

## Indonesia's Imperative Steps in the Progress of Accessing the Organisation for Economic Co-operation and Development (OECD)

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### ABSTRAK

*Organisation for Economic Co-operation and Development (OECD) merupakan organisasi internasional yang berfokus pada peningkatan kesejahteraan ekonomi dan sosial melalui kebijakan. Dalam perannya OECD merupakan salah satu bentuk dari IGO (Intergovernmental Organisation) karena memenuhi keempat syarat IGO antara lain, Norms, Rule making, Rule application, Rule adjudication, dan operations. Kesuksesan OECD dapat ditinjau melalui rata-rata pendapatan per kapita negara-negara anggota OECD diatas US\$ 10,000. Melihat hal ini Indonesia, salah satu mitra utama OECD, menunjukkan keinginan yang kuat untuk bergabung dalam keanggotaannya. Berbagai upaya telah dilakukan oleh Indonesia untuk memenuhi standarisasi menjadi negara anggota OECD. Disisi lain, Indonesia juga menghadapi berbagai hambatan dalam melakukan transformasi ekonomi pembangunan yang berkelanjutan. Maka dari itu, penulis ingin menganalisis bagaimana upaya dan hambatan Indonesia menuju keanggotaan OECD. Penelitian ini menggunakan metode kualitatif-deskriptif dan menggunakan teori Liberalisme Institusional. Hasil penelitian ini menunjukkan bahwa Indonesia telah menunjukkan adanya upaya peningkatan ekonomi dalam rencana akses ke OECD. Tantangan terbesar dari Indonesia adalah untuk meningkatkan pendapatan negaranya. Hal ini dikarenakan negara Indonesia masih menyandang status negara pendapatan menengah, sedangkan mayoritas negara-negara anggota OECD adalah negara berpendapatan tinggi. Indonesia dapat meningkatkan perekonomiannya dengan menghilangkan hambatan pertumbuhan ekonomi dengan perumusan regulasi yang lebih mengakomodasi perdagangan internasional dan peningkatan infrastruktur dan sumber daya manusianya.*

**Kata Kunci:** OECD, Indonesia, Global governance, Multilateral, Akses.

### ABSTRACT

The Organisation for Economic Co-operation and Development (OECD) serves as an intergovernmental organization (IGO) that promotes economic and social welfare through policy coordination, norm-setting, and rule implementation. With member countries averaging a per capita income exceeding US\$10,000, the OECD represents a group of high-income economies. Indonesia, currently a key OECD partner, has demonstrated strong interest in joining the organization and has undertaken various reforms to meet membership standards. However, the country faces significant challenges in aligning its sustainable development framework with OECD requirements. This study employs a qualitative-descriptive approach grounded in Institutional Liberalism theory to examine Indonesia's accession efforts. Findings indicate that while Indonesia has implemented economic improvements as part of its OECD membership plan, its middle-income status remains a major hurdle. Key obstacles include the need to boost national income, enhance international trade regulations, and strengthen infrastructure and human capital development. The research highlights that overcoming these barriers is essential for Indonesia to transition from a middle-income to a high-income economy and meet OECD membership criteria.

**Keywords:** OECD, Indonesia, Global Governance, Multilateral, Accession.

## INTRODUCTION

The Organisation for Economic Cooperation and Development (OECD) is an international intergovernmental organisation (IGO) whose main objective is to promote policies that will improve economic and social welfare worldwide. This organisation was formed along with the signing of the Convention on OECD in Paris, France, on December 14, 1960. The treaty then came into force on 30th September 1961 (OECD, 2024), intending to improve the people's quality of living through conceptualisation and efficient policy implementation as mentioned earlier. The policies are meant to stimulate and enhance global economies while also optimising fair access and chances to increase the welfare of the people of its members. Currently, there are 38 member states supplemented by 5 key partners, including Brazil, China, India, Indonesia, and South Africa. The majority of the OECD members are part of the developed states with strong economic presence in the world, with an average Gross National Income (GNI) of USD 13,846 or above, on average, the high-income states contributed around USD 1,533.4 billion US Dollars on average (Ministry of Foreign Affairs of the Republic of Indonesia, 2023). Every member state works together hand-in-hand to troubleshoot various global challenges, such as improving governance, spurring transparency and accountability, stimulating innovation, ensuring sustainable development, etc.

