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The editorial board of Global South Review would like to express our utmost gratitude to all the peer reviewers that participated in this edition's articles review process.

Editor's Note

Mohtar Mas'oed
Suci Lestari Yuana

Welcome to the latest issue of the *Global South Review*. This edition offers a compelling collection of articles that explore critical and interrelated themes affecting the Global South. The featured papers provide in-depth analyses of technological, socio-economic, and geopolitical issues, emphasizing the complex interplay between local realities and global dynamics.

Our first article, "Shifting from 'AI Solutions' to 'AI Coloniality': Resignification of Artificial Intelligence and Digital Apartheid" by Muhd Rafli Ramadhan Warganegara, brings to light the politicization of Artificial Intelligence (AI) in the Global South. Warganegara argues that AI, once perceived as a neutral tool, now embodies biases that reflect and perpetuate existing power dynamics and inequalities. This transformation towards AI colonialism is particularly pronounced in Sub-Saharan Africa, where AI-driven technologies exacerbate racial segregation and social inequalities, leading to what the author terms "Digital Apartheid." This article calls for urgent discussions on digital and AI ethics, emphasizing the need for regulatory frameworks to prevent profit-driven misuse of AI and ensure equitable technological development. The critical takeaway here is the recognition of AI not merely as a technological tool but as a socio-political entity that can reinforce or disrupt existing hierarchies.

In "Stakeholders Alignment in CSR Implementation in Southeast Asian Agro-industry," Nabila Talitha Sani, Rakyan Sekar Kinanti Mutiara, and Kevin Rendra Pratama address the misalignment of Corporate Social Responsibility (CSR) programs by multinational corporations in Southeast Asia. Through the lens of Stakeholder Theory, the authors highlight the disconnect between corporate CSR initiatives and the actual needs of local communities. This misalignment is often driven by limited consumer literacy and the political and commercial branding efforts within ASEAN. The key takeaway from this study is the necessity for corporations to better align their CSR strategies with the specific needs and contexts of the communities they serve, ensuring that CSR initiatives are genuinely beneficial rather than superficially aligned with corporate interests.

Priagung Arif Budi Wibawa, Rivelda P. Heatubun, I Gede Wahyu Widnyana, and Yusril Ihza Mahendra's article, "Navigating the Pacific: Solomon Islands Attempt to Gain Influence in the Middle of China-US Rivalry," provides a geopolitical perspective on the Solomon Islands' strategic decisions amidst the intensifying China-US rivalry. The authors explore how the Solomon Islands leverages its geopolitical significance to balance relations between these two great powers. The study reveals that the Solomon Islands' strategic maneuvers are informed by both intrinsic and derivative power, offering a nuanced understanding of how small states can navigate international tensions to their advantage. The overarching theme here is the strategic agency of small states in global geopolitics, which can lead to mutually beneficial relationships even amidst great power rivalries.

Carlos David Zavarce Velasquez's "Understanding South-South Cooperation: A Comparative Analysis with North-South Cooperation Approaches" revisits the ideological and political foundations of South-South Cooperation. The paper contrasts this with North-South Cooperation, highlighting the unique ideological, institutional, and strategic dimensions that characterize South-South initiatives. The comparative analysis underscores the diversity and strategic autonomy of Global South countries in shaping their developmental trajectories. The key takeaway is the importance of understanding the distinct dynamics and potentials of South-South Cooperation as a vital instrument for sustainable development and geopolitical solidarity within the Global South.

Lastly, Rizki Faisal Ali's "Telkom Indonesia's Strategy for Business Expansion in the Global Market in the Digital Era" examines the challenges and opportunities faced by PT. Telekomunikasi Indonesia (Telkom) in the context of rapid digital transformation. The analysis emphasizes the need for Telkom to adapt its strategies to navigate the complex interplay of globalization, technological advancements, and regulatory environments. The article proposes strategic approaches for Telkom to strengthen its domestic market position while expanding globally. The overarching lesson here is the necessity for state-owned enterprises in the Global South to innovate and adapt in response to global digital trends while maintaining their foundational roles in national development.

Collectively, these articles underscore the interdependencies between technology, corporate strategies, geopolitical maneuvers, and cooperative frameworks in the Global South. They highlight the need for nuanced, context-specific approaches to address the challenges and harness the opportunities that arise within these interconnected spheres. As always, we aim to provide a platform for diverse voices and perspectives, fostering informed dialogue and promoting a deeper understanding of the Global South's unique challenges and contributions to the global landscape.

Sincerely,

Mohtar Mas'oed – Editor in Chief
Suci Lestari Yuana – Managing Editor

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Shifting from 'AI Solutions' to 'AI Coloniality': Resignification of Artificial Intelligence and Digital Apartheid

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The study explores the evolving role of Artificial Intelligence (AI) beyond its perceived neutrality, delving into its politicization particularly in the Global South's digitalization context. It argues that once seen as a neutral problem-solving tool, AI has transformed into a politically charged entity, embodying biases rooted in its creation and training processes. This transformation marks a shift towards AI colonialism, where corporate interests intertwine with extensive data extraction practices, raising concerns about extractive colonial power dynamics. The discourse of AI colonialism underscores the interdependence of AI, corporate interests, and the extraction of meaning, prompting a re-evaluation of regulatory frameworks to mitigate profit-driven activities. Furthermore, the article examines how AI's intersection with data extraction facilitates societal surveillance, leading to Digital Apartheid in Sub-Saharan Africa—a manifestation of racial capitalism in the digital age. This Digital Apartheid perpetuates social segregation based on race through AI-driven technologies, exacerbating biases that disproportionately affect people of color. The article advocates for open discussions on digital and AI ethics to address these challenges to counteract racial discrimination and foster a more inclusive and equitable technological landscape. Overall, the abstract highlights the complex socio-political dimensions of AI, urging for proactive measures to mitigate its negative impacts and ensure fair and just technological development.

Keywords: *artificial intelligence; AI coloniality; digital apartheid; racial capitalism*

Introduction

Artificial Intelligence, commonly known as AI, has become a powerful tool in solving socio-political issues, especially in boosting economic growth, eliminating poverty, and transforming government bureaucracy (Forbes Technology Council, 2019). It has emerged as a promising solution, called the 'art of government', to achieve sustainable development, particularly in countries that rely on the informal sector and gig economy. According to McKinsey & Company's report (2023), AI refers to a machine's cognitive capability to perform tasks typically associated with human intelligence, such as problem-solving, learning, reasoning, perceiving, interacting with the environment, and even demonstrating creativity. Companies that implement AI can enhance their efficiency and profitability. The rise of AI adoption in the financial technology industry, regulatory sandboxes, and start-up companies is considered a panacea for various social problems, promising innovation to tackle complex social, economic, and political challenges (McKinsey & Company, 2023). Nevertheless, the discourse on AI's technological advancement offers a comprehensive framework of 'AI Solutions', which often leads to a shifting view towards 'AI Coloniality', where its potential problematic effects overshadow the promises of AI's utopian ideals in the recent decade.

According to Subex (2023), AI Solutions is a terminology of utilizing Artificial Intelligence through deep Machine Learning and translating it into real cases and problems. It executes the real problems humans face, which are straightforward to society as a problem-solving mechanism.

Nelson Maldonado-Torres (2007) emphasizes that coloniality differs from colonialism in terms of its operationalization, but it has the same power influence that controls certain people and regions in the world. Coloniality is an emerging power structure resulting from colonial legacy, which operates beyond colonial administration. In the era of imperialism and neoliberalism, coloniality is perpetuated by culture, labor, power, knowledge production, and technology (Maldano-Torres, 2007, as cited in Ndlovu-Gatsheni, 2015). Knowledge production is crucial in maintaining colonial legacies, especially in digitization and technological advancements, which uphold businesses' power in different countries. Giant technology companies like Facebook, HSBC, and Google mainly use AI to extract data over what they perceive as a development 'trusteeship' of technology in Africa, which needs further revision (Birhane, 2023). Campaigns like *'Connecting the Unconnecte*d' by Facebook, *'Building a Future on Bytes and Boxe*s' by HSBC, and *'Equiano*' by Google, named after a Nigerian boy named Olaudah Equiano, highlight the problematic aspects of AI usage (Broussard, 2018).

The concept of freeing individuals from the enduring effects of colonialism and enslavement has led to a new perspective on knowledge creation. The fusion of human rights and technology has become integral to promoting pro-market strategies, but it has been at the cost of authentic human rights. One illustration of this is the emergence of Bretton Woods Institutions and the rise of post-Washington Consensus eta, where human rights become a mainstream policy in good governance, including the World Bank, the IMF, OECD, and the UN (Whyte, 2019). Consequently, the idea of AI serving as a panacea for societal challenges has lost significance, resulting in heightened social strife, monopolistic markets, and disparities due to this mainstreaming human rights policy. This has led to questioning the positionality of ethics and its possible narrative critically.

This article aims to explore the nexus between AI, colonialism, and Digital Apartheid and answer two significant questions: (1) What does the shift in meaning from 'AI Solutions' to 'AI Coloniality' signify in the context of digitization, and how can we comprehend it in light of data extraction in Africa? (2) Why does data extraction perpetuate 'AI Coloniality' and create a discourse of Digital Apartheid under capitalism's mode of production in Africa? The study argues that data extraction intensifies the shifting attitude towards AI in the digital realm, which maximizes profit over social welfare and neglects political consequences and public governance within the state. In the context of AI colonialism, corporate tech monopolies, including FinTech, start-up companies, and regulatory sandboxes, often engage in the discourse of data extraction. The pattern of corporate data extraction became a source of conquest, inventing a legal framework to perpetuate, legitimize, and justify inequalities within the Global South and post-colonial countries. In addition, the notion of 'AI Solutions' utilizes a racial argument as a racial control in several regions, shaping the 'norm' surveilling civil society's behavior within states, known as the Digital Apartheid. Digital Apartheid is a relatively new terminology in this research where the colonial legacy as a form of power perpetuates within the era of digitalization and the emergence of emergency in the 21st century.

This article delves into the historical context of AI solutions concerning capitalism. It critically analyzes the prevalent discourse on data extraction, which falsely represents human capital as natural. The article argues that the shift from 'solving with' to 'colonizing with' AI has resulted in data being used as a form of colonial subjugation, leading to Digital Apartheid. While the article acknowledges the importance of technological advancements and government capacity, it also presents a broader epistemological debate on the socio-political trajectory of technology. The primary concern is not the development of AI itself but rather the extractive business model of neoliberal capitalism, which bears similarities to the colonial era before 1945. The article employs an intersectional critical political economy framework that draws from Marxist, post-colonial, and post-structural theorists to present a comprehensive understanding.

Methodology

This study employed a qualitative methodology to examine the shifting attitudes toward Artificial Intelligence in social and political spheres. Critical Discourse Analysis (CDA) was used to supplement the analysis of the AI narrative presented by major technology corporations in the Global South. The study contrasts the discourse of AI as a positive force for society with the effects of colonialism, resulting in a shift in attitudes towards technology. Fairclough notes that CDA challenges established social order by utilizing normative and semiotic traditions from the social sciences (Schiffrin & Tannen, 2001). The research relied on secondary sources, including journal articles, websites, historical records, newspapers, online and digital campaigns, and data from multinational corporations and international governmental organizations. The primary purpose of utilizing the critical discourse analysis tradition was to demonstrate that technology has a political stance and is not neutral.

While it may be neutral as machinery and goods, it can be highly political when utilized by people for specific purposes, especially in the context of technology development in the Global South, as conveyed by big tech companies in the Global North. Overall, this study heavily focuses on the global context and offers a glimpse into Sub-Saharan Africa as a continent. The historical genealogy of colonialism and capitalism in Africa is well-suited to building an argument for AI Colonialism and Digital Apartheid in the context of the knowledge production narrative in the Global North. It provides a holistic understanding that online campaigns are part of political tools used to maximize profit in the context of the technology business ecosystem. It also directs the discourse of the political economy of platforms and AI.

The Trajectories of Artificial Intelligence (AI)

In today's increasingly interconnected world, Artificial Intelligence (AI) has become a vital tool for addressing various challenges across various sectors. Its ability to improve society without political bias makes it valuable in tackling issues such as education, healthcare, finance, and governance (Forbes Technology Council, 2019). According to Dr. Thomas Ferretti (2023), *The Ethics and Politics of Artificial Intelligence*, AI is a neutral form of knowledge focused on specific skills rather than political agendas.

"*Because technology like artificial intelligence (AI) and machine learning (ML) can be understood as the knowledge of specific techniques, skills, and know-how, this perspective has led many to perceive technology itself is neutral: only the way we decide to use it in society determines whether it has good or bad effects...*"
(Ferretti, 2023).

However, while AI technology holds immense potential for utilization by individuals, corporations, and international entities, its practical implementation in the real world has sparked a contentious debate within the field. As one of the most influential players in the tech industry, Google has been actively advocating for the use of AI to accelerate global development goals in underdeveloped regions of the world, particularly the Global South (Manyika, 2022). With this in mind, Google established the Google AI Centre in Ghana, aiming to address a long-standing issue that threatens the country's food security and overall safety: the timely detection and containment of potential disease outbreaks (Manyika, 2022).

The exponential growth of Meta AI in developing Machine Learning (ML) technology has also proliferated by 2.4 times globally in the last two years, from 2019 to 2021 (Gupta et al., 2020). This growth is not limited to Google alone. Additionally, the amount of generated data increases, reaching the exabyte scale or an extraordinarily large unit of data (Wu et al., 2021). While these developments are considered neutral tools, they undoubtedly have specific intentions and impacts on society and environmental issues. Big technology corporations have a trusteeship to build sustainable development agendas, but this can become a tricky tool for appointed states, especially with narratives such *as "developing the undeveloped," "con-*

necting the unconnected," and *"banking the unbanked*" (Broussard, 2018). These narratives are significant justifications for profit maximization and market monopolization in the Sub-Saharan Africa continent, where Silicon Valley powerhouses such as Facebook, Google, and Netflix dominate nearly all of Africa's digital ecosystem, threatening the local market economy of platforms (Kwet, 2019a).

Relationship of Racial Capitalism and Coloniality Power in AI

The interconnectedness of colonialism, capitalism, and data extraction relies on the concept of racialism as a "legacy" of colonialism and an imaginary line between the Orient and the Occident (Said, 1978). According to Arun Kundnani (2023), the origins of modern capitalism predate the existence of pre-capitalist societies, and capitalists use racialized arguments to weaken social ties and contracts in working-class communities. Ellen Meiksins Wood (2017) supports this view and argues that racialism serves the interests of capitalists in wealth accumulation in all social contexts while shifting attention away from the fundamental problem of working-class and capitalist relationships, which are characterized by fragmentation and displacement. For Wood, racialism works best under the capitalistic mode of production where exploitation does not occur in the social status. However, it works closely under political-economic relations through the market (Wood, 2017). Racialism also divides the working class and the capitalists, making it harder to recognize the legacy of violence, slavery, wealth accumulation, and capitalism. Cedric Robinson, who actively opposed racial discrimination within the capitalistic superstructure from California to South Africa (Kundnani, 2023), retained the idea of combining racialism and capitalism.

Cedric Robinson introduces the concept of "racial capitalism," a prevalent terminology between two intertwined units: racialism and capitalism. He argues that all forms of capitalism are racial capitalism, always relying on racialized arguments, regardless of how capitalism operates (Robinson, 2019). In his book *Black Capitalism,* Robinson uses the word "Black" not only to refer to skin color or a distinct race but also as a discourse of solidarity, meaning that all people have the same politics and political fate in every country, including African, Afro-Caribbean, and Asian people (Robinson, 2019). It is a shifting discourse where "Black" is a form of political liberation for all alienated people of color. So, how can we understand racial capitalism as part of coloniality? For Robinson, racial capitalism is an inseparable social system and structure that perpetuates the existing power relations between racialism and capitalism, not stopping the pre-capitalist social structure of apartheid and racial slavery. According to him, the origins of this issue are intertwined with European racism or "racialism," a phenomenon that existed before the emergence of capitalism, colonialism, and the slave trade. This issue permeates the fundamental structures of Western culture, which posits a "racial calculus" that has been perpetuated and elaborated upon by successive European ruling powers and propagandists, both secular and clerical, dating back to the twelfth century at the very least (Robinson, 2019).

AI colonialism uses the same logic of colonial power as the architecture of digitalization and technological advancement, which is thoroughly embedded within the concept of racial capitalism. As Michael Kwet (2019a) exemplifies, digital colonialism aims to maximize profits through big technology companies that exert their power in the Global South. Surveillance capabilities and data accumulation have opened coloniality in the digital era, such as using data software, computational infrastructure, cloud computing, and Artificial Intelligence (Kwet, 2019a). The main difference between classic and AI colonialism is their required raw material. Data is a novel type of raw material in the digital era and functions as a consequential commodity in the world of technology for expanding the business model of big technology companies. Google and Facebook, along with their rivals Alibaba and Tencent, use their customers' data as a political tool to combine their use and exchange values (Kwet, 2019a). These functions can generate personalized ads and track the behavior of their customers, which could lead to the idea of racial surveillance and digital apartheid.

From Fetishizing AI to Colonizing AI

The widespread impact of AI on various sectors has sparked a socio-political debate about its role in society. Some express concern that AI may be over-hyped and mystified. While AI has undoubtedly brought advancements and solutions in the digital space, there is a risk of society placing too much trust in this intangible asset that relies on Big Data and Cloud Computing (Feretti, 2023). This trust and legitimization come from various stakeholders, including national and international entities, and the power dynamics between big tech companies and government authorities. To address these concerns, Digital Switzerland (Eichensehr, 2019) has emerged as a popular idea in the technology ecosystem and government policies, emphasizing the need for cooperation between corporations and government. It's worth noting that big tech companies are not opposed to the idea of digital governance. They view AI as a neutral tool without any political leanings in its implementation (Eichensehr, 2019).

Although the idea of Digital Switzerland as a means of improving AI technology is a popular topic, it must be recognized that this discussion is highly political and involves various power relations and interpretations. The choice of Switzerland as a comparison word within the digitalization of AI is reasonable, as many neutral international organizations have headquarters in Geneva. However, it is important to note that Switzerland's image as a neutral country does not apply to the historical political economy and establishment of market-driven capitalism (Singh, 1977). Switzerland has a pro-market-driven policy of neoliberalism that aligns with the AI business models of big technology corporations. Neoliberalism was first introduced by the Mont Pelerin Society in 1948 in Switzerland, and it reflects the birth of market-driven policy in the genealogy of capitalism (Whyte, 2019). This approach minimizes government authorities and regulations of businesses, and it has allowed U.S. big technology companies, such as Facebook, Apple, Microsoft, and Google, to exert power relations vis-à-vis government policies. These companies have over 1.47 billion daily active users worldwide, making them a significant force in the AI technology-based business landscape (Wu et al., 2021).

Second, the big technology companies are not impartial and politically neutral without any intentions. All the Silicon Valley corporations join in products downstream in Global Value Chains (GVCs) and Global Production Networks (GPNs), where they have all headquarters back in the United States (Birhane, 2023). Although Google built a Google AI Centre in Accra, Ghana, as a retrieving tool for urban planning development, such as mapping buildings, forecasting floods, predicting locusts, and enhancing education, all the AI implementation and the knowledge production of AI have come from the United States which emerge to be a new form of colonialism: data extraction and surveillance (Nelson & Walcott-Bryant, 2023). The concept of AI reappropriation involves merging the extractive practices of capitalism from colonialism's past with the abstract notions of use and exchange value in AI and data. Despite discussions surrounding AI coloniality, it remains impossible to disregard the truth behind extractive data mining and its role in generating profits. Therefore, data can be considered a new form of raw material and commodity that exists both abstractly and concretely.

