sound and healthy business practices have to be promoted by the government and carefully watched by academic and civil societies.

CONCLUSION

This study finds a nexus between the need to secure energy and international diplomacy. Various countries have exercised their diplomatic stance in responding to international issues, and on several occasions, utilizing energy diplomacy. In different cases, countries pursue active diplomacy to secure energy resources. Compared to other strategies such as oil for hegemony and political intervention, promotion of norms and values seems to be an ideal strategy for Indonesia's energy diplomacy. In its implementation, state-owned enterprises should work hand in hand with other governmental stakeholders to elevate Indonesia's international standing as well as securing our energy supply through developing renewable energy transitions. Shared perspective and values for democracy, sustainable development, and renewable energy will further enable Indonesia to ensure its energy security. This multitrack diplomatic strategy has not been fully considered in the country's diplomatic realm, unlike in some other advanced countries. In this article we proposed five measures in 1). Ensuring Indonesia's centrality in ASEAN, 2). avoiding petrodollar inefficient diplomatic approach, 3). Strengthening universal values and democracy globally, 4). Helping to navigate and predict international political-security trends, and 5). Exploring possibilities for transformation to renewable energy. Learning from other major oil-importing countries such as the United States, China and Japan, the Indonesian government and state-owned enterprises should actively engage in promoting sustainable development and maintaining cordial ties within targeted countries or through regionalism. Reflecting on the nature of depleted fossil-based energy, state-owned enterprises' investment in renewable energies becomes an urgency.

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