The convention being the organisation's cornerstone and the existence of a common goal indicate that the OECD is a multilateral organisation. As well as other IGOs, the OECD also takes part in creating stability and mutual partnership between states. There are also a few functions that the OECD does that fall under the IGO category, such as *Norms*, where the OECD as an organisation develops and establishes norms as a guide for member states. The norms are there to guide the interaction between states while also preventing conflicts from happening. Second of all is *Rule Making*, where IGOs play a role in generating a set of rules that the state members adhere to. Furthermore is *Rule Application*, after the rules are set, it enters the part where it has to be implemented for OECD to ensure the state members comply and also to take action in a condition where a member state breaches a rule. If a dispute occurs regarding the rule application and/or interpretation arises, the OECD, as an IGO able to operate and assist the member states fairly and peacefully which is further called *Rule Adjudication*. Lastly, as an IGO, the OECD also commits to various programs and operations to achieve its goals. It has the right to hold various events such as conferences, research, and assisting member states through aid and such.

As a dynamic developing state, Indonesia has shown a significant interest in being a part of the OECD. This interest is rooted in its goal of strengthening its economy and improving the general welfare of its citizens. Through Indonesia's enrollment in the OECD, they hoped to utilize the cooperation with other

member states under the corridor of knowledge and technology transfer, which would ensure Indonesia in its bid to improve the national economy. This is consistent with earlier research by Reitano (2018) that explored how power relations between states impact efforts at multilateral diplomacy and the larger framework of global governance. Indonesia's Economic Coordinating Minister (Menko Perekonomian) Airlangga Hartarto stated that one of the reasons why Indonesia decided to enroll in the OECD is that the organisation's high standards that put the economy and people's welfare as a priority (Putra, 2023). This is shown by the effectiveness of OECD's members in accessing information and knowledge regarding economic and social policies, dubbed the OECD Open Access Policy (OECD OAP), stored in their website. This accession step from Indonesia is anticipated to be fruitful by increasing Indonesia's income per capita. The step is also considering the fact that OECD member states have an average income per capita of over USD 10,000 (Rachman, 2023a), sequentially showing a parallel objective in which the Indonesian government is trying to reach.

Indonesia's inclination to join the OECD is also based on historical reasons. The relationship between the state and the OECD has been initiated since 2007 when Indonesia became one of the five key partners which in turn boosts Indonesia's engagement in the organisation's activity. Since then, Indonesia has actively contributed to navigating through the challenges of public regulations and has also added extra weight to policy debate in the OECD. In 2014, the OECD launched the regional program in Southeast Asia, which was initiated by the former prime minister of Japan, Shinzo Abe, where Indonesia was tasked as co-chair. During the program, Indonesia has extensively worked together with the OECD, especially regarding the implementation of the ASEAN Economic Community Blueprint 2025 by prioritizing domestic reformation and regional integration efforts. Indonesia reached a milestone in its activity with the organization where the state became one of the signees of the Multilateral Instrument (MLI) OECD during the multilateral convention to create and implement various measures related to tax treaties to prevent Base Erosion and Profit Shifting (BEPS) back in 2017 (OECD, 2018). Certainly, the activity done by Indonesia with the organization is not yet enough to fulfill the OECD's membership standard.

Earlier scholars (González & Juanatey, 2020) have shown that the process of becoming a member of the OECD is rather sophisticated and requires more than just a formal qualification. Colombia itself, for instance, needed 7 years in preparation to join, started in 2013, and managed to become a member of the OECD on 28th April 2020. Colombia's process of becoming a member state took a comprehensive review from the substantive committee of the OECD concerning the regulations and internal policies, which were then evaluated by the board of the OECD. Colombia is also subject to international instruments, in

this case, the Convention of the OECD. This research puts a spotlight on the urgency of policy synchronization and collaboration for the development and sustainable welfare of the state and its people. Colombia also took a strategic step to gain valuable knowledge from other states that previously joined the organization. This is done to understand the complexity of global economy integration in the organization and also as a step to further stimulate economic growth in a more sustainable way which is more stable in the global market.