Subjectification of Data in AI Coloniality

Data is a vital commodity in AI technology, much like oil in our society's digital architecture and data processing practices. However, AI coloniality arises from the normalization of resource extraction and the shifting meaning of data (Birhane, 2023). There are two arguments to consider when discussing data as a part of colonial subjectivity and digital commodity extraction by big tech companies. Firstly, civil society unconsciously shares its data daily, creating a narrative of trusteeship towards consumers and users. This promotes a colonial mindset of primitive accumulation that prioritizes data for profit-driven purposes and fast-tracks economic growth on national and international levels. Secondly, corporations harness individual data owners to advance their AI technology, resulting in power dynamics within society and the political economy order (Birhane, 2023). This process, known as accumulation by dispossession, allows companies to accumulate data to enhance their AI capabilities while society and individual users remain unaware of exploitation. It is crucial to understand that data is not merely an intangible concept or a vague metric but an ongoing discourse that fuels power dynamics within our society.

Second, data extraction can lead to a new form of colonialism in everyday life, creating a new social knowledge production within the age of AI technology. As Nick Couldry and Ulises A. Mejias (2019) confirm, this phenomenon generates a new social relation within the political order, processing raw data inputs to create new economic value. Even before the widespread use of AI technology, data has always been closely related to social life, as Bruce Scheiner (2015) pointed out, meaning the politicization of data has already emerged within the social structure. Big technology corporations use individual data to track their consumer's behavior and personalize recommendations that appear to be a natural fit. However, this process creates 'data doubles' where digital duplication of an individual's life happens and spreads across multi-platform information systems (Jones, 2018).

In South Africa, the use of Smart Networks Camera for civil society surveillance perpetuates the Digital Apartheid, fueled by racial tensions within capitalism, particularly in a region marked by a long and painful history of apartheid. This is an illustration of AI coloniality. The Smart Network Camera that manifests as a CCTV Surveillance is a product manufactured by Vumacam Ltd. that was originally used to combat crime in residential neighborhoods. However, over time, the technology has translated into acts of racism in South Africa and generated the concept of digital apartheid.

Racial Surveillance as a Manifestation of Digital Apartheid

Digital apartheid, distinct from conventional apartheid legislation, manifests as a nuanced power dynamic between capitalists and consumers, potentially fostering structural and cultural violence and perpetuating racial discord. Its historical antecedents, not exclusive to Sub-Saharan Africa but notably apparent during the 19th-century British occupation of the Boer States in South Africa, were characterized by social segregation grounded in racial parameters (Beinart & Dubow, 1995). Maurice Evan's seminal work in 1916, "Black and White in South East Africa," significantly shaped racial segregation by categorizing individuals based on skin color into 'Black' or 'White.' Evan's delineation of three principles—asserting white dominance, parliamentary compliance with policy decisions, and race-based separation—served to perpetuate racism in Sub-Saharan Africa, deeply embedding racial separatism in the social structure (Evans, 1916). This ideology, fracturing the social contract and capitalizing on economic value, has left an enduring legacy even after the official termination of apartheid legislation in South Africa in 1994 (Beinart & Dubow, 1995).

Questions arise regarding the extent to which the cessation of apartheid legislation corresponds to the eradication of its form institutionally or if social segregation persists due to the enduring legacy of colonial power and global capitalism. The emergence of digital apartheid as a contemporary form of colonial power engages scholars such as Michael Kwet, a theorist in technology colonialism, along with journalists Karen Hao and Heidi Swart. Despite the formal abolition of apartheid, persistent power imbalances influence negotiations between capitalists and consumers. Major technology corporations utilizing Artificial Intelligence (AI) and data processing systems are construed as contemporary colonizers, contributing to a novel colonial world order in the Global South (Kwet, 2019c). The ascendancy of non-state actors, notably national or multinational corporations, in shaping global society is increasingly conspicuous. Empirical evidence of digital apartheid in South Africa is discernible through the deployment of Smart network cameras (CCTV), exemplified by Vumacam, for societal surveillance in locales such as Parkhurst and Soweto (Kwet, 2019c). In the post-apartheid era, South Africa has sought justice, crime mitigation, and residential safety, with intelligent camera surveillance systems emerging as a salient solution. Corporations like Vumacam offer comprehensive services, encompassing state-of-the-art hardware, fiber internet cable installation, data storage, and video management analytics software tailored to the evolving needs of their discerning clientele:

"Smart CCTV surveillance, powered by AI, aims to solve this problem. Machine learning systems perform video analytics to recognize things in the video, such as objects or behaviors. With enough cameras, computers could intelligently "watch" the neighborhood and notify private security forces in real-time when the algorithm detects something it deems suspicious."
(Kwet, 2019c)

The corporation is executing a strategy to monopolize the industry in the country by introducing a comprehensive integration of intelligent network camera ecosystems. This initiative entails the replacement of antiquated neighborhood Closed-Circuit Television (CCTV) systems with state-of-the-art, Artificial Intelligence (AI)-driven cameras and fiber-optic internet cables. The amalgamation of intelligent cameras with fiber cables facilitates valuable data collection, contributing to the development of advanced AI technology stored in a centralized database. As Karen Hao and Heidi Swart reported in 2022, the company has already deployed more than six thousand of these intelligent cameras, predominantly concentrated in Johannesburg, specifically in Parkhurst and Soweto.

An investigation by iSentry unveiled 14 instances categorizing individuals as 'suspicious,' with 28 individuals identified for 'unusual behavior.' Strikingly, all these individuals shared the common characteristic of having black skin within a predominantly white residential neighborhood (Kwet, 2019c). However, subsequent inquiries established the innocence of these individuals, as their activities were routine, encompassing actions like regular walking, returning home from work, or engaging in construction work with associated equipment. Adding to these challenges, Beagle Watch, a private security entity operating within the Vumacam ecosystem, propagated a discriminatory campaign targeting potential 'beggars' and 'vagrants' (Hao & Swart, 2022). This initiative employed criteria such as facial hair, skin tone, scars, and tattoos for identification purposes. Notably, this biased campaign has been integrated into the Vumacam algorithm, unfairly singling out individuals with black skin as prone to engaging in suspicious activities. This insinuation perpetuates the stereotype that people of color are predisposed to criminal behavior, with artificial intelligence exacerbating these racial assumptions through its discriminatory algorithms and decision-making processes.

Furthermore, the racial stratification evident in Johannesburg is accentuated through the socioeconomic dynamics influenced by intelligent surveillance cameras. The Department of Statistics of South Africa (2019, in Kwet, 2019c) underscores the prevalent poverty in the country, disproportionately affecting the Black population. The subjectivity associated with varying skin tones and their correlation with social and economic standing becomes apparent when affluent White individuals equipped with intelligent cameras perpetuate prejudiced attitudes and stereotypes toward individuals of different racial backgrounds. This inadvertently highlights a semblance of the historic apartheid system, characterized by segregation and alienation based on skin color differences. However, this contemporary manifestation is veiled under communal security narratives, safeguarding the interests of the white population and the technology industry.

Conclusion

In conclusion, the role of Artificial Intelligence (AI) as an advanced technological tool extends beyond neutrality, evolving into inherently political entities. This evolution, particularly in the context of the digitalization of the Global South, imbues AI with multifaceted and politically charged meanings. The shift of AI from a neutral problem-solving tool to an instrument of colonization introduces biases within the socio-political sphere. These biases are rooted in AI's initial training and creation, raising concerns about the extractive colonial power dynamic mediated through extensive data collection practices. A nuanced examination of AI, corporate interests, and data extraction intertwines to form a discourse of AI colonialism. This discourse highlights the interdependence of AI, corporate interests, and the extraction of meaning, prompting a re-evaluation of the implications for regulating human activities often geared towards profit maximization.

Moreover, the intersection of data extraction and societal surveillance by AI catalyzes a critical examination of AI Coloniality, chiefly manifesting as a form of Digital Apartheid in Sub-Saharan Africa. This Digital Apartheid epitomizes the ramifications of racial capitalism in the digital era, perpetuating social segregation based on race through the utilization of AI-driven technologies. The acknowledged tendency for AI to exhibit biases reflective of its designers underscores its propensity to target people of color disproportionately. Addressing these concerns necessitates open discussions on digital and AI ethics to counteract racial discrimination and promote a more inclusive and equitable technological landscape.

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Stakeholders Alignment in CSR Implementation in Southeast Asian Agro-industry

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This article focuses on the broader misalignment of Corporate Social Responsibility (CSR) programs by multi-national corporations in Southeast Asia, particularly in the agricultural sector. It explains the likely causes of such impact through the lens of the Stakeholder Theory. The paper aims to illustrate how corporations present and strategize their CSR initiatives, emphasizing that the proposed solutions may only sometimes align with the actual needs of the recipients. Using Freeman's perspective/ This paper argues that an intrinsic disparity exists between the intentions and execution of CSR programs, particularly those initiated by multi-national companies, and the divergence of expectations between corporations acting as implementers and the recipients of these programs. Despite the clear articulation of these requests by most affected locals, multi-national corporations often need help to meet these demands. As a result, the lack of accessible information and limited consumer literacy, coupled with political and commercial branding by ASEAN, creates a conducive environment for CSR misalignments.

Keywords: *CSR; Southeast Asia; agriculture; stakeholder theory*

Introduction

In recent decades, there has been a noticeable trend where several multi-national companies (MNCs) have expanded their investments and business operations across diverse countries in the Global South, with a particular focus on Southeast Asia. Prior to the COVID-19 pandemic, ASEAN reported that its member states attracted a peak level of foreign direct investment (FDI), reaching US$182 billion in 2019. Although this figure experienced a significant decline to US$137 billion in 2020 due to the pandemic, the organization underscored that its global FDI share had increased from 11.9% in 2019 to 13.7% in 2020 (Association of Southeast Asian Nations, 2021). Significantly, a considerable rise in investments can be linked to the direct involvement of Fast Moving Consumer Goods (FMCG) companies in the region. These companies strategically anchor their supply chains in countries within the area. This investment not only involves the establishment of mills but also concerted efforts in the distribution and maintenance of their products. However, it is noteworthy that such practices have attracted criticism, as seen in the case of Unilever, which operates numerous factories heavily reliant on using palm oil.

With the increasing investments coming into the region, concerns about the sustainability and ethical practices of the incoming multi-national companies (MNCs) have also heightened, mainly for Southeast Asian countries directly impacted by the climate crisis. In 2019 alone, the reported displacement of 9.6 million individuals in Southeast and East Asia was attributed to climate-related issues such as cyclones, floods, and typhoons (McCoy & Soo-Chen, 2022). This not only poses an economic threat but also has the potential to be financially devastating. The Asian Development Bank (ADP) predicts that the crisis could lead to an 11 percent reduction in the region's GDP if left unaddressed. This is especially concerning for crucial sectors like agriculture, tourism, and fishing, which play a vital role in the region's economy and are directly susceptible to the impacts of climate-related challenges (Prakash, 2018).

In Southeast Asia, the awareness of environmental issues, and consequently Corporate Social Responsibility (CSR), is deeply rooted in diverse cultural influences that guide different countries in the region. The value of collectivism serves as a robust foundation for many Southeast Asian societies, enriched by the presence of local cultures and religions. The significance of philanthropy is notably emphasized as a core value in Buddhism, prevalent in countries near the Mekong River, like Vietnam, Thailand, Cambodia, and Laos. In Muslim-majority nations such as Indonesia and Malaysia, CSR is viewed as an extension of the practice of Zakat (donation). Additionally, the philanthropic efforts of the Catholic Church have played a vital role in fostering awareness about CSR in the Philippines (Asian Institute of Management, 2011).

The implication of such values is the creation of the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 by ASEAN, dedicated to enhancing the quality of life for ASEAN citizens and promoting sustainable development in the region (Association of Southeast Asian Nations, 2016). Additionally, domestic laws have been devised to govern corporate behavior, such as Indonesia's UU No.40 Article 74 of 2007, outlining corporate responsibility for environmental management.

This commitment is observable in numerous multi-national companies operating in the Fast-Moving Consumer Goods (FMCG) sector, including Unilever, Procter & Gamble, and Nestle. These companies regularly publish annual reports to transparently showcase their endeavors toward sustainable development in diverse communities while expanding their operations. Examples include Procter & Gamble's Yearly Citizenship Reports and the Annual Sustainability reports of Unilever and Nestle, which are accessible online for public scrutiny and are usually aligned with the achievement of Sustainable

Development Goals (SDGs), aiming to uplift communities and contribute consistently to environmental well-being (Unilever, 2023). Consequently, the initiatives undertaken by these companies have garnered acclaim and recognition from various stakeholders, earning them multiple awards.

Nevertheless, it is essential to recognize that the Corporate Social Responsibility (CSR) programs implemented by these companies have yet to consistently achieve comprehensive success in promoting sustainable development for various stakeholders, particularly those in the agricultural sectors.

Due to that, this article argues that an intrinsic disparity exists between the intentions and execution of Corporate Social Responsibility (CSR) programs, particularly those initiated by corporations, especially multi-national ones. The paper aims to illustrate and shed light on how corporations present and strategize their CSR initiatives, emphasizing that the proposed solutions may only sometimes align with the actual needs of the recipients. It is crucial to note that this argument does not imply that CSR is entirely ineffective; instead, it suggests that corporations may perceive the challenges the local population faces differently.

Prior articles addressing CSR implementation shortcomings have pointed out failures in empowerment efforts by different corporations (Adi & Mufidah, 2018; Sindhutomo, 2018). However, these articles have not analyzed the structural reasons behind implementation failures. This article aims to address this research gap by focusing on the broader failure of CSR programs by multi-national corporations in Southeast Asia, particularly in the agricultural sector, and offering an explanation for the likely causes of such failures through the lens of the Stakeholder Theory.

Stakeholder Theory

In order to evaluate the private sector's interest in and performance from executing its CSR activities, this study uses Freeman's viewpoint on the Stakeholder theory. According to the Stakeholder Theory, actors who are impacted by a company's operations in any way are considered stakeholders in corporate social responsibility (CSR) (Miloud, 2014). The fundamental tenet of the stakeholder theory proposes that a company's capacity to balance its stakeholders' diverse interests determines its success and sustainability. Stakeholder theory, on its attributes, is a subset of normative theory, which considers descriptive dimensions. This view opposes the idea that morality and financial interests are distinct, even if stakeholders in an organization are crucial to the process of designing its strategy (Castelo et al., 2007).

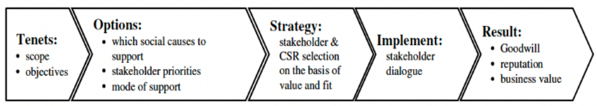
Freeman assumes that stakeholders are necessary for the firm to exist; therefore, the corporation considers their approval when conducting business (Freeman, 1984; Gariga, 2004). This idea places a strong emphasis on a network of engagement, contending that an organization such as a firm should benefit all of its stakeholders, including creditors, shareholders, customers, suppliers, the government, and the general public, in addition to operating for its profit (Castelo et al., 2007).

When it comes to researching the responsibilities of an organization, there are two primary schools of thinking. From a corporate social responsibility perspective, Redman contends that organizations should engage in social issues in addition to business ethics (Castelo et al., 2007). However, from a liberal perspective, the company's primary goal is to generate money for its owners. Nevertheless, improving the business and its relationships with the environment—or, in this case, the public—is the fundamental goal of implementing CSR (Castelo et al., 2007). In turn, CSR programs that are successfully framed to have a good relationship with the environment and the public would result in society's endorsements and approval of the company's production operations since it portrays the company's success in being responsible and active compensation to the stakeholders impacted, even if it may not necessarily address the most alarming problem caused by company's production process (Castelo et al., 2007).

The CSR process consists of two stages: (1) establishing the strategic direction and (2) putting it into practice within the organization (Child & Marcoux, 1999). The organization's goals and values will be heavily considered in the first phase, resulting in the creation of a prioritized list that is filtered according to the stakeholders and values of the CSR project (Child & Marcoux, 1999). However, while management remains in charge, the second phase gives project managers more room to share control over the technical aspects of the project. At this point, as the scope expands to include implementation, the definition of stakeholders gets broader (Child & Marcoux, 1999).

The purpose of this phase one to phase two transition is not to suggest that management or the organization's original stakeholders have a significantly reduced capacity to control the scope and value of a company's corporate social responsibility project. From the standpoint of technical project management, it is, nevertheless, subject to change. As a result, there will inevitably be compromises and limitations during the process (Naik & Chetty, 2022). On its practical implementation, compromises of initial metrics due to broadening external stakeholder involvement in CSR appear in possible logistical barriers, legal support, and public disapproval. The stakeholder theory, which describes how stakeholders' perspectives dominate statistical techniques or qualitative observations throughout problem definition processes, may also be helpful in the design process (Naik & Chetty, 2022).

Figure 1. CSR and Stakeholder Engagement Process



Using the stakeholder model concept by Freeman, implementing corporate social responsibility (CSR) aims to achieve a synergistic effect between strategic planning and investment project improvement, given that the stakeholders who are critical to the company's sustainability have differing interests (Miloud, 2014). According to Freeman, safeguarding the interests of clients, staff members, and the community increases stakeholders' long-term wealth (Miloud, 2014). Organizations understand the importance of maintaining strong relationships to achieve the goal of "balancing" the interests of stakeholders and the production of high-quality CSR results. The universality and cultural benefits of CSR are the main topics of discussion in the academic community, starting in 1991, implied by Archie Caroll's design of the CSR pyramid to reveal major building blocks that companies use to be responsible in targeted areas (Miloud, 2014). Numerous barriers exist to achieving CSR, especially in developing nations where institutions, norms, and procedures are often comparatively "weak" (Miloud, 2014).

According to the theory, a weak system plays a role as an enabler of unchecked stakeholder behavior in the design, implementation, and result assessment process, in which the state's legislation governing the obligation of CSR and all of its processes fail to enforce strict measures and provide clear guidelines (Miloud, 2014). Due to this reason, the ability of the public to engage in a reputation-building effect towards corporate stakeholders and the perception of appropriateness held by corporate stakeholders have become crucial factors in determining the ultimate power of CSR creation. This context in the theory becomes increasingly relevant to be applied to the case of the Southeast Asian CSR system due to the avid involvement of significant economic players like the MNCs and the lack of a governing system and legislation on CSR ethics and success definition (Miloud, 2014).

The implementation of the stakeholder theory to explain this paper's case study of Unilever, Nestle, and PT. Asam Jawa's tendency to deliver CSR that fulfills corporate needs that are not aligned with the interest of the local stakeholders impacted by the corporation's production operational processes is captured in several ways. First, defining what constitutes a successful CSR and its metrics strictly depends on the perception of appropriateness. In this case, they are training programs for farmers and creating integrated farming land that would benefit those companies in gaining societal endorsements more than local stakeholders' interests.

Second, the implementation of its strategy to claim that its CSR programs are most aligned with local stakeholder's interests, even if it brought in some extent of benefits for the local farmers, has not addressed the most significant issue caused by those companies' production process, which is in line with the stakeholder theory that addresses power dynamics between multiple stakeholders in the implementation processes. This has resulted in more adherence to the corporation's purpose to tailor CSR to benefit local stakeholders and bring more advantages to the company's production process and reputation. These points will be further assessed in the discussion segments of this paper, including how a weak legal system enables such practices of CSR to prevail.

Focus of Assessment: Agro CSR in Southeast Asia

While implementing Corporate Social Responsibility has been a topic of research that has been thoroughly researched in most developed states, it has to be noted that there seems to be a lack of urgency in Southeast Asian Nations to strengthen their legal capability (Asian Institute of Management, 2011). Linking back to what had been established above, this becomes problematic when we observe the increasing amount of investment and expansion that had been happening, as well as how much resources the multi-national companies had been extracting from the region.

There has been an observable trend wherein the countries in the developed world have deindustrialized while the developing states are still industrializing. This is evidenced by the United Kingdom's ongoing manufacturing downturn caused by a lack of overseas demand for their products (Binns, 2023), while the manufacturing industry in most Southeast nations is going strong.

The rationale behind this trend is the significant role of the agricultural sector in the region. Estimates indicate that the combined value of farming, fisheries, and forestry imports by ASEAN from the global market has risen substantially, increasing from US$112.5 billion in 2015 to US$179.3 billion in 2021 (Australian Government Department of Agriculture, Fisheries, and Forestry, 2023). This is particularly notable in palm oil production, with Malaysia and Indonesia contributing 90% of the world's palm oil exports between 2019 and 2021 (Camarero & Camarero, 2023).

However, the existence of this agro-industry supply chain, particularly in the palm oil sector, is entangled with controversy. Numerous reports have shed light on social and environmental issues linked to plantations that have served as longstanding suppliers to Fast Moving Consumer Goods (FMCGs) in Southeast Asia, dating back to the 2000s. These issues encompass the acquisition of lands in Borneo, Indonesia, without the informed consent of the native Dayak Hibun community (Jong, 2021), as well as the mistreatment of migrant workers in Malaysia (Swissinfo, 2019). Similarly, concerns extend to the problem of deforestation in the protected Rawa Singkil Wildlife Reserve in Aceh, which resulted from illegal plantations directly linked to Nestle and Wilmar (Leuser Watch - Rainforest Action Network, 2023).

Similar controversies surround local companies, notably those that cultivate, process, and supply palm oil. Local palm oil companies in Southeast Asia are known for their massive scale of deforestation in the islands of Papua New Guinea, Kalimantan, and Sumatra. Examples of the biggest deforesters in Southeast Asia are PT. Austindo Nusantara Jaya, PT. Bangka Bumi Lestari, and PT. Ciliandry Anky Abadi. According to Chain Reaction Research (2019), these three companies are responsible for nearly 10.000 hectares of lost forest in Indonesian regions.

Despite these concerns, the investments made by Multi-national Companies (MNCs) and Fast Moving Consumer Goods (FMCGs) continue to rise in Southeast Asia/

ASEAN. Even after the COVID-19 pandemic, Southeast Asian countries have remained a substantial market for numerous MNCs, particularly those in the FMCG sector. In Indonesia, the largest country in the region, a significant portion of household expenditures, around 20 percent, is allocated to FMCG products. These products, including toiletries, toothpaste, cosmetics, and daily snacks, are pervasive in the market and essential for most households (Tjandra, 2022).

Despite these concerns, one primary factor driving the continuous increase in investments is the inclination of several ASEAN countries, including its current leader, Indonesia, to restrict imports and encourage the export of products (Rahman, 2020). Even recently, ASEAN has shifted its attention towards economic advancement in the region under Indonesian leadership. The tagline "Epicentrum of Growth" underscores Indonesia's commitment to enhancing collaboration among ASEAN countries, aiming to position the area as the epicenter of economic growth that is capable of rivaling global economic growth (Kementerian Komunikasi dan Informatika Republik Indonesia, 2023).

However, this pattern is not limited to a regional scope but also unfolds locally. Implementing the contentious Perppu No. 2 on Job Creation in Indonesia significantly simplifies the environmental assessment prerequisites and licensing processes. This involves consolidating environmental permits and business licenses and removing specific conditions and restrictions for foreign investment specified in various laws governing diverse business sectors. Additionally, it eases the obligations companies have to fulfill toward their workers, encompassing aspects such as severance pay, minimum wages, and contracts for outsourcing workers (Simatupang et al., 2023).

A parallel circumstance is observed in the fishery industry in Thailand, where the government's introduction of the "Pink Card" registration scheme in 2014 has created an environment prone to the exploitation of migrant workers. These workers lack adequate protection and working standards, given the weak government inspection regime that oversees the mistreatment of labor (Human Rights Watch, 2018).

Drawing from the previously discussed points, a significant challenge in Southeast Asian nations stems from the weakness of the country's institutions, impeding their capacity to enforce laws and mechanisms effectively. This challenge is particularly conspicuous in Corporate Social Responsibility (CSR) implementation. In many developing countries, including Indonesia, there needs to be more explicit regulations governing corporate behavior concerning CSR. Moreover, even when such laws are in place, their enforcement could be improved by the country's difficulties in monitoring and upholding actions that violate these regulations. This is exemplified by the fact that Corporate Social Responsibility (CSR), as outlined in Law No. 25 of 2007 on investment, often referred to as the 'Investment Law,' complementing Law No. 40 of 2007 that regulates CSR, does not articulate any sanctions for companies failing or neglecting to engage in CSR activities (Maris, 2014).

This approach differs from the regulations and perspectives on Corporate Social Responsibility (CSR) observed in many other regions. In Europe, particularly in France, the Economic Regulations Act, implemented by the French government in 2001, mandates 700 French companies to disclose their social and environmental activities annually. Similarly, the UK Company Act stipulates that companies must include CSR activities in annual reports. Interestingly, even South Asian countries prioritize CSR regulations more than Southeast Asian ones. For example, India has made CSR obligatory through its Company Act of 2013 and is committed to enforcing this regulation. This is evident in the 2023 case of Kony India, a multi-national company, which has faced repercussions for non-compliance (India CSR, 2023).

Discussion

Misalignment between CSR success metrics and recipient's needs

Strategic intent reflects the role of the recipient and the donor's role in their existing CSR strategies how these strategies interconnect, what contingency plans should strategies change or funding be reduced, and how both entities are fixed concerning their strategy. Recipient intent focuses on identifying existing needs and engaging with potential donors who can invest in projects and provide benefits for both (Jonker & Nijhof, 2006). On the other hand, organizations' interest revolves around aligning core business services, practices, and products with recipients of such programs. With differences in strategic intent, the challenge to form a catering CSR lies in creating mutual value through focused programs that represent the needs of the community - in this case, the Southeast Asian local agro-industry - and the needs of the stakeholders in the organization. Despite the different degrees of involvement in the program, each stakeholder has a part to play in the program's success.

The perception of actual versus perceived needs of the recipient during the process of designing success metrics remains one of the most prevailing debates in the study of CSR. Through the Stakeholder theory, this happens because the success of CSR depends on the stakeholders to support and execute CSR initiatives required to yield benefits to the recipients and make business sense for the organization (Porter & Kramer, 2006). However, when attempting to meet the interest of both parties, Freeman argues that the donor has disproportionate power, which influences the quantum of donations, to whom and which programs, even if this is inappropriate for the recipient (Blundin, 2012; Genasci & Pray, 2008).

Compared to how recipients of the obligations perceive corporations' responsibility in CSR, there needs to be a connection between the extent of investment and assistance (Wilburn & Wilburn, 2014). The recipient of CSR's understanding of obligation departs from an experience of deprivation due to the corporation's operational processes, such as the extraction of resources and exploitation of labor in the area. Hence, CSR, according to the recipient's ideal perception, should be based on retributory intention and should aim to include the rejuvenation of any "damage" caused by a corporation's operational processes on its CSR success metrics design (Porter & Kramer, 2006). This expectation in the agriculture field is essentially asked in the form of returning a conflicting land to indigenous communities, employing strict local-exclusive labor utilization, and maintaining sporadic local-owned farms instead of mega-merger farm operations. Such expectations often need to align with the interests of internal corporate stakeholders in the investment goal (Porter & Kramer, 2006).

The process of how misalignment happens can be seen because the existence of stakeholder interests and the corporate's core value as the center of CSR metrics design framework is not the only factor of disconnect between strategic intent and recipient's needs in Southeast Asian countries. As part of a developing region, the state and legal system play a crucial role in weaving the output of CSR compliance. This element is often found to be essentially fragile in the Southeast Asian economic vicinity.

On the legislative front, the Indonesian government takes the lead among other Southeast Asian countries, legislating through Article 74 of the 2007 revised Indonesian Company Law, stipulating that natural resources-based firms must allocate budget for CSR programs (Herrera, 2015). Another example is UU no. 40 of the 2007 Limited Liability Company, in which it was mentioned that companies are encouraged to do SCR. However, it does not include details on any CSR guideline as a standard. Meanwhile, in the Philippines and Malaysia, the government is considering a proposal for the Corporate Social Responsibility Act, which declares that the state recognizes the private sector's vital role in nation-building (Herrera, 2015). This indicates that Southeast Asian countries are aware of the importance of CSR and, as a result, have regulated CSR in some of their legislation (Herrera, 2015). However, there needs to be a clear guideline as to what a successful CSR would look like.

As a comparison point of departure, more developed Asian countries with similar demography, such as India and China, have implemented CSR design and implementation guidelines. During the deliberations surrounding the amendment of the Companies Bill 2009, the Indian government declared its intention to compel corporations to set aside 2% of their net profit from the previous three years for corporate social responsibility endeavors and to notify shareholders of the measures taken to fulfill this obligation (Herrera, 2015).

However, the poor state of CSR quality is not a result of a lack of adequate regulation but of the weak and often near absence of enforcement of national and state laws. Indonesia needs to follow through with implementing guidelines, rendering the law unenforceable. Compared to more developed countries with higher success rates of CSR planning and implementation, governments in more developed countries typically complement the state's regulations with a set of voluntary guidelines for CSR, which regulates a minimum amount of corporate's average net profits on active under its CSR policy.

An example of misalignment in defining successful key metrics would appear in the Unilever palm oil CSR method. Before assessing the key metrics, it is vital to understand the intent of multi-billion consumer goods corporations to pander to multiple external stakeholders' interests. First, as a large corporation with multiple streams of the value chain, keeping mutual symbioses with actors throughout the value chain stream is crucial to sustaining the business. Local agro-industries are one of the most significant key areas in the production process. Consumer goods giants, such as Unilever and Nestle, the brands that are used by over 2.5 billion people every day (Nestle CSR report, 2015), have been specifically accused of failing to declare zero tolerance against land grabs, even through millions of acres of land have been unjustly seized from poor farmers and rural communities over the last decade (Herrera, 2015).

As part of its sustainable business model goal, Unilever aimed to source 94% of its core palm oil volumes, with 86% coming from physically certified sources: RSPO Mass Balance, RSPO Segregated or an equivalent standard that is independently verified by a third party (Unilever, 2023). It has also targeted the remaining 8% to be bought from RSPO independent smallholders with "respecting and promoting human rights" as part of its core CSR value, with most of its sustainable business model focused on accountable palm oil sourcing (Unilever, 2023).

Setting an ambitious goal to eradicate agriculture and economic reparations in developing countries, Nestle aims to have two main outputs. First, it will increase farmers' net income, and second, it will increase production capacities by optimizing the utilization of limited available land and less available time. While a specific percentage of the increase would be country-specifically customized, the design intention is similar. Nestle's contribution to rural development mostly relates to its purchases, such as volume and value, including premiums and other market tools. Investments in productive assets like infrastructures and capacity-building initiatives can have their impacts assessed in terms of economic contribution to local actors' capabilities that would only increase through the addition of wealth.

Hence, such metrics are expected to yield two impacts. First, with the increase in farmer's net income, household consumption is bound to increase, resulting in more spending on food. Second, as production capacities are optimized, the availability of food stocks is maintained, creating a bottom line for local household well-being (Nestle CSR report, 2015).

While the design of the metric aims to alleviate local farmers' sustainability, local land-owners affected by the land-opening process of Nestle and Unilever have often demanded the return of their land as a form of retribution - quite distant-related to the CSR success metrics defined through the corporate stakeholder's perception of recipients' needs. This is evident in the disconnect of needs perception in the phase of CSR design between the needs of the stakeholders and the recipients, which is also enabled by the system.

Compared to agricultural MNCs, local agricultural firms typically use CSR somewhat differently. It is generally set up in "welfare assistance" formats that better fit the standards of the surrounding community. This is not to argue that the CSR above targets stakeholders more precisely or fairly to balance their interests. They are carried out in ways more normatively suited for the grassroots communities in such areas. This kind of help includes food aid (cembalo), volunteer work in the community (bhakti social), or gifts to organizations that meet needs, like hospitals or foster homes. The genesis of various types of support may be traced back to the widespread religious customs of "giving back" in Southeast Asia, accompanied by ethics that encourage cooperation.

The initiatives are run by PT. Asam Jawa, a palm oil company in North Sumatra, and PT. Pabrik Gula Candi Baru, a sugar plant in East Java, serves as a study case for this kind of CSR. These two businesses implemented CSR using the previously indicated methods. Both companies have historically faced criticism for the harm their commercial operations cause to the local populace. Protests were held against PT. Asam Jawa because of their contentious land-grabbing practices towards the local populace while the neighborhood around PT. Pabrik Gula Candi Baru lodged complaints regarding waste and pollution. Both businesses carry out welfare assistance CSR initiatives in response to these complaints (Harahap et al., 2019; Wardhana & Rochmaniah, 2015). We shall discuss their programs' effects in more detail in Chapter C below.

Applying the Stakeholder Theory to this, it became evident that these CSR cases were likely to have yet to be planned or built with sustainable causes in mind. In actuality, they seem more like a gift intended to broaden public acceptance of businesses and earn sympathy from the community despite the deprivation these businesses inflict. It is clear from this that, although having an advantage in understanding local customs and cultures, local enterprises who engage in CSR also have a comparable gap between the company's aim for its programs and the interests of the recipients. Nevertheless, because neither company has released a publicly available sustainability report, it is impossible to determine which sustainability framework these companies employed or even if one was used when designing their CSR. Even in non-MNC situations, recipients' needs are frequently subordinated to commercial interests.

Inaccuracy of CSR campaign and implementation process

As previously discussed, this article underscores a significant issue concerning the implementation of Corporate Social Responsibility (CSR) in Southeast Asian nations—the divergence of expectations between corporations acting as implementers of CSR programs and the recipients of these programs, as had been discussed in the theoretical framework. To further elaborate on the conflict between the companies and the local communities it impacted, this paper will dive further into the misperception related by several multi-national companies' CSR campaigns against its actual impacts on the programs' recipients.

In instances involving Fast-Moving Consumer Goods (FMCGs) and their investments in the agricultural sector, a notable impact is anticipated on the residents, many of whom may belong to indigenous communities and have longstanding land rights where FMCGs have established their factories and production facilities. Consequently, it can be deduced from the perspective of these recipients that the expected CSR programs should lean towards restorative/retributive measures, fully compensating them for the losses incurred. Such expectations from recipients may encompass the following:

- Ensuring the safeguarding of forests and lands crucial to local communities, particularly within protected areas;
- Assuring a decent standard of living for individuals impacted by production, especially workers;
- Ensuring protection for local farmers who have long resided in the area;
- Ensuring the mills they source their supplies are ethically acquired, free from forced land grabbings.

The four restorative measures outlined above align with two key Sustainable Development Goals (SDGs): Goal 12 (Ensure sustainable consumption and production patterns) and Goal 15 (Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss). Utilizing SDG 12 as a foundation for CSR initiatives ensures a sustainable and responsible approach to production for companies engaged in agricultural activities and their supply chains. This approach also supports SDG 15's objective of promoting sustainable land use among local populations who are recipients of corporate CSR efforts.

Nevertheless, despite the clear articulation of these requests by most affected locals, multi-national corporations (MNCs) in Southeast Asia's agribusiness sector often need help to meet these demands completely. In addressing the expectations of the local communities, a common strategy employed by MNCs and Fast-Moving Consumer Goods (FMCGs) is to communicate their CSR programs through commercially crafted slogans or taglines, as well as embracing governmental and local institutions to make it seem that the action is genuinely retributive and sustainable. This communication tactic aims to convey to the recipients that the companies are trying to compensate the communities impacted by their production processes.

In the case of Unilever, the company had announced its commitment to follow the "People and Nature Policy" in their reports, which would encompass four principles that the company (and its donors) deems to be valuable in the public eye, which is: (a) "Protecting natural ecosystems from deforestation and conversion," (b) "Respecting and promoting human rights," (c) "Transparency and traceability," as well as (d) "Being a force for good for people and planet."

Detailing their approach, the company clarifies that as part of their commitment to sustainability goals, they directly engage with primary producers and mills, specifically farmers, to integrate them into Unilever Oleochemical Indonesia's supply chain at their North Sumatran facility, wherein they offer training and certifications to ensure these farmers can produce palm oil sustainably (Unilever, 2023). To bolster the credibility of its sustainability efforts, the company discloses information about its palm oil suppliers and collaborates with institutions like the Tropical Forest Alliance (TFA) (Unilever, 2023).

Even with Unilever's claim to be a global leader in sustainability, many reports have doubted the accuracy of their campaign. Numerous reports have surfaced regarding their close ties with Astra Agro Lestari, the second-largest palm oil company in Indonesia known for numerous human rights violations and environmentally harmful practices conducted by its subsidiaries such as PT Agro Nustra Abadi (Friends of the Earth, 2023). Astra Agro Lestari has been implicated in conflicts with indigenous communities in West and South Sulawesi, especially concerning the local's right to land ownership (Christina, 2023).

Similar challenges extend to multi-national corporations (MNCs) rooted in Southeast Asia, exemplified by Wilmar International, an agribusiness conglomerate from Singapore that had also conducted relations with FMCGs such as Unilever, which has encountered comparable allegations (Amnesty International, 2016). Apart from accusations leveled against Wilmar and its subsidiaries by Amnesty International regarding labor mistreatment, the company has faced criticism for its failure to uphold its No-Deforestation pledge, notably highlighted by its withdrawal from the High Carbon Stock Approach (HCSA), a non-governmental organization dedicated to identifying forests for conservation based on their ecological significance in 2020 (Hicks, 2020). This happens because of the differing perspectives between the company and the NGO about the effectiveness of HCSA.

Another illustrative case highlighting the gap between FMCG companies and their recipients involves Nestle and the Budi Luhur Dairy groups in East Java, Indonesia. How this happens is throughout their partnership, Nestle faced challenges stemming from the farmers' entrenched "traditional" mindset regarding milk production, which prioritizes traditional methods that they deem to be "sacred" over the quality of the end product—a perspective at odds with Nestle's priorities. Consequently, this traditional mindset hindered Nestle from persuading farmers to adopt its programs, like Hijauan Makanan Ternak, to improve milk quality. Thus, although Nestle succeeded in community development to an extent, it faced limitations in aligning with the recipients' preferences (Adi & Mufidah, 2018).

The identified problems with companies, as discussed earlier, happen because of lenient regulations and weak enforcement of laws, especially those about CSR, as previously explained. With MNCs/FMCGs expanding their investments and market influence in the region, it seems inevitable that states will need help adequately overseeing these companies' business activities. Consequently, ensuring that the CSR programs implemented by these companies truly serve as restorative or retributive measures in proportion to the harm they cause becomes problematic for regulatory bodies.