Similar to Indonesia, economic transformation is vital for Indonesia to depart from the middle-income trap and reach the high-income state status. The transformation itself is aligned with Golden Indonesia 2045 (Indonesia Emas) vision which consists of science & technology transformation, innovation, economic productivity, green economy implementation, digital transformation, global and domestic economic integration, and also positioned urban life as an epicentrum for economic growth (Coordinating Ministry for Economic Affairs, 2023). Along the way of economic transformation and such, Indonesia is facing various challenges such as the more intrinsic challenge (and also binding), which are regulation and institutions. Various regulations limit the creation and advancement in business, such as labor regulations, investment regulations, and trade regulations. These regulations then worsen with rampant corruption and also inefficient bureaucracy, which in turn exacerbate the institution's quality of work and diminish the work output it should have (Transparency International, 2024). Those pre-existing obstacles paired with fiscal challenges, inadequate infrastructures, and also low-quality human resources became some of the most fundamental challenges that Indonesia, as a nation, is facing (Bappenas, 2019a). Behind those big steps that Indonesia is trying to take, there are many benefits that Indonesia may gain from being a member of the OECD in the future, such as an increase in policy transparency and predictability, engagement in global debates, and also achieving the potential it has through the implementation of environmental, social, and governance as part of the sustainable goals. On the other hand, the people themselves can experience real benefits such as an upgrade in SME (UMKM) standards to take part in the global supply chain coupled with a significant increase of income per capita of about USD 30,300 (Nugroho, 2024), increase in international confidence in investment, business, and governance as Indonesia is viewed as a state that is able to fulfill the standards of the OECD, while also seeing a rise in quality of the human resource through policy implementation and higher standards in other sectors such as education, health, public service, etc.

Indonesia's determination to join the OECD proved the urgency for the writers to dig deeper to analyze the track that Indonesia went through in accessing the OECD. In this study, researchers only focus on the two standards that have been set, it is hoped that these two standards can identify Indonesia's

steps in seeking to become a member of the OECD and can evaluate various efforts both that have and have not made by Indonesia, as well as what hinders Indonesia from making these efforts.

## **METHOD AND THEORY**

### **Method**

As a qualitative-descriptive research, the author can find the answers of research by using data in the form of narratives or texts that describe the problem statement that has been compiled. The author uses both primary and secondary data in this research. Primary data comes straight from the source or party. On the other hand, secondary data comes from a survey of the literature and takes the shape of reliable scientific publications and pertinent journal articles. The primary data used by the author comes from official sources, including the Ministry of Economy and data sourced from relevant government websites. The author also uses secondary data from article journals and other reliable sources that are pertinent to the research topic raised.

### **Theory**

The authors are attempting to view the study case using Liberal Institutionalism. This particular theory was conceived by an acclaimed international relations scholar, Robert Keohane, which he laid out in his book called *After Hegemony*. Inside, Keohane attempts to solve the problems previously faced by neorealists in their view that cooperation is essentially impossible to conduct, on the assumption that the actors engaged formed their approach suspiciously. As an institutionalist, Keohane explains that international cooperation is probable, even in an anarchy situation. The solution then, he believed, was through an international regime. An international regime is a concept defined by a set of principles, norms, rules, and procedures of policy-making laid into the foundation and conducted by several actors, through a vessel that is further called an institution (Keohane, 1982). Such an institution can be formed as a formal organization which is then called an International Organization or an IGO. The goal of this institution is to provide information for the actors that took part as a participant in the organization, in which the actors then are able to understand the interests of other actors and actualize cooperation, contrary to neorealists, who believed it's impossible to do so. Additionally, the goal of an institution is to set a standard on an issue while also identifying common issues that may unite the interests of the actors involved. Through international institutions, international actors involved in cooperation may decrease the costs of collaboration, supervising the progress of the program, and safeguarding the whole process up to the conditions previously agreed upon.

## DISCUSSION

### Requirements for Becoming an OECD Member

As a community of mostly developed countries, the OECD also has standards for countries willing to join an organization. In general, two prerequisites must be met by countries wishing to contribute directly to the OECD. First, a country must have a democratic society committed to the rule of law and the protection of human rights. Second, a country must have an open, transparent, and competitive economic system. These two pillars have been the main glass used by the OECD since 1990 (Habbard, 2022). Over time, the two preconditions that the OECD has developed in such a way have been observed, but what can be observed is that it strives to have organizations whose members are countries with the same foundations based on the principles of democracy and a free market system (Habbard, 2022).

The first pillar of the prerequisites that must be met by a country wishing to join the OECD affirms and creates synergy, in which such harmonisation would be more realistic if a country had roughly the same foundations. Democracy plays a crucial role in this process. By enforcing a democratic system in a country, the responsibility of law enforcement and policymakers falls to the people, with the status of people's representatives. If a country has an open system that enables its people to innovate, it can capitalize on such innovations to contribute to the advancement of a country's economy, where the rights to conduct economic activities in that country are guaranteed by a set of rules approved by the government of that country, so that people can maximize their potential while increasing the economic activity of the country. The final guarantee of the first pillar of the OECD was human rights. With guarantees already existing, the guarantee becomes one of the most vital because guaranteeing human rights enables people to work and carry out activities according to their skills and wishes without the coercion of others. These details are included as the first pillar of the preconditions for accession to the OECD.

The second pillar is also another important interconnected foundation. The second pillar focuses on the economic sector, where an open, free, and transparent market system is the prerequisite. The points in this second pillar alone cannot stand without the first pillar because, if we look at the first, the points in it are focused on empowering human beings integrated into a society in that country. An open, free, and transparent market system is a prerequisite because it shows the role of people in the country's economic activities.

### **Efforts made by Indonesia towards membership in the OECD**

Economic and social development has become one of the focuses of the Indonesian government, and the government is trying to realize it by designing a variety of work programs to be able to support and meet the standardization that has been previously set by the OECD into two pillars that generally guarantee democracy and a free market. It is worth noting that the Indonesian government has given national priorities every year; by 2024, the government of Indonesia published seven national priority government work plans (RKP) for 2024, seven of which are presented as a form of accelerating a more inclusive and sustainable economic transformation. In fulfilling the standardization to be in line with the first pillar of the OECD's prerequisites, the government, through the RKP of 2024, provides several parallel points, such as the National Priority (PN) number 3, which aims to enhance qualified and have a high competitiveness, which then has targets such as meeting basic education in the field of health and education, as well as increasing productivity through universities that are included in its world-class universities, by embracing these universities and then creating education that is more easily accessible to more people in Indonesia, thereby improving the quality of human resources in Indonesia.

Economic development is supported by inter-regional connectivity. The Indonesian government should be aware of this connectivity challenge. As proof of the demolition of infrastructure to support connectivity in areas other than the island of Java, the government of Indonesia has built a Trans-Sumatra Toll Road (JTTS), whose average construction has exceeded 80% (Anggela, 2024). Then, through the Ministry of Communications, the Indonesian government also began to improve the connectivity of people outside Java by inaugurating the railway (KA) on Sulawesi Island, which serves the journey of the major Makassar-Parepare in 2023 (Puspapertiwi, 2023). In addition to the construction of Papua trans roads that connect various centers of business and tourism activities that facilitate human mobility as well as business products, not only the facility of mobility but also the Papua trans road has been claimed by the Ministry of Public Employment and Housing of the People's Republic of Indonesia (PUPR) to reduce travel time so that access to areas that used to take 5 to 6 hours is now possible with the presence of a Trans-Papua road travel time of only approximately 2 hours (Directorate of Highways, 2023).

Following a seven-month preparatory period, Indonesia officially commenced its accession process to the Organisation for Economic Co-operation and Development (OECD) on February 20, 2024 (OECD, 2024c). The government has established an ambitious three-year timeline for membership completion, integrating OECD accession requirements into the National Long-Term Development Plan (RPJPN 2025-2045) and the Medium-Term Development Plan