The instances involving companies discussed here can be interpreted through the lens of the "Stakeholder Theory" outlined earlier. Unilever's collaboration with Astra Agro Lestari, as well as Wilmar International's failure to comply with its No-Deforestation pledge, evidences the corporations' failure to fully comply with the requirements needed for a robust CSR implementation, given that the companies would most likely still prioritize measures in their operations that would still give them the utmost benefit irrespective of their commitments, especially when it relates to their relations with other local and subsidiary companies (Amnesty International, 2016). Additionally, the case study involving Nestle further demonstrates the existence of divergent perceptions of values between the company and the individuals it seeks to support, which happens due to the inability of the company to fully integrate its profit-maximizing objective with the local beliefs, thereby mitigating the restorative ability of its CSR initiatives (Adi & Mufidah, 2018). All of the issues mentioned before then are also amplified due to the lack of transparent governing systems and loopholes that companies could exploit in their operations.

<u>Aftermath of CSR metric and implementation misalignment</u>

Before diving deep into the aftermaths of CSR misalignment, there are 2 important contexts needed:

a. There is a significant lack of accessible information regarding ideal sustainable practices and consumer literacy on brands, specifically in Southeast Asia (Herrera, 2011). This is mainly caused by the nations' imperfect democratic system, limited access to information, and lack of education, as most of them are still in the stage of developing states. Hence, consumer awareness, or ethical consumer movement, either does not exist or needs to be more scalable to result in any proper check and balance to the companies' misaligned CSR.

b. Under Indonesia's leadership, ASEAN continuously brands multi-national companies, especially FMCG and extractive industries, as spearheaders of growth. This political and commercial branding highly places companies as main contributors to ASEAN's goals, in need to be welcomed as the nation's "economic heroes". Hence, this significantly reduces the institutional incentive to investigate or criticize companies' business and sustainability practices. It is even harder to check exaggerated claims, critically check the community's aspirations, or audit any program misalignments.

These two contexts, though they do not act as root causes, catalyze problems discussed below in multiple ways:

- It adds both the discrepancy and continuity of the misalignments in CSR programs, as all external parties, including the community on the ground, consumers, and policymakers, need to be made aware of this or barely recognize it as a problem. (Herrera, 2011)

- The public's dependency on these companies' economic and social contributions creates friction against many attempts of criticism or demand for existing program alteration.

The aftermath of CSR misalignment, where the company's interest dominates more than the recipients', can be categorized into two possible scenarios:

A. Continuity and Expansion of CSR Programs.

When a CSR project aligns well with the company's commercial interest, it further incentivizes them to invest and grow the program more. This is due to two possibilities: a) the programs are projected to benefit the FMCG company's supply chain and business process, and b) the program significantly adds more positive branding and may serve as a marketing campaign.

This means that CSR is now seen as a project to fulfill compliance duty to external stakeholders and to be integrated into the company's business to generate more revenue. Programs like this are likely to be maintained by upper management and less likely to be subject to cost-cutting. The forms of investments companies ought to give are various, such as injecting more funding into the program, deploying more human resources, providing more tools and infrastructure, as well as intense educational support.

Such investment fosters the growth, expansion, and sustainability of the program. Many CSR programs fail to sustain due to a variety of reasons. For multi-national corporations, the complexity of implementing the strategy in various business functions (Oppenheim et al. in Laudal, 2011) becomes the most relevant barrier. Emphasis on CSR's alignment with the company's commercial interest mitigates this barrier, as such programs are designed to be viable for integration into their business functions.

A perfect example of this is Nestle's Nescafe Plan 2030, which aims to empower local coffee farmers in Thailand, Indonesia, and the Philippines and assist them in transitioning into regenerative agriculture (Nestle, 2022). The produced coffee beans are to be supplied to Nestle as the main source for their instant coffee brand Nescafe. This fulfills Nestle's environmental goal of sourcing 50% of their coffee beans from regenerative agriculture by 2030 (Nestle, 2022). Not only does this give added value to Nestle's supply chain, but it also serves as a strategy to brand their products as "locally sourced" or "responsibly sourced".

However, successful cases of misalignment like this can only happen in specific situations where, despite misalignment with the recipients' needs and demands, the programs successfully result in socio-economic benefits that exceed the amount that recipients would otherwise receive without the company's CSR. Such possible situations can be:

- The supposedly misaligned CSR programs discover new, highly valuable natural resources or capital that the recipients would otherwise be able to capitalize on with the presence of companies.
- The company's CSR programs helped provide facilities with objective benefits for the surrounding communities. Such facilities may have yet to be previously demanded, but through continuous demonstration and socialization, they helped solve the social or health issues of the recipients.

B. Failures to Meet Sustainability Goals

Despite some positive success cases, CSR misalignments should result in more potential harms that may jeopardize the programs' long-term commitments and sustainability. This is because such success can only happen if companies manage to maintain positive trust from the communities despite their unresolved demand of retribution and significantly deliver their programs' socio-economic promises at the same time. In cases where companies' business activities cause significant damages, like displacement of civilians, land revocation, and environmental hazards, such outcomes are unlikely to be achieved.

First and foremost, the misalignment of CSR programs with recipients' needs is often driven by reducing pressure from social conflicts, especially regarding agricultural lands (Harahap et al., 2019). The said social conflicts are rooted in society's resentment over activities such as hostile land revocation and forceful relocation of local communities, resulting in thousands of people losing their livelihoods. This is especially true for FMCG companies, whose suppliers need to free hectares of land, often sweeping away locals, to build factories or plantations for their raw materials production. Social conflicts typically arise due to the loss of land ownership and the loss of jobs experienced by local farmers and casual laborers.

- One of the primary examples of such cases can be seen in the work of Harahap et al. (2019), which examines the failure of PT Asam Jawa's CSR implementation. PT. Asam Jawa, a palm oil company based in North Sumatra, forcefully seized more than 4000 hectares of land from the locals in 1981. This resulted in intense sentiment from the local community, escalating into failed negotiations and even violent altercations until 2019. PT. Asam Jawa responded to this by implementing CSR programs focusing on health, education, the development of public facilities, and religious harmony (Harahap et al., 2019).

The program eventually failed to "rescue" PT. Asam Jawa from social conflicts it has caused from land seizing. This is because a) there is still a significant amount of people in the area that actively unionize, demonstrate, and consistently fight for their lands back, b) people who are part of such groups are instead excluded as the CSR beneficiaries, leading to more sentiment and violence (Harahap et al., 2019).

Such misalignment can lead to various negative consequences for CSR continuation:

- Decrease in Participation

As dissatisfaction grows, the level of active participation from the community may decrease over time. This reduced engagement hampers the effectiveness of the CSR initiatives, as the intended beneficiaries become less involved in the activities, diminishing the potential positive impact.

- Unsuccessful Outcomes

The culmination of these issues contributes to overall program failure. If the recipients are dissatisfied and unengaged, and there is a lack of cooperation, the intended social, economic, and environmental impacts envisioned by CSR initiatives will likely remain unrealized.

- Risk of Discontinuation

The ongoing dissatisfaction and diminished participation increase the risk of the CSR program being discontinued. Companies may decide to halt initiatives that are not yielding the anticipated benefits or are causing reputational damage (Laudal, 2011). This discontinuation reflects the company's failure to fulfill its CSR mandates and highlights a lack of adaptability and responsiveness to community needs.

In essence, the success of CSR programs hinges on sustained community engagement, responsiveness to local needs, and a genuine commitment to creating positive impacts. Failures in these aspects jeopardize the intended benefits for the community and tarnish the company's reputation and ability to meet its social obligations effectively.

In the short term, the consequences may not be significant to the companies, as discontinuing the CSR program is only seen as a cost-cutting measure, and failed CSR may lead to temporary reputation tarnish. In the longer term, misguided sustainability techniques predominate and the cycle of discontent and animosity toward businesses persists. Not only do the participants of CSR programs not receive the benefits they were promised, but the extractive nature of agricultural FMCG businesses continues to crush the communities' hope of proper livelihood as the resources they took from them are never returned.

Conclusion

FMCG companies widening their extraction of the value chain in the Southeast Asian agro-industry landscape has made it increasingly important to assess their CSR and their attempt at retribution to the marginalized farmers and local communities impacted by their business processes. However, according to the stakeholder theory, the CSR design, implementation, and result process have yet to be aligned with the recipient's expectation due to the existing disconnect in the perception of needs.

In the success metric design process, the existing disconnect between the recipient's perceived needs and the recipient's actual needs by the corporate stakeholder in formulating CSR success metrics has resulted in misaligned program creation for the recipient. Recipients of the CSR program, often marginalized farmers, generate their expectation of CSR as a form of corporate retribution. Meanwhile, corporate internal stakeholders perceive their obligation as important as long as it aligns with their core values. The lack of a system governing guidelines of CSR minimum investment amount and its guidelines in the Southeast Asian economic landscape has enabled corporate stakeholders to prevail over the misalignment of the CSR program.

In the implementation process, the differing expectations between the recipients of CSR and the companies that implement them actively create misaligned programs that cannot be perceived as retributive/restorative towards the recipients. To bypass public scrutiny, the companies would usually utilize slogans and programs that point to sustainability and embrace local stakeholders to make it seem like they are creating inclusive and aligned programs, when the programs may need to be more effective. This practice is only allowed to be fostered due to the region's weak enforcement of CSR laws by regulatory bodies.

As a result, the lack of accessible information and limited consumer literacy in Southeast Asia, coupled with political and commercial branding by ASEAN, creates a conducive environment for CSR misalignments. While some misaligned programs may appear successful in the short term, they often fail in the long run due to societal resentment, inadequate planning, and a lack of synergy with recipients' needs. Sustainable CSR demands genuine consideration of local contexts and active community engagement to ensure lasting positive impacts.

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Navigating the Pacific: Solomon Islands Attempt to Gain Influence in the Middle of China-US Rivalry

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The Pacific Islands Region is in the spotlight due to rising tensions between China and the U.S. This situation has escalated with China offering security pacts to Pacific Islands states in 2022. Despite most Pacific states rejecting the offer, the Solomon Islands, as the only country to accept it, caused concern for the U.S. and its allies. Considering that the Solomon Islands lack the traditional power to support their decision to align with China against the U.S. and its allies, it is an intriguing issue to delve into. This research aims to analyze the phenomenon by using qualitative-descriptive methods and the concept of Small States. This will give us a new way to understand how small states in the Pacific Ocean maneuver amidst the US-China rivalry by analyzing strategic indicators they can utilize rather than solely focusing on domestic circumstances to comprehend their decisions. We found that the Solomon Islands' ability to take such a risk stems from two sources of power: particular-intrinsic and derivative power. Intrinsically, the Solomon Islands hold geopolitical importance, being strategically crucial for both China's Belt and Road initiative and the U.S.'s attempt to retain its regional influence. Derivatively, the Solomon Islands' sole position to accept the security pact is highly valued by China. This will lead to a mutually beneficial relationship among them, and the Solomon Islands can benefit in security and economic terms. This research sheds light on how a small state navigates its interest in the epicenter of rivalry between two great powers.

Keywords: *China-US rivalry; Pacific Islands Region; small states; Solomon Islands*

Introduction

The Pacific Islands Region has become one of the most contested regions in the world, with China and the United States (U.S.) at the center of this geopolitical competition. Since 2013, China has demonstrated a keen interest in this region as part of its Belt and Road Initiative (BRI) and in its efforts to diminish Taiwan's international recognition (Herr, 2019; Liu, 2022). China's influence in the region is primarily exerted through various sectors, including economic aid, trade partnerships, and investments in disaster mitigation (Meick et al., 2018; Nazarudheen, 2022).

In response to China's growing influence, the U.S., as a rival power, has taken a series of measures aimed at countering China's presence in the region under its Pivot to Asia policy (Šebok, 2014). The most recent move by the U.S. involves the formation of a new alliance to enhance security in the Pacific Islands Region by establishing a nuclear-powered submarine fleet known as AUKUS. This alliance comprises major countries, including Australia, the United Kingdom (U.K.), and the U.S. (Novita, 2022; Panda & Swanström, 2021).

In response to AUKUS, China extended security pacts to every Pacific island country. However, out of the 12 states that received the offer, only one country accepted it—Solomon Islands (Al Jazeera, 2022; Ivarature, 2022; The Associated Press, 2023). China contends that this security pact is aimed at strengthening Solomon Islands' police and law enforcement capabilities while also permitting Chinese navy ships to make regular port visits to the region from the Solomon Islands (Grossman, 2023).

Although the majority of Pacific Island countries declined China's offer, Solomon Islands' unique position as the sole state authorizing China's navy presence through this agreement has caused disturbances in the region, especially among the U.S. and its allies. The disturbance caused by these events led the U.S. to convene a summit with the Pacific Islands countries in September 2022. The primary objective of the summit was to persuade Pacific Island leaders that the U.S. would strengthen its partnership and support in the region (The Guardian, 2022). Despite participating exclusively through its Prime Minister, Manasseh Sogavare, the Solomon Islands openly rejected signing the summit's outcome, known as the US-Pacific Partnership (Miller, 2022; Needham et al., 2022).

Solomon Islands' refusal to endorse the U.S. proposal, while the majority of Pacific Islands countries accepted it, has made the Solomon Islands an even more intriguing subject for discussion. The current situation places the Solomon Islands in the position of a lone wolf amidst the rivalry between two great powers. Given that the Solomon Islands is a small state without the necessary capabilities to support its position, this situation could potentially jeopardize its survival at any moment. Solomon Islands lack military strength, economic power, and regional alliances, as the majority of the region is aligned with the U.S. (CIA, 2023). Solomon Islands' decision to align itself with China also does not guarantee its security, as the security pact is still relatively new.

The dire situation faced by the Solomon Islands can be viewed through the lens of structural realism. According to Waltz (1979, in Burchill et al., 2022), in the so-called anarchic international system, states tend to seek more power to ensure their survival and shape their behavior in patterned ways. However, since the possession of resources by states can be relative to each other, this leads to the existence of hierarchic systems. Then, the hierarchic results in polarity among states – the number of great powers in the system.

When states encounter the emergence of great powers, they have two options: to either balance or bandwagon. Balancing refers to a state's ability to influence the distribution of power in the international system to counter the great power's position, often by forming alliances or seeking more power. Meanwhile, bandwagoning is a state's choice to align with great powers when they are unable or unwilling to maintain equilibrium with the dominant power (Ian, 2003, p. 1). In the context of the Pacific Islands Region, the U.S. and its allies have maintained a position of hegemony for a long time while China attempts to balance its influence. Thus far, Pacific Island countries, being small states, have tended to bandwagon with the U.S. However, the Solomon Islands' tendency to align with China indirectly put them in a position to balance against the U.S.

This phenomenon actually contradicts the basic assumption of structural realism, which emphasizes the importance of traditional power in analyzing state behavior in the system. Since the Solomon Islands lack almost all forms of power – military, economic, and size of the country – this perspective is unable to explain the behavior of the Solomon Islands as a state seeking to balance the great powers. Therefore, it is necessary to examine what kind of power the Solomon Islands could exercise to pursue their interests, and opting to align with China might be an interesting topic.

The contestation between major powers in the Asia Pacific region, its impact on the region, and the responses of regional governments, including the Solomon Islands, have been the subject of numerous studies. In his study, Mihai Sora (2022) examines the impact of intensified competition among major powers on the continuation of geopolitical stability in the Pacific Islands. The United States-Australia alliance is concerned about China's growing strategic influence in the region. Sora suggests that regional countries may welcome the presence of external forces, particularly when considering the potential impact of increased investment by Australia, the United States, and Japan in response to China's presence. Nevertheless, this circumstance possesses a tendency to exert a destabilizing influence on smaller nations and hamper the attempts of investor countries in the effort to expand their sphere of influence.

Adrien Rodd (2016) conducted a study that examined the impact of the historical consequences of Western colonialism on two Pacific nations, specifically Fiji and Solomon Islands. Rodd observed that some Asia Pacific nations, such as Fiji and the Solomon Islands, continue to face challenges in establishing domestic stability in their political, institutional, and economic domains due to the enduring impact of colonialism. The disparity between indigenous values and the desired Western societal framework has led to the issue. Therefore, both nations are presently engaged in efforts to implement shifts aimed at enhancing the acknowledgment and incorporation of indigenous values within constitutional frameworks.

Another research conducted by Joseph Daniel Foukona (2020) analyzed the

Solomon Islands' domestic developments, focusing on the debate regarding its diplomatic relations with China and Taiwan. Foukona explained that the matter of diplomatic relations with China and Taiwan was a subject of intense debate within the domestic sphere. The appointment of Sogavare as prime minister in 2019 sparked a lot of debate subsequent to the Solomon Islands' decision to shift to China. Despite the controversy, Sogavare and supporters of the government justified the decision as a collective endeavor that placed the state's interests at the forefront. In addition, Foukona's research revealed evidence suggesting collusion between government officials and Beijing in relation to the activities of various Chinese corporations in the Solomon Islands.

Jon Fraenkel and Graeme Smith (2022) conducted a more in-depth examination of the connection between Solomon Island and China, which decided to enhance collaboration by means of a security agreement. The 2022 agreement, widely regarded by many parties, particularly Australia and New Zealand, serves as a crucial basis for China's plans to establish a naval base in the Pacific region. Nevertheless, Fraenkel and Smith argue that the viewpoints articulated by the governments of both nations and many media outlets mostly center on the geopolitical landscape, neglecting the domestic context. China may have the potential to actualize these goals. Nevertheless, this outcome is probable solely if there is a rise in commercial reliance on China and a decrease in internal polarization.

The literature review concludes that previous studies have primarily focused on explaining the effects of contestation among major powers within the Asia Pacific and the responses of regional countries, particularly the Solomon Islands. By observing the domestic context, researchers have tried to elaborate on how domestic political upheaval influenced Solomon Islands policy. Apart from this, prior scholarly investigations have also sought to comprehend the correlation between the Solomon Islands and the Beijing Axis while also exploring the potential for establishing Chinese military bases in the Pacific region by enhancing this collaborative effort. Nevertheless, previous research has yet to provide a comprehensive analysis of the Solomon Islands' response to the presence of major powers.

This research will analyze how the Solomon Islands, with its status as a small country, maneuvers to reap benefits from competition between major actors in the region. Nevertheless, it is crucial to comprehend that the actions of domestic players are not solely driven by profit and loss considerations but also take into account strategic indicators that can be utilized to gain their interests. One approach that could be used to analyze this issue is by employing the small-state concept, which Tom Long coined. To do so, this research uses qualitative explanatory methods that attempt to seek causal-process tracing of a specific case by applying a relevant theory (Blatter, 2012).

The research aims to shed light on 'how Solomon Island navigates its interests amidst the China-US rivalry in the Pacific Ocean Region?' To answer the former question, the authors start the discussion by explaining the small state conceptual framework, followed by how China's growing influence and the U.S. shifting toward the East, then how the Pacific Islands countries respond to the rivalry, particularly on Solomon Islands interests and their growing relations with China, and finalize with the small states' power utilization by the Solomon Islands under US-China Rivalry.

Small States Framework

Long (2022) argues that in specific situations, small states are capable of exercising power in creative ways and can have a significant impact through a relational approach. Small states can achieve three types of power. First is particular-intrinsic power, which is in the form of material and resources possessed by small states but will only be perceived as power when given meaning by other states or when it serves specific goals. This power denotes the strength inherent to a small state, stemming from its distinct assets or resources. Unlike conventional forms of power like military might or economic prowess, particular- intrinsic power considers the individual advantages unique to a small state, such as dominion over strategic territories or possession of valuable natural reserves.