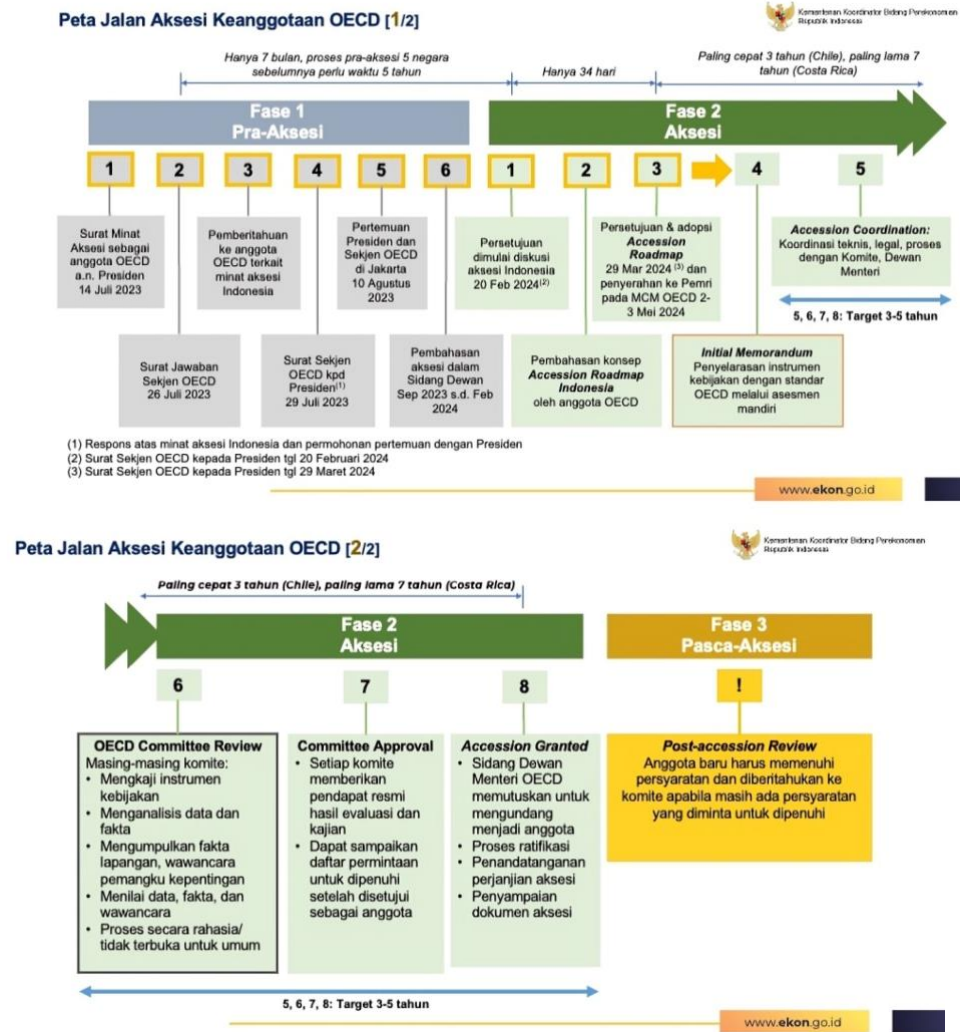
(RPJMN 2025-2029). This accelerated timeline reflects Indonesia's strategic positioning as the first ASEAN nation to pursue OECD membership, with Coordinating Minister for Economic Affairs Airlangga Hartarto noting that

*"Of course we hope that the process of becoming an OECD member can be completed within 2-3 years. Several countries that have experience entering within 3 years include Chile, Estonia, Slovenia, Latvia, Lithuania," (Coordinating Ministry for Economic Affairs, 2024).*

The institutional framework for this strategic initiative was formalized through Presidential Decree No. 17/2024, which established the National Team for OECD Accession Preparation. This governance structure designates the Coordinating Minister for Economic Affairs as leader, assisted by the Ministers of Foreign Affairs and Finance (Cabinet Secretariat of The Republic of Indonesia, 2024). The operational mechanism was further refined through Ministerial Regulation No. 232/2024 by the Coordinating Ministry for Economic Affairs, which; (1) Assigns specific ministries/institutions as responsible entities for each of the 26 OECD committees; (2) Creates a dedicated Secretariat for the National Team; (3) Establishes monitoring and evaluation protocols (Coordinating Ministry for Economic Affairs, 2024).