Second, derivative power refers to the ability of small states to achieve their interests by maintaining a special relationship with great powers. This power pertains to a small state's capacity to wield influence by persuading larger states to take actions that align with its interests. It hinges on the relationship between the small state and the major power. Derivative power enables the pursuit of significant objectives that might otherwise be beyond the small state's capabilities. The methods of derivative power can vary depending on the objectives of the small state and its relations with the major powers. Derivative power provides small states with the opportunity to amplify their influence through the lens of a major power, albeit potentially relinquishing some control over outcomes.

Third, collective power is the capability of small states to influence the international system by engaging in joint actions, either through international institutions or regional cooperation (Long, 2022). Tom Long (2016) defines collective power as a relationship between a small state and associated non-great powers. Long stated that collective power works in several ways, such as institutionalism with small states grouping to achieve common goals or collective power can be used to achieve one state's interest by leveraging its allies to align their attention to said state interest. One of the main roles of collective power for small states is to promote and expand norms to the broader international community. Therefore, it is not bound to specific actors, which makes collective power a means for small states to be "active" on the global stage.

China's Growing Influence & The U.S. Shifting Strategic towards The East

As the Pacific Islands Region becomes the center of contestation between great powers to extend their influence, China and the U.S. have also turned their concern to the region. In recent years, China has played more important roles in the region dynamics through its Belt and Road Initiative (BRI), including aid and infrastructure projects (Li, 2022). In fact, China has funded more than 100 aid projects in the region, donated 200 batches of in-kind support, and trained more than 10.000 professionals since the 1970s. Between 2008 and 2020, China also provided nearly USD 3.148 billion in the region, which was channeled through different kinds of cooperation both bilaterally and regionally. This maneuver certainly attracts attention from the U.S., which also considers the Pacific Islands Region important for its economic and geostrategic interests.

The Pacific Islands Region has actually been an important area for such a long time. In World War II, as Japan was first beginning to expand, Oceania saw fierce fighting between Japan and the allies over strategically located airfields and naval bases in the area (Myers, 2020). Japanese control over the Solomon Islands, Papua New Guinea, and other areas of the Central Pacific threatened Australia. It attracted the attention of the United States to refocus military efforts from Europe to the Pacific in order to prevent Japan's rapid expansion. In spite of their initial setbacks, the Allied forces managed to stifle the Japanese attempts to exert their control over the region. Ultimately, the United States and its allies' military installations in the Pacific were one of the crucial factors in the victory of the Allies in the region.

Since the war ended, there were no signs that this region would be sidelined. In fact, the Pacific is increasingly becoming a favorite for great powers to exert their influence in economics, politics, and security. As the largest maritime area in the world, the Pacific Ocean links 21 APEC countries, which represent 62 percent of world GDP and 48 percent of world trade (Asia-Pacific Economic Cooperation, 2023). Its strategic location also played an important role in global security dynamics. Though it appears that worries about superpower competition intensifying in the area have faded with the end of the Cold War, some analysts believe that significant power struggles are about to resurface (Hegarty & Tryon, 2013).

China's growing influence with the Belt and Road Initiative (BRI) project has a significant potential to alter regional dynamics. Under Xi Jinping, China has implemented more proactive and assertive policies towards the Pacific Ocean. In order to meet the leaders of Pacific Island nations, President Xi personally traveled to Fiji. He invited Pacific countries to board the Chinese "express train" of development, citing that the Asia Infrastructure Investment Bank and the Maritime Silk Road of the twenty-first century would provide them with infrastructure, scholarships, medical teams, tourism, and communication in areas like human security and climate change (Li, 2022). With those potentials, most of the Pacific countries decided to join BRI in 2018, especially Solomon Islands and Kiribati, which are known for their ties with Taiwan and decided to switch diplomatic recognition to China in 2019 and 2020. Since then, there have been many projects, both state-led as well as local and provincial-led initiatives, designed to strengthen the relationship between China and the countries in the region.

The BRI project has provided China with the ability to challenge Australia's presence, which has raised concerns from Western allies, especially the U.S. For the last few years, Australia's concern toward China has been rising from observation to anxiety. In the Australia White Paper of 2003, China was only perceived as an economic opportunity that could not match the U.S.'s ability to influence the global environment (Smith & Wesley-Smith, 2021). However, China's expanding role in international relations, simultaneously with the U.S.US's declining influence globally, has led to Australia's changing attitude towards China's existence.

The U.S. previously tended to ignore the Pacific region. However, due to the rising China, the U.S. then shifted its attention from the Middle East to the Asia Pacific by introducing the 'pivot to Asia' (Lieberthal, 2011). The policy goal was to inspire respect for Washington's ability to pull off this extremely impressive diplomatic performance as well as confidence in America's ability to continue leading the region. The decline of the U.S. has been a concern for many countries in the region. Therefore, through this policy, the Obama administration was trying to embody the optimism, values, tenacity, and leadership of the U.S. It will be important to form alliances with other regional players to endeavor to curtail China's political sway or even challenge economic might (Šebok, 2014). Some people could argue that this policy will be successful or not. Either way, it demonstrates the notion that the U.S. is starting to feel uncomfortable with China's existence regarding its traditional role in the Pacific region.

China's growing existence and the U.S.'s contradictory approach will likely raise the tension in the Pacific. China's BRI expansion through vast and effective cooperation with the Pacific Ocean countries will further strengthen its position in the region. This also signifies China's growing political and economic influence, which will become increasingly difficult to contain. Washington policy analysts have proposed several times the idea of hedging maneuver as an ideal strategy to respond to China (Logan, 2013). But, hedging means that the U.S. has to invest with low but likely returns in order to prevent potential bigger losses. The decision to cooperate with China will narrow the power gap between both sides. This strategy will become problematic because the longer it goes, the stronger China will be, and the more Washington will need to prepare itself with military instruments if the engagement fails to pay off. Based on this logic, the assertive approach by the U.S. is indeed the most rational way to answer China's opposition in the Pacific, though it will raise tension in the region. In the next section, we will elaborate further on China's growing influence, the U.S. maneuver to contain it, and what this 'rising tension' means to the countries in the region as a whole.

The Pacific Islands Countries' Response to the Rivalry

The Pacific Islands Region, also viewed as having geopolitical advantages for China's ambitions, is seen as a low-risk, high-reward investment to achieve both symbolic and tactical victories. China has deepened trade deals and enhanced power projection with exclusive ports and economic zones. This, in turn, aids China's One China policy by reducing Taiwan's diplomatic allies in the region. Furthermore, strengthened ties between China and Pacific Islands countries could give China an intelligence advantage due to the region's proximity to Hawaii, which, in turn, poses challenges for the U.S. and its allies in projecting military presence and power in the region (USIP China-Freely Associated States Senior Study Group, 2022).

The threat of China encroaching on Australia's backyard and U.S. soil has prompted both parties to establish a strategic security alliance called AUKUS, which also includes the United Kingdom, in 2021. AUKUS aims to enhance security and defense interests for all parties involved (U.S. Department of Defense, 2023). The creation of AUKUS can be seen as a deterrent to China's influence in the Asia-Pacific region. However, in the latest development, AUKUS is planning to create sustainable nuclear submarines. The presence of such a vessel could destabilize security in the Pacific Islands (Nelson et al., 2023).

The Rarotonga Treaty, a regional treaty on non-proliferation of nuclear power in the Pacific Islands Region, was established in 1985 and has been ratified by the majority of Pacific Islands countries, including Australia (Papadimitropoulos, 1988). The plan to develop nuclear-powered submarines by AUKUS has left many Pacific Island countries anxious and feeling somewhat betrayed by Australia, given that Australia has ratified the treaty. The treaty primarily focuses on the prohibition of acquiring, assisting, and using nuclear weapons. Even though AUKUS has consistently stated that nuclear energy is only intended for powering submarines, many Pacific Island countries still need to be concerned about the true intentions behind it.

The competition between great powers to gain influence has caused polarisation, with both states offering economic and security benefits to the region. China has been active in the economic sectors and soft diplomacy through its aid and BRI projects since 2018. Meanwhile, the U.S. and its allies introduced the FOIP Strategy, or Free and Open Indo-Pacific, in 2016, which addresses multi-sector opportunities and challenges in the Indo-Pacific and inherently aims to contain China's rising influence (Chanlett-Avery et al., 2018). This polarisation has stirred significant upheaval in the region, which affected Solomon Islands and Kiribati, switching their allegiance to China and severing diplomatic ties with Taiwan in 2019 (Foster, 2021; McDougall, 2022).

This move occurred just before both countries joined the BRI project. In addition to these two countries, many others already established diplomatic recognition with China when they joined the BRI Projects (Li, 2022). Many Pacific Island countries have chosen to align with China in BRI, such as the Federal States of Micronesia, Papua New Guinea, Fiji, Samoa, Tonga, and Vanuatu, primarily due to the economic benefits they could achieve. However, in terms of security, the majority of the states still choose to side with the U.S. and its allies, although China has tried to persuade Pacific Island countries to join China's side through a security pact offer. Among all the states that received the offer, only the Solomon Islands accepted it. The move sent shockwaves across the region, particularly among Pacific Island countries with close historical ties to the U.S., because this could be a breakthrough for China to solidify its influence in the region (Liu, 2022).

In regards to China emerging as a new power, states have two options to navigate this phenomenon. They can choose to balance against the great power by aligning with the new emerging power, or they can bandwagon with the existing great power to maintain the status quo. Solomon Islands' recent change in diplomatic ties from Taiwan to China and its decision to side with China in terms of security can be viewed as a means of balancing U.S. hegemony in the region. Despite being perceived as a small state on the global stage, Solomon Islands actually has a lot more to offer to both the U.S. and China. That is why the Solomon Islands should get more of the spotlight as a key player in the US-China rivalry in the Pacific, as their behavior contradicts the existing assumption that small states are bound to bandwagon with the traditional hegemon.

Solomon Islands Interests and Their Growing Relations with China

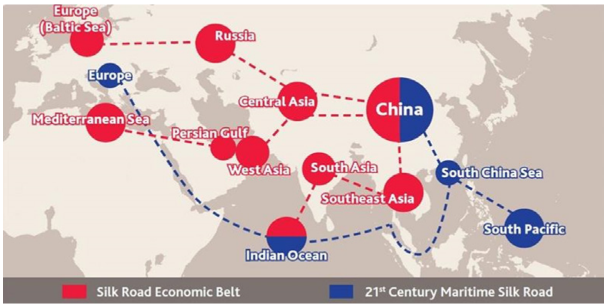
China's engagement in the Solomon Islands raises numerous questions because it represents a shift in the international order that the United States, Australia, and Taiwan previously influenced. China and the Solomon Islands collaborated by signing onto the Belt and Road Initiative (BRI) Program, a policy initiated by Chinese President Xi Jinping. The BRI is divided into two pillars: the land trade route known as the Silk Road Economic Belt (SREB) and the sea route called the Twenty-First Century Maritime Silk Road. This collaboration aligns with China's initiatives in the Solomon Islands Islands' national development strategy for 2016-2035 (Szadizewski, 2021).

China's assistance to the Solomon Islands covers nine provinces and rural areas, focusing on agriculture, fisheries, education, infrastructure, and health sectors. Infrastructure projects include ports, railways, bridges, stations, and reactivation of mining projects. China's BRI policy was further bolstered by the establishment of the Asian Infrastructure Investment Bank (AIIB) in 2015, which is open to all countries (Rustam, 2020).

China's growing interest in the Pacific Islands Region, particularly in the Solomon Islands, is influenced by several factors. First, the Solomon Islands are strategically located in the Pacific Islands Region Ocean. They share their eastern border with Papua New Guinea, their southern waters with Micronesia, and their southwestern waters with Nauru and the Marshall Islands. To the East, they border the Coral Sea and Australia.

These geographical conditions are considered strategic, as they position the Solomon Islands as a key sea route that connects the Pacific Islands Region with the South China Sea, the Indian Ocean, and China (LDKPI, 2020).

Figure 1. Belt and Road Initiative Map

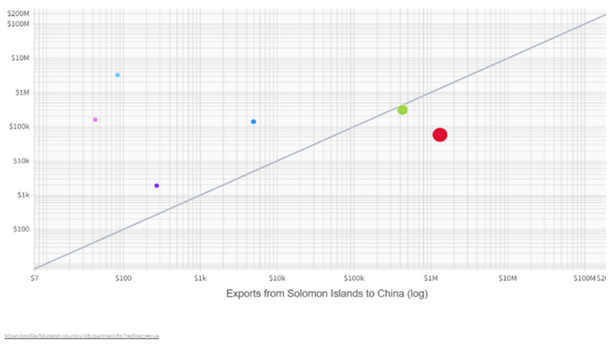


Source: Makarova et al (2019)

Based on the map, the Pacific Islands Region's geopolitical position spans a wide area and is surrounded by important countries bordering the Pacific Ocean. In addition to economic interests, China also aims to establish cooperative relationships to ensure maritime security, as this is closely tied to the security of the BRI trade that traverses the Pacific Sea route. When viewed through the lens of China's Ocean White Paper, titled 'China's Ocean Development Report,' it becomes evident that China has ambitions for maritime expansion. This vision was articulated by the Secretary-General of the Communist Party of China and President Hu Jintao during the 18th Chinese Communist Party Congress in 2002.

Second, the Solomon Islands possess three significant natural resource capabilities, including fisheries, notably as a producer of tuna, mining, and timber. In the agricultural sector, superior products include sweet potatoes, cassava, coconuts, and the like. According to World Bank data from 2017, Solomon Islands exported wood commodities to China, amounting to 87%. This figure was significantly higher than Taiwan's, which was still in the process of establishing diplomatic relations at the time. China and the Solomon Islands share an interdependent relationship, where China relies on the Solomon Islands to sustain its economy and industry. At the same time, the Solomon Islands gain promising market opportunities in China. Data from the Observatory of Economic Complexity (OEC) reveals several key commodities for the Solomon Islands that are leading exports to China and vice versa, from China to the Solomon Islands. Data from the Observatory of Economic Complexity (OEC) below reveals the cooperative relationship between China and Solomon, particularly in the field of exports.

Graphic 1. Export Activity from China to the Solomon Islands and Vice Versa



Source: OEC (2021)

The graph illustrates several dynamics of export cooperation between China and the Solomon Islands. Both China and the Solomon Islands export various commodities, including other rubber products, motor vehicle parts and accessories, jewelry imitation, engine parts, other processed fruits and nuts, and swan wood. Solomon Islands' two most valuable exports to China are other processed fruits and nuts, with an export value of $428,000, and swan wood products, valued at $1.31 million. China's largest exports to the Solomon Islands include motor vehicle parts and accessories, totaling $3.22 million, and other processed fruits and nuts, amounting to $309,000. Based on the graph, China and the Solomon Islands are interdependent in their respective markets. Swan wood products represent the largest market for the Solomon Islands in China, while China's most significant market in the Solomon Islands is motor vehicle parts and accessories. Wood products continue to be the Solomon Islands' leading commodity, with the largest trade value reaching $282 million in 2021. Over the last 26 years, the Solomon Islands' exports to China have seen an annualized growth rate of 25.2%, increasing from $814,000 in 1995 to $283 million in 2021. Over the last 26 years, China's exports to the Solomon Islands have experienced an annualized growth rate of 20.6%, rising from $1.29 million in 1995 to $167 million in 2021.

Third, for a small country with significant conflict potential, security is a top priority in Solomon Islands' foreign policy. In terms of military capabilities, Solomon Islands only has a police force and lacks armed forces compared to other countries such as Fiji and Tonga. According to the research on "Assessing the Solomon Islands' New Security Agreement with China" (Graham, 2022), Solomon Islands security motivation in shaping its security policy is driven by regime security, meaning that the current ruling government determines security cooperation. Solomon Islands' decision to establish security cooperation with China can be outlined as follows.

First, the Sogavare government believes that China's presence can act as a barrier to Western intervention, which has the potential to trigger conflict in the South Pacific. The Sogavare government perceives three reasons why the West could trigger conflict. The riots in the Solomon Islands targeting the Chinese community from 24 to November 27, 2021, were addressed by Prime Minister Manasseh Sogavare in a statement. He expressed doubt about Australia's ability to protect the Chinese community during the Honiara riots (Kabutaulaka, 2022). The rioters were from Mailaita and demanded the cancellation of diplomatic relations with China, advocating for a return to Taiwan. The security guarantee to the Solomon Islands is risky due to Australia's changing role as a security guarantor and its relationship with China, despite being an ally of the United States. This raises concerns about potential conflicts.

Then, the security agreement between the Solomon Islands and China has raised concerns in Australia. The Australian government has accused China of planning to build a military base in the Solomon Islands due to China's significant investment in improving access to the port and Exclusive Economic Zone. Australia is concerned that the investment could result in the conversion of port facilities into Chinese military facilities (M.J Vinod, 2024). Prime Minister Sogavare responded to the allegations by asserting that the security pact agreement did not include the construction of a military base. The agreement focuses on the Solomon Islands requesting assistance from China in maintaining social order, providing humanitarian aid, conducting disaster response, and logistical replenishment. Chinese forces may also be used to protect China's safety and major projects in the Solomon Islands.

Last, in view of the geopolitical and geostrategic upheavals in the South Pacific between the West and China, the China-Solomon Islands security pact became Solomon Islands' strength to overcome and contain the possibility of potential militarisation upheavals that would disrupt the security stability of the Solomon Islands region that the West could trigger.

Second, there needs to be more satisfaction with the Regional Assistance Mission to Solomon Islands (RAMSI) in maintaining security in the Solomon Islands. Even though the Solomon Islands accepted Australia's presence, it did not become the primary security actor in Solomon. Third, the Solomon Islands are interested in establishing security cooperation with China as a preventive measure against conflict due to concerns about the security of ethnic Chinese, who have a major influence on the Solomon economy. Fourth, the Solomon Islands' trust in China has positioned Chinese police security in an important role, as they have trained local colleagues from Solomon in techniques related to maintaining security.

Based on the description above, it becomes apparent that three main urges drive the Solomon Islands' interest in cooperation with China. First, from a geographical standpoint, the Solomon Islands gain a strategic advantage by being situated on the global trade route within China's BRI program. This positioning offers Solomon the opportunity to integrate into global trade, particularly with the Chinese market. Additionally, the Solomon Islands receives assistance in the form of infrastructure development. Second, China's involvement in the Solomon Islands provides significant economic benefits. The Solomon Islands gains access to the Chinese market with uncomplicated regulations, facilitating integration into export activities. Notably, wood commodities are the largest exports from the Solomon Islands to China. Third, security cooperation with China yields several advantages for the Solomon Islands. It allows the Solomon Islands to counter Western influence, which could trigger conflict in the South Pacific. This cooperation serves as a preventive measure against ethnic conflicts, addressing the Solomon Islands' fears of future conflicts. Furthermore, China assumes a pioneering role in Solomon's security landscape following the failure of Australia's RAMSI.

Small States' Power Utilisation by the Solomon Islands Under US-China Rivalry

Particular-Intrinsic

When discussing power in international relations, something usually comes to mind: intrinsic powers such as population, territory, GDP, and military capabilities. These indicators are commonly used to understand countries' classification as great power, middle power, or small states. The problem with this idea is that when we use these indicators to categorize, it prevents us from seeing the context extensively and realizing that there is something these small states have that could be utilized to gain their very own interest.

In the book "A Small State's Guide to Influence in World Politics," Tom Long (2022, p.62) argues that "...though small states lack many of the normal categories of capabilities, they may possess particular forms of intrinsic power". Different from intrinsic power, particular intrinsic power is something that a state possesses but cannot utilize until other states give it meaning or have a specific goal.