A critical milestone was achieved during the OECD Ministerial Council Meeting in Paris (May 2-3, 2024), where Indonesia formally received its OECD Accession Roadmap. This comprehensive framework outlines 271 legally binding instruments—including 84 binding OECD Decisions, 127 policy Recommendations, 42 International Agreements, and 18 Substantive Arrangements—that Indonesia must adopt to achieve compliance (OECD, 2024d). The accession process places Indonesia among seven candidate countries (Argentina, Brazil, Bulgaria, Croatia, Peru, and Romania), marking its position as the sole ASEAN representative in this expansion cohort.





**Figure 1. Indonesia OECD Accession Roadmap**

Source: Deputy for Coordination of International Economic Cooperation, Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2024

<https://www.deputi7.ekon.go.id/kegiatan/media-briefing-deputi-vii-proses-aksesori-indonesia-bergabung-menjadi-anggota-organization-for-econom>

The technical implementation accession phase commenced on May 30, 2025, with the initiation of a 250-day self-assessment period and the preparation of an initial memorandum, scheduled for completion by February 4, 2025. This preparatory document will undergo a rigorous review process, including technical evaluations by relevant OECD committees, policy dialogues with member states, and a final assessment by the OECD Council. (Deputy for Coordination of International Economic Cooperation, Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2024).

### **The obstacles and challenges of Indonesia's efforts towards OECD membership**

The Indonesian government's efforts to strengthen its accession to the OECD are to increase the country's income. Overall, Indonesia is one of the countries with much higher economic growth than the global average, with an economic growth of about 5%, which is compared with the world average of 2.9% (Widodo, 2023). However, if we compare the economies of OECD countries, the majority are high-income countries, as shown by the gross national income (GNI) per capita of \$13,800. Indonesia itself is among the highest-middle-income countries, with an income of \$4,580 by 2023 (Rachman, 2023). This shows that Indonesian income conditions are still far-reaching compared to developed countries in the OECD. With Indonesia joining the OECD, it is expected to be a means for the Indonesian government to carry out the learning processes of the countries within it.

To boost the growth of Indonesia's national income, the government has an obligation to minimize barriers to Indonesia's economic growth. Indonesian economic growth constraints could threaten the second prerequisite of the OECD, which is market openness. According to the Growth Constraint Study conducted by Bappenas, regulatory and institutional factors hinder Indonesian economic growth. According to the Indonesian Development Planning Minister (PPN), Bambang Brodjonegoro, the regulations imposed by the current Indonesian government are too rigid and closed (Bappenas, 2019). According to Ease of Doing Business (EoDB) in 2020, for the trading value component across borders, Indonesia is 67.5% (The World Bank, 2020a) compared to South Korea, which is 92.5% (The World Bank, 2020b). This is one of the consequences of the vastness of Indonesia's geography when compared to South Korea, which has a significantly smaller geographical area than Indonesia. Therefore, it should be recognized that the ease of carrying out cross-border trade activities is vital for a maritime state as large as Indonesia. As is well known, the vast country of Indonesia has a unique challenge for the Indonesian government, as economic expansion to islands other than Java is becoming crucial to achieving business ease figures like in South Korea.

Another challenge that Indonesia faces is the decline in the Democracy Index (IDI) from 59 in 2022 to 58 in 2023 (Freedom House, 2023). According to Freedom House, an organization that has a focus on democracy, in 2023 Indonesia scored 57 out of 100, while South Korea scored 87. This decline is attributable to several factors, such as freedom of opinion (indicator 1), freedom of belief (indicator 3), and press freedom (indicator 7). Some of these indicators are largely influenced by the presence of the 2024 Election Democracy Party (Coordinating Ministry for Political, Legal, and Security Affairs of the Republic

of Indonesia, 2024). Given that one of the key prerequisites in the OECD is a commitment to the principles of democracy and good governance, this situation could jeopardize Indonesia's efforts toward the process of accession to the OECD.

Given this decline, the government is attempting to involve civil society and other stakeholders in policy making. It is hoped that this will increase public confidence and that the policies that are generated will be the result of the transparency of public aspirations. The government has also taken the initiative to increase public involvement through public consultations and inclusive discussion forums. In addition, the government is focusing on improving the training and education of the state's civilian apparatus to ensure that they have a high capacity to perform tasks efficiently and effectively. These steps are expected to raise the Indonesian Democracy Index while strengthening Indonesia's position in the process of accession to the OECD. Democracy also has a significant effect on increasing the FDI of the OECD member states. The increasing number of FDI will improve the value of GDP and economic growth.