As discussed before, the Solomon Islands' strategy to respond to China-US rivalry raises the question of how a small country in the middle of nowhere has enough courage to go against the mainstream. When the majority of Pacific countries choose to side with the Western allies, the Solomon Islands tend to side with the new emerging force in the region, China. From the surface, this policy might seem risky considering the West (i.e., Australia and the U.S.) are still holding the title of 'traditional hegemony' of the Pacific, which is demonstrated by the fact that there are still many countries tied with them.

Analyzing from the perspective of the Solomon Islands, the competition between these great powers poses a big opportunity for them to utilize. China has shown a strong interest in the region as one of the important routes for its Belt and Road Initiative project. Many countries in the region, like Papua New Guinea, Samoa, Vanuatu, Fiji, and Solomon Islands, have already joined and gained many benefits from BRI, both in the form of physical infrastructure and cultural education development (Li, 2022). Among those countries, the Solomon Islands might be one of the largest beneficiaries, and it has the closest relationship with China as the only country siding with them. Using small power theory analysis, these circumstances could give an extra advantage to the Solomon Islands for their very own interests.

The Solomon Islands is a particular intrinsic power that could be understood when put in the context of BRI and China-US rivalry. As Tom Long (2022) said, intrinsic power only becomes valuable when it is given meaning and applied to specific goals. That explains the Solomon Islands' decision to choose Beijing amidst the forceful Western response. The Solomon Islands also benefited from the security pact with the conclusion of the Regional Assistance Mission to Solomon Island (RAMSI); with the unrest that happened recently domestically, this security pact gave the Solomon Islands power to handle domestic issues with China helping Solomon Islands police force, this security pact, in turn, gives China clearance to put military presence in the country to help with improving local police.

By the context of particular intrinsic power, the Solomon Islands holds a geopolitical advantage; the country was located strategically between Australia and the U.S. states of Hawaii; with the now-signed security pacts, many wonder if China's military presence could lead to a permanent military base, the western especially Australia has seen the region as a buffer zone (Wallis, 2021). With the considerable failure of RAMSI, the focus of the Solomon Islands on security, and the geopolitical advantages that the Solomon Islands poses, Solomon Islands have strong bargaining power with the major powers in the region in terms of securities and economics trade.

We believe that the Solomon Islands' decision to balance U.S. hegemony in the region by siding with China as a means of deterrence, the creation of AUKUS and the plan of developing nuclear-powered submarines are seen by the Solomon Islands as a threat and a violation to Rarotonga Treaty. If the region still chooses to side with the U.S., they would not have the capabilities to stop AUKUS; thus, Solomon Islands' decision to side with China not only as a means to deter but also to gain for themself is seen as fully utilize their particular-intrinsic with China seeing the partnership between Solomon Islands is a massive gain while the U.S. seen the reality that Solomon Islands has now choose their rival as a major blow both to the U.S. interest and influence in Pacific Region. This move also shows that the Solomon Islands play a major role and have significant influence in the middle of China-US rivalry in the Pacific Region.

<u>Derivative</u>

In the context of the Solomon Islands, derivative power is evident through their growing relations with China in recent years. As China seeks to counter the hegemony of the U.S. and its allies in the Pacific Islands Region, the Solomon Islands' decision to accept China's security pact offer will be favorable to China. Given that the Solomon Islands is the only country in the Pacific Islands region that accepts China's offer, their relationship with China is highly valued. This opens up opportunities for the Solomon Islands to influence China's policies, particularly in the realms of security and the economy, which could benefit them.

Solomon Islands' interest in security is driven by concerns about securing themselves not only from external threats but also from domestic riots. Externally, the Solomon Islands is in a disadvantaged position as the U.S. and its allies aim to deploy nuclear-powered submarines to monitor the Pacific Islands Region. This threat could be mitigated by aligning with China, as China's security pact with the Solomon Islands would serve as a deterrent to potential adversaries. It is important to note that the Solomon Islands is situated in the heart of the Pacific Islands Region, which would significantly enhance the deterrent effect on the U.S. and its allies. By doing so, the Solomon Islands could influence China to seek protection from the threat posed by U.S. nuclear-powered submarines.

On the domestic front, the Solomon Islands has frequently experienced riots. As the Solomon Islands government seeks to maintain the trust of its people, it is imperative to stabilize these domestic conflicts. Prior to signing the security pact with China, the Solomon Islands received assistance from Australia in managing domestic conflicts through the Regional Assistance Mission to Solomon Islands (RAMSI). However, since RAMSI failed to meet the Solomon Islands' expectations in stabilizing riots, the Solomon Islands needed an alternative. China provided the answer, as the Solomon Islands could leverage China's assistance in maintaining internal stability. Given China's interest in gaining influence in the Pacific Islands Region to counter the US, Solomon Islands can request additional support from China to protect its government from riots.

From the Chinese perspective, if the Solomon Islands were to make both demands to China, the possibility of them being applied would be significant. As per Long (2022), when the relationship between small states and great powers is built around mutual benefits regarding a specific issue, achieving derivative power becomes more likely. This argument could be applicable to the relationship between China and the Solomon Islands, especially as China faces pressure from the U.S. and its allies to secure their assets in the Pacific Islands Region. Consequently, this could lead to more open relations between China and the Solomon Islands, aimed at advancing their respective interests. In sum, China would likely have a clearer understanding of the Solomon Islands' goals in this issue.

Solomon Islands' interest in the economy can be seen in their approach to BRI. China's Belt and Road Initiative has become one of the most influential economic cooperation programs in the world. To date, 149 countries have signed a Memorandum of Understanding (MoU) with China. These countries span various continents: in Sub-Saharan Africa, there are 44 countries; in Europe and Central Asia, there are 35 countries; 25 countries are in East Asia and the Pacific; in Latin America and the Caribbean, there are as many as 21 countries; 18 countries are in the Middle East and North Africa, and Southeast Asia, there are 6 countries. Solomon Islands signed the BRI MoU on October 1, 2019, and belongs to the lower-middle-income group (Wang, 2023).

The cooperation between the Solomon Islands and China through the BRI program provides substantial benefits, particularly in two main areas: the economy and security. Economically, the Solomon Islands have become a trading partner that can integrate into the Chinese market, with the largest export commodity being wood. Additionally, the duty-free treatment for 97% of the Solomon Islands' exports eases the process of exporting to China. This treatment is highly advantageous for the Solomon Islands, given its status as a country with a middle to lower-income economy (Solomon Government, 2021).

Through BRI cooperation, China is committed to assisting the Solomon Islands in the form of infrastructure development, mining projects, and agreements related to the rental of Tulagi Island as a seaport for the benefit of the BRI initiative. Moreover, there is a sister city cooperation between Guangzhou province and Guadalcanal in the Solomon Islands. China's commitment offers significant benefits to the Solomon Islands, not only bolstering its economic growth but also sustaining its development and progress.

In terms of China's security, China views the Solomon Islands as a strategic island, not only as a BRI sea route but also geopolitically as a factor in China's balance of power against the United States. Despite being a small island, the Solomon Islands wield significant influence over major countries like the United States and China. Through the established cooperation, the security of the Solomon Islands has become China's responsibility and intervention, enabling China to exercise security control and maintain the balance of power. Additionally, China's presence unconsciously reduces the intervention of Western countries and prevents the Solomon Islands from being drawn into conflicts in the South Pacific region.

In the eyes of China, the Solomon Islands are considered an important island that provides geopolitical and economic benefits and serves China's interests in the South Pacific. As a country with substantial financial resources, China is committed to providing maximum assistance to the Solomon Islands, as well as to other countries like Australia and others. Therefore, although the Solomon Islands may be a small island, it exerts significant influence, particularly in the realm of global powers. Large countries see the Solomon Islands as an investment hub, presenting an opportunity for the Solomon Islands to enjoy economic and security benefits.

Collective Power Potential

In the case of the Solomon Islands, collective power could be achieved through the Pacific Islands Forum (PIF). This institution consists of the Pacific Islands nations plus Australia and New Zealand (Pacific Islands Forum, 2024). PIF, like many other regional government organizations, discusses the challenges that are shared among Pacific Nations. PIF has formulated a plan called 2050 Strategy for the Blue Pacific Continent, which aims to make the Pacific region more resilient to the changing world, especially in economic and environmental conditions. PIF can be seen as a form of collective power in Pacific Islands Regions since it accommodates major issues that are common among these states, particularly the climate crisis issue. It also checks a lot of boxes to Tom Long's definition of collective power.

Even though the Solomon Islands have signed a security pact with China, they have not been excluded from the PIF, nor has their membership been terminated by the institution. However, for a couple of events conducted by the PIF, the Solomon Islands opted not to attend them even when invited. These events include the US-PIF Leader Summit and the PIF Leader Meeting in 2023 (Hurst, 2023; Macmillan & Swanston, 2023). This could have been a missed opportunity for the Solomon Islands to leverage their collective power, as one means to utilize it is by minimizing the cost of conducting foreign policy through joint action (Long, 2020). In essence, those summits serve as a form of joint action for reducing costs so that a small state does not need to spend a significant amount of funds to engage in bilateral cooperation to state their interests, compared to a multilateral format.

However, there is also a drawback when depending too much on collective power. Long (2016) mentions that a joint action institution might provide a broader audience to its members and can target multi-actor fora, but it requires limiting the freedom of small states. If the small state's interest aligns with the agenda of the institution, then they will benefit. However, when it does not, they will struggle to achieve their objectives. Therefore, in the case of the Solomon Islands, they might keep joining the summits created by the U.S. or PIF itself. However, it will only hinder their interests. In fact, by opting out and aligning themselves with China, Solomon Islands could face fewer constraints imposed by the majority interests of Pacific Islands countries, which they are more likely to need to address environmental security concerns such as the climate crisis. Meanwhile, the Solomon Islands prioritize traditional security to secure their territory not only from external threats but also to quell domestic unrest.

Conclusion

The contest between major powers in the Asia-Pacific region has been the subject of numerous studies. Still, prior research has predominantly concentrated on elucidating the consequences of contestation and the reactions of states in the region through an analysis of their domestic circumstances in an attempt to comprehend their decision. However, we argue that it is imperative to understand that the decisions of domestic actors are not solely driven by profit-and-loss considerations but also take into account strategic indicators that can be utilized to gain their interests. Applying the small states theory as an analytical framework, we observe that the Solomon Islands' response to the China-US rivalry is substantiated by their proficiency in using particular intrinsic and derivative powers.

The competition between these major powers presents a significant opportunity for the Solomon Islands to exploit. In terms of particular intrinsic power, one can understand this by examining the context of the Belt and Road Initiative (BRI) and the China-US rivalry, as its value only emerges when given meaning and applied to specific goals. Situated along the highly valued route of the BRI, China deems the Solomon Islands exceptionally important for their regional and even global vision. The Solomon Islands also hold a geopolitical advantage due to their strategic positioning between Australia and the U.S. state of Hawaii. With recent security pacts signed with Beijing, there are concerns about whether this could lead to a Chinese military presence in the region that might provoke the Western allies. In terms of derivative power, the Solomon Islands could leverage their strong ties with China. Acting as a lone wolf—China's sole strategic partner in the region—the Solomon Islands possess considerable bargaining power towards China to advance their security interests. This is evident in China's willingness to send its police to assist the Solomon Islands government in maintaining order. Economically, the Solomon Islands potentially stand to gain substantial benefits from China's BRI project in the region. The development of domestic infrastructure through the BRI could enhance the quality and quantity of domestic products. This development, coupled with stronger ties with China, also signifies increased access to the Chinese market. This maneuver reflects the Solomon Islands' smart policy in responding to the presence of major powers in the region. As a small state in the heart of the Pacific Ocean, they endeavor to maximize advantages for their country rather than remaining passive and trapped in the rivalry between two major powers.

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Understanding South-South Cooperation:

A Comparative Analysis with North-South Cooperation Approaches

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South-South Cooperation was first conceived at the 1955 Bandung Conference, which led to the foundation of the Non-Aligned Movement in 1961 and other important initiatives within the UN system, such as creating the G77 and elaborating the Buenos Aires Plan of Action. Since the beginning of the century, this cooperation modality has re-emerged and is now considered a catalyst for sustainable development. Given this context, this paper aims to analyze its ideological and political origins, definitions, and evolution, highlighting its importance as an instrument of foreign policy and development cooperation. In addition, a comparison between South-South and North-South Cooperation is made through five dimensions: ideas, institutions/political systems, interests, organizations, and vectors/schemes. Through this comparative approach, the author seeks to present consensual aspects of what is understood as South-South Cooperation and portray the diversity of strategies implemented by countries in the Global South.

Keywords: *South-South Cooperation; North-South Cooperation; Global South; Sustainable Development; BRICS*

Introduction

The study of the Global South, and especially South-South Cooperation (SSC), has regained interest among states, policymakers, academics, and other stakeholders since the beginning of the century, often due to a professed desire to identify ways to maximize the potential benefits of the policies and practices developed by states across the Global South (Fiddian-Qasmiyeh & Daley, 2020).

The interest is also given by recent economic and diplomatic achievements of several countries of the Global South, especially Brazil, Russia, India, China, and South Africa (BRICS) group. This situation has promoted diverse debates and considerations about the potentials and downsides of a new phase of contest or construction of alternatives to the traditional politics of the Global North (Gray & Hills, 2016).

Despite the undeniable increment in SSC initiatives in the last two decades, evidence points out that SSC analysis faces a few obstacles: the definition of activities, access to reliable data, the influence of traditional donors, limitation of civil society engagement, and a notorious deficit of empirical analysis, despite an increasing body of literature oriented toward describing and interpreting the phenomenon (Brun, 2018; Santander & Alonso, 2018; Adjani, 2023).

Amidst this trend, this paper poses the following research questions:

1. How has South-South Cooperation evolved as a modality of international cooperation?
2. What are the similarities and differences between South-South and North-South Cooperation?

To answer the first question, the content analyzes the ideological and political origins of the SSC, its definitions and evolution, as well as its rhetoric vs. reality based on official documents from Southern countries and international organizations and an extensive literature review on the subject.

To address the second question, a comparison between SSC and North-South Cooperation (NSC) modalities is made to showcase common and specific features within the Global South and better understand the SSC as an instrument of foreign policy and development cooperation.

This comparison gains importance when the development landscape is experiencing convergences among traditional donors and emerging providers. Therefore, deepening into the characterization of SSC could contribute to a more accurate comprehension of this cooperation modality.

This paper assumes the theoretical frameworks provided by Lancaster (2007)[1] and Kragelund (2019)[2], as the starting point for comparing SSC and NSC based on ideas, institutions, interests, national/international organizations, and vectors. The author used these dimensions to characterize cooperation models implemented by different states within the Global South.

The "ideas" refer to worldviews and principal beliefs shared by a significant part of the public and political elites that characterize cooperation processes. The "institutions/political systems" establish the rules of the political dynamics, e.g., electoral rules, presidential systems, and the legislature's role. The "interests" are the goals that the government aims to achieve through cooperation dynamics. "Organizations" refers to the location within the government of tasks related to a major function or program of government. Although Lancaster did not consider international organizations in her framework, due to their increasing importance and proliferation, the author included regional and international forums in which countries have memberships and promote cooperation initiatives. Finally, the "vectors" are defined as the way of engagement between two or more countries involved in SSC.

It is essential to point out that these dimensions are intertwined and are not static, as they could change with the unfolding of socio-political and economic developments at the national and international levels.

Consequently, the selection of this analytical framework, rather than analyzing isolated aspects, aims to provide a comprehensive picture of the cooperation approaches implemented by countries of the Global

[1] Lancaster studied the cooperation models of the United States, Japan, France, Germany, and Denmark.
[2] Kragelund examined Global South dynamics, the various vectors of engagement, and their interrelationship.

South.

Concepts, origin, and evolution of South-South Cooperation

Conceptualizing South-South Cooperation

SSC's definition and conceptual delimitation are controversial aspects usually discussed in international forums without any existing definitions that completely fulfill the involved actors' aspirations.

The vast heterogeneity of participants involved in SSC means that countries like Chile and Colombia, which have historically good relations with traditional donors, push for technical approaches. In contrast, countries like Venezuela and Cuba aim for a more political stance (Santander & Alonso, 2018). Moreover, countries like Russia include military collaboration in their cooperation models.

Brun (2018) pointed out that "governments, international organizations, and academics issue their proposals without reaching an agreement within each group" (p.173).

Given this situation, one possible formulation is the one made at the UN Conference on Technical Cooperation among Developing Countries in 1978: "... SSC is a conscious, systematic and politically motivated process developed to create a framework of multiple links between developing countries" (UN, 1978.p10).

The final document of the UN High-Level Conference on SSC, celebrated in Nairobi in 2009, included other elements that enrich the concept, defining it as:

> …a common endeavor of peoples and countries of the South, born out of shared experiences and sympathies, based on their common objectives and solidarity, and guided by, among other things, the principles of respect for national sovereignty and ownership, free from any conditionalities (UN, 2009, p.3).

Currently, the UN defines it as a broad framework of collaboration among countries of the South in the political, economic, social, cultural, environmental, and technical domains. (UNOSSC, 2021a).

Likewise, the UN Secretary-General, Antonio Guterres, emphasized that "the past decades have demonstrated the power of SSC to advance sustainable development," adding that "together, they can multiply their sustainable development efforts to mitigate climate disruption, find solutions to a global health crisis, manage supply chain disruptions, and deliver humanitarian assistance" (UN, 2023).

Scholars have also attempted to define this cooperation modality. For example, Surasky (2014) understands it as: "…a politically motivated process of reciprocal and equitable exchange of capacities carried out among countries of the South that are associated with promoting their development" (p.9).

Likewise, Mawdsley (2019) described SSC as "the transfer and exchange of resources, technology and knowledge, set within claims to shared colonial and post-colonial experiences and identities and anchored within a wider framework of promoting the collective strength and development of the global South" (p.2).

Considering all this, it is clear that SSC represents a partnership among Southern countries, moving beyond the donor-recipient relations of traditional cooperation models (Adjani, 2023).

Although the international community lacks a singular concept for SSC, drawing from previous definitions and acknowledgment of its accomplishments and potentialities, this paper understands SSC as:

> Cooperation among countries of the Global South aimed to improve the quality of life of their population, reinforce the role of developing and least developed countries in the international system and achieve sustainable development. This type of cooperation encompasses modalities beyond economic cooperation, including political, cultural, social, environmental, and technical cooperation (Zavarce, 2023a, p.2).

Origin and evolution

The emergence of SSC can be traced back to the Asian-African Conference in Bandung in 1955, where governments of developing countries first articulated the notion of shared interests and advocated for collaboration to amplify their collective voice (Lopez, 2014; SEGIB, 2017; Taylor, 2018).

The Bandung Conference led to the establishment of the Non-Aligned Movement (NAM) in 1961. By confirming the 'Spirit of Bandung,' the NAM also adopted a posture that rejected the bilateralist impulses that dominated the world through the system of Cold War alliances.

It was precisely based on claims aligned with the attempt to establish a New International Economic Order (NIEO) that the UN Conference for Trade and Development (UNCTAD) and the Group of 77 (G77) were constituted in 1964. They symbolized institutional efforts to create a global governance system different from the existing one (Taylor, 2018).

A significant step in SSC was taken in 1978 at the UN Conference on Technical Cooperation among Developing Countries. The conference led to the "Buenos Aires Plan of Action" (BAPA), which "may well be the most exhaustively, carefully debated document of its kind" since it encompassed five years of drafting and negotiation and included "hundreds of government specialists in development from all over the world" (UN, 1978, p.3).

The BAPA aimed to overcome the traditional donor-recipient dynamics with the broader concept of SSC, emphasizing partnership over hierarchy and setting objectives that remain, to some extent, valid for SSC providers: fostering self-reliance, promoting the establishment of a new international economic order, increasing technical cooperation, strengthening technological capacities, and attaining a greater degree of participation in global economic activities, among others.

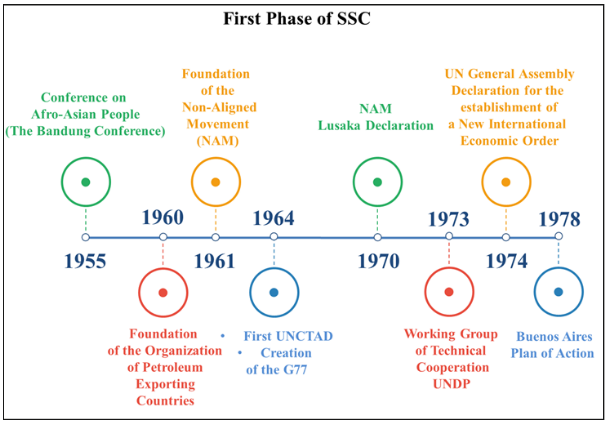
When reviewing SSC's history, different periodizations have been made to understand the evolution of this cooperation modality, its increasing relevance, and the appearance of emerging actors at the regional and international levels. For example, Mawdsley (2019) divided SSC progressions into 1.1 (1950s - early 2000s), 2.0 (early 2000s - present), and 3.0, which represent the upcoming future of this modality.

From a more chronological stance, Colacrai and Kern (2009) identified four phases: (1) 1955-1970s, (2) 1980s, (3) 1990s, and (4) 2000s. Additionally, Lopez (2014) acknowledged a fifth and current phase, which began in 2009 with the Nairobi High-Level UN Conference on SSC.

During the first stage (1960s-1970s), several organizations were created to strengthen the links among the Global South and obtain greater influence in multilateral forums. This activism in South-South relations originated partly from the independence of various sub-Saharan, African, and Caribbean countries seeking to increase their international presence and collaboration.

This phase was characterized by the surge of tricontinental organizations (Africa, Asia, and Latin America) such as the NAM, the G77, and the Organization of Petroleum Exporting Countries (OPEC), partnerships among developing countries to unify their voices against the Global North, calls for peace, disarmament, decolonization, and reduction of the gaps between developing and developed countries in industrial, economic and agricultural sectors.

Figure 1



Source: Elaborated by the author based on official documents such as SEGIB 2014 and 2017 (2024).

In the 1980s, during the second phase of SSC, Cold War tensions affected global dynamics. Also, a disarticulation of the South was observed due to individual and fragmented responses that gave rise to the external debt crisis, especially in Latin America (SEGIB, 2014).

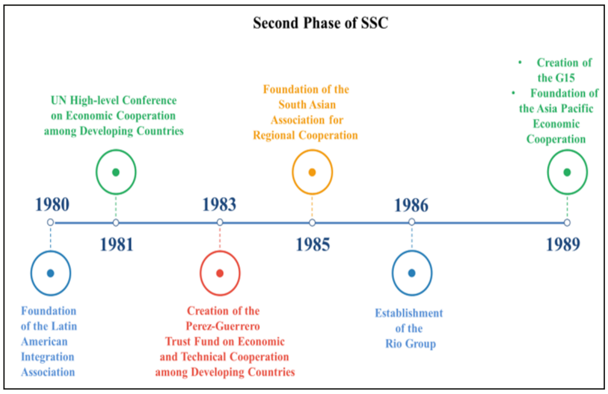
At the regional level, the Middle East region was characterized by increasing instability due to conflicts like the Iran-Iraq war (1980- 1988). There was also a process of institutionalization in Latin America by creating the Latin American Integration Association (1980) and the Rio Group (1986). In Asia, the South Asian Association for Regional Cooperation (1985) and the APEC became relevant forums for economic cooperation. Similarly, different attempts at integration were made in Africa, such as the Conference of the Southern African Development Community (SEGIB, 2014).

During this period, China and India retreated from the NAM and other third-world approaches, moving from highly political models towards more economic and technical-oriented ones (Mawdsley, 2019).

SEGIB (2017) recorded only 19 international events linked to SSC during this decade, highlighting, as the most important, the ones in Figure 2. However, sustained economic growth since the late 1980s led to more developing countries becoming regional centers of economic dynamism (UNDP, 2007).

Despite regional integration efforts, the second phase of SSC was characterized by a decline in the collective South concept, notably in tricontinental platforms like the NAM and the G77, due to the failure to achieve an NIEO, limited cooperation resources, and the dominance of NSC.

Figure 2



Source: Elaborated by the author based on official documents such as SEGIB 2014 and 2017 (2024)

In the 1990s, the third stage featured the emergence of a globalized economy. There, SSC began to be considered a tool for developing countries' international insertion. SEGIB (2017) reported 32 SSC events during that period. Likewise, the UNDP (2009, p.35) South Report highlighted that from the beginning of the 1990s to 2005, the South's export share was upward, reaching $3,721 billion in 2005 and accounting for 36% of world trade.

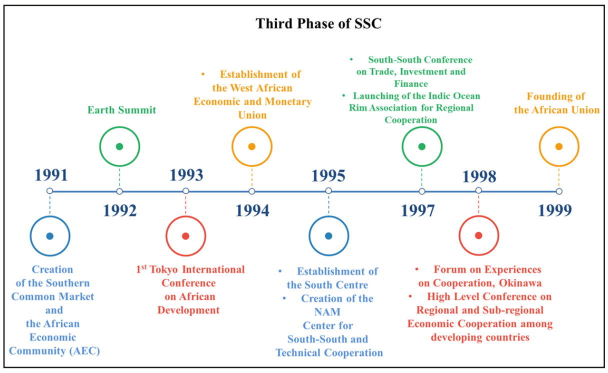
Similarly, another UNDP report (2007) showed that "during the 1990s, South-South FDI flows grew faster than North-South flows, and large Southern transnational corporations grew from only 19 in 1990 to 58 by 2005" (p.3).

There was also an increase in specialized forums on technical and economic cooperation, like the Tokyo International Conference on African Development and the Global Conference on Sustainable Development of Small Insular Developing States, in addition to political, trading, and strategy organizations. This expansion widened the scope of SSC, sometimes resulting in overlapping and blurred boundaries (SEGIB, 2017).

Therefore, this phase was characterized by a reactivation of South-South relations. However, this relaunching was made from commercial, financial, technical, and environmental orientations rather than political ones.

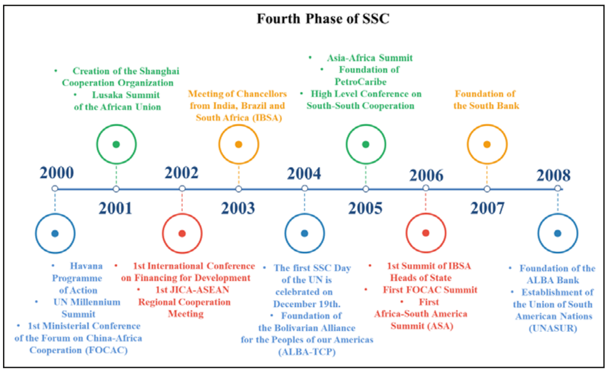
Increased economic ties, including trade and investment, within the Global South fostered several integration initiatives, e.g., the Common Market of the South (MERCOSUR), the ASEAN Economic Community (AEC), the West African Economic and Monetary Union (UEMOA), and the African Union (AU). These initiatives have nurtured regional cooperation, trade, investment, citizens' mobility, and interregional agreements.

Figure 3



Source: Elaborated by the author based on official documents such as SEGIB 2014 and 2017 (2024)

Figure 4



Source: Elaborated by the author based on official documents such as SEGIB 2014 and 2017 (2024)

The fourth phase began in the 21st century with an idea of the South as a group of states linked in multiple dimensions (political, economic, technical), motivated to diversify ties by exchanging experiences for mutual benefit. SSC was characterized by proactive presidential summitry, a reinforced narrative of diverging from traditional donors, growth in funds, projects, and international presence, and the emergence of new international forums like IBSA, BRICS, and the Forum on China–Africa Cooperation (FOCAC) (Mawdsley, 2019).

During this period, countries like Cuba (5.1%) and Venezuela (1.5%) became large providers of foreign aid in relation to their GDP, surpassing the UN target of 0,7% and the main promoters of cooperation in Latin America (Morales, 2012, p.97).

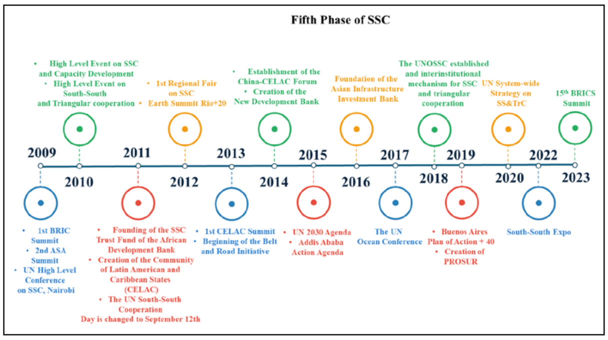
The fifth and current phase partly occurred due to the 2008 economic crisis. It resulted in lower aid volumes for middle-income countries and, conversely, continued economic growth in developing countries. This situation led to increased SSC in economic terms and more significant impacts of this cooperation modality at the international level.

Mawdsley (2019) identified three constant features in SSC during the 2010s: 1) a more pragmatic turn in SSC discourse focusing on effectiveness and outcomes rather than political narratives; 2) greater awareness by SSC providers of the challenges of working within partner countries; 3) growing cooperation and convergence between NSC and SSC.

In addition, there have been growing resources, finances, and institutions, the consolidation of Southern development practices, and the acceptance of emerging actors as development partners in the international system.

Proof of the consolidation of SSC in the development arena can be seen in the SEGIB annual report (2021, p.39), which informed that from 2009 to 2019, 12.914 initiatives were undertaken by Iberoamerican countries with partners worldwide. Similarly, between 2010 and 2017, 638 SSC international events were reported, highlighting the most important in Figure 5, representing the highest ever.

Figure 5



Source: Elaborated by the author based on several official documents (2024)

The fourth and fifth phases have been characterized by the rise of Brazil, China, India, and South Africa as key actors in the global political economy (Quadir, 2013, p.321). This situation raises expectations about changing traditional development cooperation practices, which have been dominated by multilateral institutions and bilateral aid agencies from developed countries since the 1950s (Quadir, 2013).

South-South Cooperation: Rhetoric vs Reality

Since its genesis, SSC has had a strong political dimension inspired by attempts of developing countries to change the global governance system. Countries from the South have framed their narrative based on the Bandung Principles: sovereignty, equality, no intervention in internal affairs, no use of force, and mutual interests, as well as the claims for an NIEO based on more equalitarian rules in international trade, reforms in the international monetary system, financial and technology transfer to foster development, and promotion of cooperation among Southern countries.

Nonetheless, by adopting the BAPA, the Millennium Development Goals (MDGs), and the Sustainable Development Goals (SDGs), which prioritized technical and economic approaches over political ones, SSC has also gained recognition as a catalyst to achieve sustainable development.

Given this duality between political and technical purposes, there have been discrepancies between the rhetoric (official narratives) and practices of developing countries regarding this cooperation modality.

Authors like Lechini (2009) and Ayllon (2009) argued that SSC overcomes NSC by combining multidimensional policies encompassing ideology and cultural affinity with strategic, commercial, and technical issues. They suggest that the SSC provides significant incentives for participating countries, such as increased bargaining power and international influence.

From a technical perspective, Yamada (2011) proposed that emerging donors offer advantages over traditional approaches. SSC leverages linguistic, historical, and geographical similarities among partners to deliver tailored solutions to the needs of other developing countries.

However, it is important to recognize that some countries approach SSC differently from the ideals outlined in the Bandung Declaration and the BAPA. Consequently, Santander and Alonso (2018) pointed out that "very different development cooperation models coexist, with different narratives, purposes, and practices, and not all the features (solidarity, complementarity, non-intervention, among others) attributed to SSC providers appear to be equally founded on empirical experience" (p.1924).

One clear example of the distortion between rhetoric and reality lies in conditionality. Traditionally, NSC has imposed conditions covering policy areas such as economic reforms, governance, and social development, as well as the policy-making processes, including civil society involvement, transparency, and results-based management techniques (Bergamaschi et al., 2017).

Nevertheless, Brun (2018) expressed the need to contextualize the notion of conditionality. Southern countries generally avoid imposing governance or development model conditions on partner nations. Still, partners may expect other obligations, like purchasing products from the providing country as needed for projects or supporting the provider's bilateral or global aspirations.

Another duality between rhetoric and reality is that, in theory, emerging countries often distance themselves from the Organization for Economic Cooperation and Development - Development Assistance Committee (OECD-DAC) standards on Official Development Assistance (ODA), preferring the term "cooperation" and considering involved parties as development partners (Brun, 2018). However, despite being labeled SSC practitioners, countries like Chile, Colombia, Costa Rica, Mexico, and Türkiye are OECD members and follow OECD-DAC standards. More recently, in 2024, Argentina, a country with a strong tradition in SSC and regional integration, declined an invitation to enter the BRICS and joined the OECD instead.

Moreover, according to official information, "the OECD works closely with some of the world's largest economies: Brazil, China, India, Indonesia, and South Africa, who are OECD Key Partners" (OECD, 2023a).

Given this reality, Mawdsley (2019) argued that "growing familiarity, shared contexts and interests, institutional deepening, and collaborations are producing a more complex, multidimensional ecology of development actors, in which simple North/South identities are even less anchored than before" (p.21). Thus, nowadays, while some Southern countries still frame SSC from a highly political standpoint against traditional donors, there has been a significant increase in activities, interactions, and convergence around particular ideas and frameworks, e.g., the foundation of the Group of 20, comprising emerging and traditional donors, and the 2030 Agenda, which included developed and developing countries and represents the roadmap adopted by the international community to achieve sustainable development.

Consequently, considering the different approaches, it is possible to recognize three major groups within the Global South. The first promotes policies that seek to part ways with traditional donors and reinforce the particularities of the SSC. The second, while pushing for strengthening SSC, attempts to gain a better position in the current international system without breaking with it. The third group aims to maintain the best possible relations with traditional donors.

Comparison between North-South and South-South Cooperation

This section compares NSC and SSC, attempting to show the similarities and differences in development cooperation promoted by these two models by identifying five dimensions (ideas, institutions, interests, organizations, and vectors) that shape both NSC and SSC.

Ideas

Historically, countries of the Global South promoted cooperation based on the 'Ten Principles of Bandung,' which represent a political statement guiding their efforts to promote cooperation globally.

Likewise, since the elaboration of the BAPA, key principles guiding SSC within the UN System have been emphasized. These principles are strict respect for national sovereignty (non-interference), equity in distributing costs and benefits, government leadership, horizontality, consensus decision-making, action under association schemes, and recipient-led efforts.

In addition, UNOSSC established that:

> The guiding principles of SSC are based on solidarity between the peoples and countries of the South that contributes to their national well-being, national and collective self-sufficiency, and the achievement of internationally agreed development goals, including the 2030 Agenda. (UNOSSC, 2021b).

However, it is necessary to highlight that despite a broad consensus on principles from the Bandung Declaration, the BAPA, and other documents, governments of the Global South selectively apply common principles following their foreign policy orientation.

In this direction, the OECD (2021a) showed that Brazil's principles include respect for sovereignty, non-interference in internal affairs, and non-conditionality. The most fundamental principles for India are respecting its partners' priorities and showing solidarity with other developing countries.

In the case of China, it has recently launched a White Paper entitled "China's International Development Cooperation in the New Era" which drew China's Principles for Development Cooperation: Respecting each other as equals, Doing the best we can to help, Focusing on development and improving people's lives; Providing the means for independent development; Conducting effective cooperation in diverse forms; Ensuring delivery and sustainability; Being open and inclusive to promote exchanges and mutual learning; and Advancing with the times and breaking new ground (The State Council Information Office of the People's Republic of China, 2021).

These principles updated the Eight Principles for Economic Aid and Technical Assistance to Other Countries adopted in 1964. They express China's intention to adapt its cooperation model to a more dynamic international cooperation system.

Regarding traditional donors, at the beginning of the century, OECD members established the current principles that characterized NSC initiatives in the 2005 Paris Declaration. These principles are ownership, alignment, harmonization, managing for results, and mutual accountability (OECD, 2021b).

Furthermore, the Busan Partnership underscored fundamental principles for enhancing effectiveness in development cooperation. These include ownership of development priorities by developing countries, a focus on results, partnerships for development, and transparency and shared responsibility (OECD, 2011). South countries participated in the Busan Partnership negotiations. This situation caused China to request the underlining of the voluntary nature of compliance with the principles in the final declaration (Gonzalez, 2011).

Despite traditional donors sharing more ideas due to their adherence to OECD-DAC standards than Southern countries, Lancaster (2007) showed how, e.g., while Japan and France shared a similar idea related to the obligation of the rich to help the poor, the US cooperation, on the other hand, has been shaped by the conception of the US as great power and leader of the Western liberalist alliance against socialism.

Consequently, principles and ideas adopted by Southern countries through international agreements are broader (Bandung Declaration, BAPA, regional organizations' principles) than traditional donors (OECD-DAC principles). However, when including these principles in foreign policy, both groups selectively promote the ones that best fit their official narratives, government plans, and national identities.

Institutions/Political Systems

South countries encompass a vast heterogeneity that emerges from differences in size, their membership in global governance structures, and their historical role vis-à-vis the rest of the Global South (Kragelund, 2019).

Making generalizations about predominant political systems in the Global South is challenging. For instance, according to McManus and Gulcin Ozkan's classification (2018), Brazil follows a Presidential system, while India and South Africa have parliamentary systems. China could be theoretically considered a semi-presidential system. In their study, 13 out of 24 African countries are categorized as presidential, seven as semi-presidential, and four as parliamentary.

Despite this situation, it is possible to observe similarities among Southern countries in the South American region, where the presidential model has been generally adopted. Nowadays, all twelve countries in South America work under a presidential model.

However, it is necessary to consider the nature of their political regimes and practices to avoid overlooking Southern countries' political systems and gain a deeper understanding of them. In this regard, evaluating BRICS countries using reports such as the Freedom Report and Democratic Index by the Freedom House (2023) and the Economist Intelligence Unit (2023) reveals diverse national political developments.

For example, Brazil is known as a democracy with competitive elections but faces challenges such as polarization, high political violence, lack of transparency, and widespread corruption. South Africa is a constitutional democracy that emphasizes human rights but struggles with corruption at the highest levels. India, also a democracy with a multiparty system, has faced criticism for discriminatory policies, particularly against the Muslim population, in recent years.

In contrast, Russia and China are categorized as authoritarian regimes in which the power is concentrated in the figure of the Head of State. In these countries, the government controls the state bureaucracy, the media, universities, businesses, and civil society associations.

Political systems in traditional donors are also diverse. Lancaster (2007) showed that the US follows a presidential model. Japan has a constitutional monarchy with a bicameral parliament, France operates a hybrid presidential/parliamentary system, Germany is a parliamentary democracy, and Denmark has a constitutional monarchy with a parliamentary system. Despite these differences, they share common democratic practices such as alternation of power, respect for the rule of law, and participation of various political sectors.