Indonesia also faces persistent human capital development challenges that pose significant constraints to its OECD accession ambitions. Unlike physical infrastructure projects that yield visible outcomes within predictable timelines, human resource (HR) quality improvement constitutes a complex, long-term developmental challenge with intergenerational impacts (World Bank, 2023). Current educational attainment statistics reveal systemic limitations, with only 6.41% of Indonesians reaching tertiary education and merely 20.89% completing upper secondary education—the highest level of basic educational achievement (GoodStats, 2023). These figures highlight critical gaps in Indonesia's human capital pipeline when benchmarked against OECD standards.

Comparative analysis of development indicators further underscores these disparities. While Indonesia's Human Development Index (HDI) score of 0.713 (UNDP, 2022) qualifies as "high" by global standards, it remains substantially below OECD member state averages—trailing South Korea (0.929) and Japan (0.920) by 23-29 percentage points. This gap reflects three fundamental HR challenges: (1) persistent rural-urban disparities in educational access and quality, (2) misalignment between educational outputs and labor market demands, and (3) underdeveloped lifelong learning ecosystems.

The Indonesian government has initiated various policy responses through its National Medium-Term Development Plan (RPJMN) 2025-2029, prioritizing vocational education reform, STEM curriculum enhancement, and digital literacy programs. However, research suggests such interventions typically require 15-20 years to yield measurable macroeconomic impacts (Hanushek & Woessmann, 2020)—a timeline exceeding Indonesia's ambitious 3-year OECD accession target. This temporal disconnect necessitates a multi-track strategy

combining immediate sector-specific upskilling with systemic education reforms and cultural shifts toward continuous learning. These human capital limitations directly affect Indonesia's OECD accession prospects, as the organization prioritizes knowledge-based economies with highly skilled workforces (OECD, 2023). Addressing these challenges will require sustained investment, policy coherence, and innovative approaches to accelerate human capital development while meeting short-term accession requirements.

### **Pros and Cons of Indonesia's Accession Process to the OECD with Its Membership in Brazil, Russia, India, China, South Africa (BRICS)**

Another crucial factor of the accession process is the membership of Indonesia in Brazil, Russia, India, China, South Africa or formally known as BRICS. As a country that is in process of accessing the OECD, Indonesia is not only expected to fulfil the OECD's standard and requirement. Moreover, OECD and BRICS seem to represent countries in the west and east block. This argument is delivered by Executive Director of the Center of Reform on Economics (CORE) Indonesia Mohammad Faisal assessed that Indonesia's joining BRICS could be an obstacle for Indonesia to join the OECD because of tensions between BRICS and OECD member countries.

*"With the actual tension between the OECD and BRICS, especially America with BRICS, it will certainly be an obstacle for Indonesia to enter the OECD. So that means that when Indonesia decided to join BRICS, it had already anticipated the impact of not entering the OECD"* (Diah, 2025)

The statement certainly did not come without reason. There are at least several reasons that could cause Indonesia's accession to the OECD to fail, namely the dedollarisation efforts by BRICS members, the assumption that Indonesia is more pro-revolutionary than the status quo, and the assumption that Indonesia is not very important, which can be seen when president Prabowo came to the United States, Trump did not meet [Prabowo] directly (BBC News, 2025). In fact, regarding the issue of dedollarisation, Trump threatened to impose a 100 percent tariff on BRICS members if the dedollarisation policy was actually implemented.

*"We are demanding a commitment from these countries that they will not create a new BRICS currency or support another currency to replace the US dollar. Or they will face 100 percent tariffs and have to say goodbye to selling to the wonderful US economy"* (Nugroho, 2024)

The situation above shows the rivalry between the US which has been a symbol of the western bloc as well as an important part of the OECD and BRICS which is considered a representation of the eastern bloc. Indonesia's joining BRICS, in this context, is related to the second reason related to Indonesia's

tendency towards the eastern bloc. This bias is feared by many parties to be able to disrupt Indonesia's accession process to the OECD. Although Indonesia may argue that they stand on neutral grounds, in the sense of establishing a balanced relationship with the west, this still does not hide the fact that Indonesia is part of BRICS, so the extent to which Indonesia's maneuvers within it can have an impact on the OECD's assessment of Indonesia.

A similar opinion was also expressed by the Executive Director of the Center of Economic and Law Studies (Celios) Bhima Yudhistira who said that if Indonesia officially becomes a member of BRICS, then it will further emphasize Indonesia's dependence on China. He explained that even without BRICS, in terms of Indonesian investment and trade, China's portion is already very large, where Indonesia's imports from China have jumped 112.6% in the last 9 years, from US\$29.2 billion in 2015 to US\$62.1 billion in 2023 (Simanjuntak, 2025). The import figure represents 29% of the total import data. Meanwhile, Indonesia's imports from the US are below China, which is 11.3 billion USD or only around 5.2% of the total value of Indonesia's imports (Tradingeconomics, 2023). Then, investment from China jumped 11 times in the same period. Indonesia is also recorded as the largest recipient of Belt and Road Initiative (BRI) loans compared to other countries in 2023 (Simanjuntak, 2025). In the investment sector, the realization of foreign investment in Indonesia in 2024 by China reached 8.1 billion USD. While the realization of investment from the US was only 3.6 billion USD (Central Statistics Agency, 2023).

The data above shows that there is a tendency for Indonesia to become more dependent on China than the US. While precarious, the tendency could potentially hinder the accession to the OECD. Meanwhile, the United States is one of the 20 founding member countries that signed the OECD Convention in 1960 (OECD, n.d.). In fact, by 2025 in part I, the US became the main and largest contributor to the OECD, reaching 18.1% (OECD, 2024b). In other words, the US, both as a founder and as a main contributor to the OECD, certainly has a large role and influence in every policy-making process in it. Therefore, Indonesia's tendency towards China and BRICS is a crucial issue that may have an impact on the ease of Indonesia's accession process to the OECD.

Despite being considered as an opponent of the OECD, Indonesian Minister of Foreign Affairs Sugiono stated that BRICS is not at odds with the OECD.

*"There is nothing contradictory between the OECD and BRICS, that was also conveyed by the OECD. Each continues to respect the rules and laws that apply in Indonesia,"* (Febiola & Hantoro, 2024)

In addition, the Minister of Foreign Affairs also said that the OECD Secretary General had just met with President Prabowo to discuss Indonesia's

commitment to the OECD (Febiola & Hantoro, 2024). On another occasion, International Law Observer Hikmahanto Juwana assessed that Indonesia's joining as a full member of BRICS is a positive thing. According to his statement, Indonesia will have other alternatives for international cooperation amidst the dominance of Western countries such as the United States (US) (Mahardhika & Pratama, 2025).

*"If we join BRICS, the idea is that Indonesia will have another alternative. That the world economy is not only determined by Western countries such as the United States and Europe"* (Mahardhika & Pratama, 2025)

Debates above show the pros and cons of Indonesia's membership in BRICS which can have an impact on Indonesia's accession process to the OECD. On the other hand, it is said that there is a tendency for Indonesia to side more with China. While the US is an important actor in the OECD. In addition, the US is involved in an increasingly heated trade war, which of course can be risky for Indonesia's relationship with the US if Indonesia is considered to be more inclined to China. On the other hand, the discussion above also encourages Indonesia not to depend on and surrender to western domination. This can be a momentum for Indonesia to choose an alternative that is considered more profitable and not under western domination. The accession process is still ongoing, so it is necessary to pay more attention to the development of the accession process.

## CONCLUSION

The Indonesian government has undertaken development initiatives to prepare for accession to the OECD. The Government of Indonesia has boosted its economy by setting seven priorities in the Government's Work Plan (RKP) by 2024. To increase the competitiveness of Indonesia's human resources, the government has improved access to education and inter-island connections. However, considering that Indonesia's national income still lags behind other industrialised nations in the OECD, these measures must be intensified even further. To achieve the Indonesian Emas of 2045, governments need to increase superior human resources and establish additional regulatory frameworks that facilitate access to cross-border commerce.

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