Interests

Countries in the Global South vary in economic strength and political ambitions. Brun (2018) and Santander and Alonso (2018) illustrated how, e.g., governments in Latin America pursue diverse interests through their foreign policies. Nevertheless, a shared trait is the promotion of SSC to garner support in global forums and enhance its international image. Santander and Alonso (2018) also demonstrated how, e.g., Chile seeks international integration and appears to be a reliable partner to Northern countries, while Brazil aims for regional leadership and extra-regional alliances for economic interests.

Other interesting cases are the two most anti-U.S. countries in the Western Hemisphere, Cuba and Venezuela. Venezuela, under Chavez and Maduro's administrations, has pursued interests such as promoting a multipolar world, regional integration, reducing US influence, and ensuring protection for the government (Zavarce, 2023b). In contrast, Cuba focuses on generating economic revenue to circumvent the US embargo through medical programs and tourism while enhancing its soft power to maintain international presence and prevent isolation (Bustamante & Sweig, 2008).

Another significant example is portrayed by India, which promotes SSC to safeguard critical geopolitical influence, especially in Southeast Asia and Africa, where China has been gaining preponderance in recent years (Choudhury & Nagda, 2019).

Regarding China, its promotion of cooperation aims to achieve diverse interests, including garnering support for global policies and reforms, safeguarding against external criticism of human rights, accessing natural resources and agricultural commodities, advocating for the One-China policy, and projecting soft power (Gallagher & Irwin, 2015; Schuman & Shullman, 2022).

Moreover, China's white paper on development cooperation (2021) highlighted the importance of the Belt and Road Initiatives (BRI) for its foreign policy, stating that through this platform, China aims to enhance policy coordination with its international partners, strengthen infrastructure connectivity to connect China with the world through air, land and sea, promote trade, deep financial integration, and foster closer people-to-people ties.

Additionally, South Africa actively engages in SSC to position itself as a norm entrepreneur in global affairs, advocating for reforms in global governance, reinforcing trade and economic relations with other African partners, and serving as the voice of the continent in the international arena (Lucey & O'riordan, 2014; Bradlow, 2020).

The complexity of interests among Southern countries is also observed in international organizations/forums, e.g., at the 15th BRICS summit in 2023, the member countries announced the group's expansion, inviting Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates to join the bloc.

The expansion of the BRICS, seemingly an agreement among the original five members, also reflects a competition of interests. Naidu (2023) suggested that while China aims to institutionalize its global influence, India sees an opportunity to counterbalance China and assume a more significant role in the Global South. For Russia, the expansion allows for deepening its power in the Eurasian economic corridor, while Brazil and South Africa aim to reduce fragmentation within the Global South.

Taylor (2018) underlined that political elites in the Global South often hold interests divergent from their constituencies. While this paper focused on government-promoted interests, it is important to recognize that other stakeholders, such as civil society, the private sector, and universities, also have stakes in cooperation dynamics.

Traditional donors are not a monolithic unit either. Lancaster (2007) showed how the US, Japan, France, Germany, and Denmark pursue different goals in the diplomatic, commercial, and developmental fields based on the interests promoted by internal forces and the national interest of the donor government in the recipient country.

Consequently, evidence suggests that Southern governments are no different from traditional donors in pursuing their states' interests, and not all consider themselves part of a broad-based Global South group (Ero, 2024).

Organizations

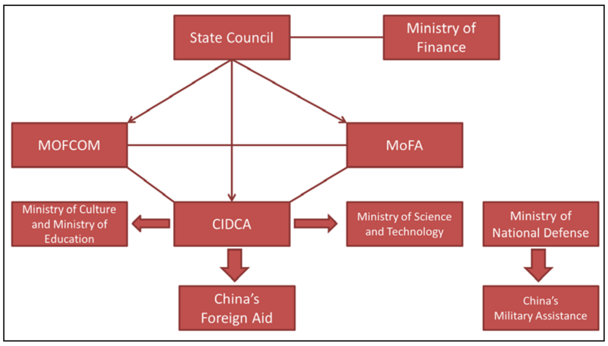
Nowadays, governments of the Global South are establishing aid agencies, creating Export-Import banks, expanding their representation abroad, building new embassies, and engaging in international summits (Kragelund, 2019).

Kragelund (2019) also emphasized that development cooperation in the Global South is diverse, and a single entity does not monopolize the efforts at the national level. Instead, central, regional, and local government entities, state-owned enterprises, think tanks, and banks are involved in the planning and execution of SSC.

Despite complex organizational architectures, after a period of expansion, there has been an increasing focus on establishing dedicated cooperation agencies in recent years (Mawdsley, 2019). Examples of this trend are the creation of India's Development Partnership Administration (2012) and China's International Development Cooperation Agency (2018).

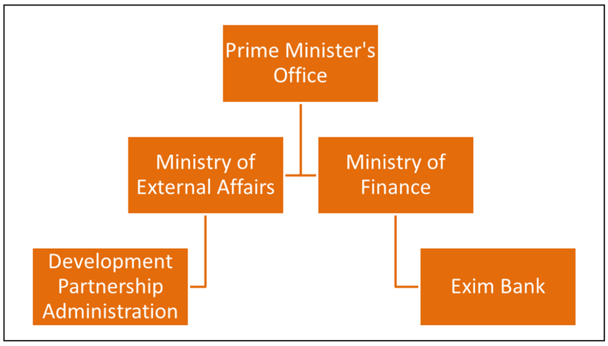
Figures 6 and 7 show some examples of internal organizations for the promotion of SSC:

Figure 6 : China's Aid System



Source: Azis and Basen (2023)

Figure 7: India's System for International Cooperation



Source: OECD (2023b)

Similarly, Stuenkel (2013) showed how, at the regional and international levels, different SSC initiatives are promoted by different organizations like the AU, the Association of Southeast Asian Nations, the Shanghai Cooperation Organisation, the New Development Bank, the OPEC, MERCOSUR, the Indian Ocean Rim Association, the Community of Latin American and Caribbean States (CELAC), and the Bolivarian Alliance for the Peoples of Our America (ALBA-TCP).

Braveboy (2009) explained that the beginning of the century marked the revitalization of old global organizations, like the NAM and OPEC, and the flourishing of new ones at the regional level, such as the AU and CELAC, even in regions such as Asia where cooperation has until now been limited by inter-state political rivalries. It is important to note the persistence of traditional organizations and the emergence of new ones, which, while opening more spaces to nurture ties of collaboration and understanding, could also generate overlapping and diffuse cooperation initiatives.

In contrast, despite differences and, in some cases, fragmentation among traditional donors, the NSC tends to be more uniform in organizational structure at national and international levels. Traditional donors concentrate their development initiatives through unitary agencies, typically linked to their MoFA. For example, the US promotes development cooperation through USAID, affiliated with the State Department. Japan channels its initiatives primarily through JICA. Denmark integrates its aid agency (DANIDA) within its MoFA, while Sweden implements cooperation projects through a unitary agency called SIDA (Lancaster, 2007).

At the international level, for over 60 years, the OECD-DAC has grouped the world's leading donors, defining and monitoring global standards in key areas of development (OECD, 2022a).

Vectors/Schemes

SSC encompasses various schemes and fields beyond ODA. Kragelund (2019) listed various vectors through which SSC is provided: aid, humanitarian assistance, trade, investment, education, and global governance.

Similarly, according to UNOSSC (2021a), SSC has recently taken various forms, including increased trade, FDI, regional integration, technology transfers, sharing of solutions and experts, and other forms of exchange.

In this context, Gallagher and Irvin (2015) emphasized that there is no easy way to measure development cooperation provided by countries like China since its cooperation combines resources categorized as aid with political, social, cultural, judicial, and military cooperation. However, China has been increasing the availability of statistical data regarding cooperation initiatives, e.g., in the information published in the White Paper on Development Cooperation (2021).

Similarly, official information from the Indian government stated that:

> Depending on the priorities of partner countries, India's development cooperation ranges from commerce to culture, energy to engineering, health to housing, IT to infrastructure, sports to science, disaster relief and humanitarian assistance to restoration and preservation of cultural and heritage assets (Ministry of External Affairs of India, 2023).

The cases of China and India portray the wide variety of vectors implemented by Southern countries, which cover larger scopes and fields than NSC.

In contrast to SSC, which usually goes beyond technical and economic approaches to encompass political, cultural, social, and even military cooperation, NSC, while disbursed to different areas like health, education, and infrastructure, is primarily based on economic cooperation, focusing on ODA and its three central schemes: grants, loans, and technical cooperation.

Nonetheless, this cooperation modality has also been promoted in recent years using other official flows (OOF). The OECD

(2022b) defines OOF as official sector transactions that do not meet ODA criteria.

Furthermore, the Addis Ababa Action Agenda introduced the concept of Total Official Support for Sustainable Development (TOSSD), which is defined as "an international standard for measuring the full array of resources to promote sustainable development in developing countries" (TOSSD, 2024).

This innovative methodology encompassed ODA, OOF, South-South and Triangular Cooperation, support to international public goods, and private finance mobilized by official interventions.

Therefore, given the broad spectrum of SSC initiatives and the absence of a unified definition, many activities undertaken by Southern countries, although not fitting within ODA scope, may still fall under the definitions of OOF and TOSSD utilized by traditional donors and international organizations. These activities include FDI, trade, energy cooperation, cultural exchanges, and scholarships, which do not fall under the ODA umbrella but can be measured through OOF and TOSSD.

However, it is important to highlight that SSC, as demonstrated in this paper, relies heavily on political aspects, including the political scheme. Evidence points to creating political platforms like the NAM, the G77, and the OPEC, among others. Since the beginning of the century, the political imprint has been perceived in forums such as the BRICS, CELAC, and ALBA-TCP.

This political scheme comprises bilateral or multilateral political coordination beyond developmental goals. It aims to reduce the influence of traditional donors, shield governments from external criticism and collective actions, enhance soft power, and even reshape or contest the global governance system.

To summarize the contents explained in this section, Table 1 presents an approximation, without exhaustion, of the main features of NSC and SSC.

Table 1: SSC vs NSC

Dimensions	South-South Cooperation	North-South Cooperation
Ideas	- Bandung principles. - BAPA principles. - Nairobi principles. - BAPA+40 principles.	- DAC principles for effective aid. - Paris Declaration. - Busan Partnership.
Institutions	- Presidential, semi-presidential, and parliamentary systems. - Democratic, hybrid, and authoritarian regimes.	- Presidential, semi-presidential, and parliamentary systems. - Democratic regimes.
Interests	- Economic benefits. - Political leverage. - Regional integration. - Capacity building. - Diplomatic solidarity. - Commercial interest. -Transformation of the international system. - Sustainable Development - National Interest. - Others.	- National Interest. - Sustainable Development. - Economic Growth. - Political Transformation in recipient countries. - New Markets. - Securitization of natural resources. - Others.
Organiza-tions	- Multiple overlapping organizations at the national level. - Multiple organizations at the international level (NAM, OPEC, ASEAN, MERCOSUR, BRICS +, NDB, etc.).	- Governed by a clear institutional framework. - OECD-DAC as a rector entity at the international level.
Vectors	- Foreign aid. - Humanitarian assistance. - Trade. - Investment. - Political coordination. - Military cooperation. - Others.	- ODA. - OOF. - TOSSD.

Source: Elaborated by the author (2023)

Conclusion

Since its inception at the 1955 Bandung Conference, SSC has evolved through various phases, influencing the involved actors' rhetoric, interests, approaches, and policy focus.

Therefore, while the SSC promoted in Bandung was inspired by political demands, the BAPA 1978 adopted a more technical approach. In the 2000s, SSC resurged, partly because of the rapid economic growth of the BRICS. Additionally, the MDGs and SDGs have promoted SSC as a catalyst to promote sustainable development.

Despite ongoing evolution and extensive debates, a universally accepted definition of SSC still needs to be achieved. This situation has led to challenges in defining the scope of SSC activities, difficulties in acquiring precise data, and a pressing need for further analytical and empirical scrutiny.

There is an increasing trend in defining operationalizing frameworks, as seen in the case of Indonesia (Adjani, 2023) and enhancing transparency through the publication of official data, exemplified by China's 2021 White Paper. However, there is still work to obtain standardization and efficiency.

In theory, SSC aims to break with the donor-recipient dynamic, emphasizing principles like solidarity, equality, complementarity, sovereignty, non-intervention, and non-political conditionality. However, some SSC providers have, to some extent, replicated traditional donors' practices, promoting cooperation to fulfill commercial and financial goals based on national rather than collective interests. The most visible example is China, which, through the BRI, explicitly pursues interconnectivity to promote trade and financial cooperation with its partners.

Moreover, rather than challenging the established global governance structure, some Southern countries are capitalizing on it to assert a more significant role. For instance, certain SSC providers, such as Chile, Colombia, Costa Rica, Mexico, and Türkiye, opted to join the OECD and align with its standards. Even more, Argentina, known for its extensive history of SSC, decided to join the OECD and declined an invitation to join the BRICS in 2024.

Similarly, other important actors, like Brazil, China, India, and South Africa, have established partnerships with the OECD, opening possibilities for future convergences between traditional and emerging donors.

Nowadays, South countries advocate different approaches. While some, like Cuba and Venezuela, seek to overhaul traditional North-South relations and propose alternative governance structures, others, like Brazil and South Africa, aspire to amplify their role within existing frameworks. Countries like India engage in SSC to safeguard their critical geopolitical interests, whereas others such as Chile and Colombia prioritize maintaining strong ties with traditional donors.

Based on these dynamics, it can be argued that currently, SSC practitioners aim to seek support for their positions in international forums, increase their role in the international system, project their values and ideologies internationally, explore new market opportunities and access to natural resources, consolidate anti-hegemonic power blocs, or serves as a link between the North and the South. Sometimes, it is even a combination of these intentions.

Among these developments, three main approaches within the Global South stand out:

The first aims to break traditional donor-recipient relations, alter the current global governance system, and reinforce SSC based on common claims and principles.

A second and middle position attempts to strengthen SSC and maintain selective collaborations with traditional donors while increasing its presence and influence in the current international system.

On the other extreme is a group of countries that want the best possible relations with traditional donors, sometimes even adhering to traditional standards imposed by the OECD-DAC.

Amidst this reality, relaunching the BRICS+ could represent a new phase of this cooperation modality, bringing a broader consensus among the strongest developing economies.

Nowadays, the BRICS+ challenges the G-7's preponderance in the global financial system, attempts to maximize the Global South's leverage power, which can be more diffuse in larger groups like the G77 and the NAM, and works to create a more diversified and multipolar market.

However, although the BRICS fundamentally aims to reform the Global Governance system and overcome the dollar's domination in the international monetary architecture, dissimilar interests among its members will also deepen with its expansion. Furthermore, numerous BRICS countries collaborate with the OECD-DAC, making the development landscape more diffuse and complex than ever.

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Telkom Indonesia's Strategy for Business Expansion in the Global Market in the Digital Era

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Telecommunications service provider companies face challenges in expanding their business in the global market due to rapidly changing technology, one of which is experienced by PT. Telekomunikasi Indonesia (Telkom). Telkom is a leading telecommunications company in Indonesia that significantly contributes to Indonesia's digitization and dominates the country's telecommunications market. As Telkom's business grows, the company expands globally, with implications for its operations in Indonesia. Based on the globalization strategy framework, the analysis acknowledges that the interaction between globalization and technology, sustainability, and politics poses challenges and opportunities for Telkom. The influence of massive digital transformation requires Telkom to restructure its strategies for expansion in the global market by strengthening its position in the national market. Telkom must ensure its position in Indonesia as a state-owned enterprise with significant responsibility for the future of digital Indonesia as a sustainable influence. Regulations that Telkom must face come from both national and international levels as a result of politics. Telkom's strategy is analyzed using three strategies within the globalization strategy framework. The author proposes several business expansion strategies in the digital era from this research analysis

Keywords: *digital era; multinational enterprise; global market; globalization; digital telecommunication industry*

Introduction

In this digital era, Telkom has transformed its business by multiplying its business types to match what is trending in global and regional markets. Telkom, as a significant digital telecommunications company in Indonesia, is responsible for improving digital capabilities in Indonesia and expanding in the global market because it is precisely by increasing the region that Telkom has a competent portfolio to enter the global market. As a result of digital influence, Telkom has to face different regulations in each country of its business objectives, including domestic regulations, because each country already has its digital regulations. The globalization strategy framework is used to analyze the strategies used by Telkom in dealing with the global market in the digital era and to recommend appropriate policies for Telkom. Digital transformation significantly impacts how society and countries conduct their economic activities, which were previously done conventionally but are now digital. This provides excellent opportunities for the telecommunications industry to support the changing economic activities (PressRelease.id, 2021).

Furthermore, these significant opportunities drive the telecommunications industry to rearrange its market positions, restructure its business systems, create innovative offerings, and provide better customer experiences. Telkom has rearranged to become a digital telco (Dinas Kominfo Provinsi Jawa Timur 2023; PressRelease.id 2021). Behind this are emerging threats, such as increasingly intense competition in the telecommunications industry, changes in consumer behaviour, and changes in regulations and government policies (Gilda, 2023). As a major company in the telecommunications industry in Indonesia, Telkom has a significant responsibility to build Indonesia's digital capabilities and expand its business into the global market, starting from nearby regions.

Technological advancements are changing human behaviour and changing a company's business strategy into a digital business, including Telkom. Initially, Telkom sold telecommunications services through voice and short messages. However, along with technological advances and changes in customer needs, the form of telecommunications services changed to involve digital. Social media and smartphones have led to growing competition among extensive mobile networks and internet-based service providers, better known as over-the-top (OTT) players (Amping et al., 2019). The intense competition can be seen from the consolidation of businesses that are carried out to survive and face market changes by actively seeking sources and making new investments, and each company has its own strategy (Sandria and CNBC Indonesia, 2022; Mediana, 2022). XL Axiata conducted a public offering related to sustainable bonds II XL Axiata Phase I in 2022 and sustainable Sukuk Ijarah III XL Axiata Phase I in 2022 with a total value of Rp 3 trillion. PT Smartfren Telecom Tbk, which received an investment from Alibaba of around 100 million dollars triggered by its position as part of the Sinarmas Group, has various business lines, ranging from the technology sector, agribusiness, property, finance to paper, and a large population of Indonesian people. Telkom made an agreement with PT Dayamitra Telekomunikasi Tbk regarding the transfer of ownership of 4.000 transmitter towers owned by Telkomsel, which made 10,050 Telkom transmitter units were sold to PT Dayamitra Telekomunikasi Tbk (Mediana, 2022).

In addition, in 2022, Telkom achieved consolidated revenues of Rp147.31 trillion, equal to a growth of 2.9%, with domestic and international coverage (Telkom Indonesia, 2023). No less important is that internet users in Indonesia are increasing yearly with a fast internet network, and in 2022, it will reach 215.6 million whose users are diverse, such as for m-banking, virtual accounts, QRIS, and others (ATSI, 2023). Changes in business strategy in the digital era are the primary key to maintaining growth and competitiveness to respond and innovate quickly. The company's business strategy is seen from the unification of Indihome services with Telkomsel to improve the level playing field and reach the business-to-customer (B2C) and business-to-business (B2B) segments in the telecommunications industry in order to generate new revenue (Abigail, 2023). In addition, Telkom launched Tnex as a sign of Telkom's achievement in reaching the global market through Telin (Pressrelease.id, 2023). There was a literature that discussed Telkom's digital transformation efforts by Kusuma, Pribadiyono, and Riharjo 2020 who mentioned that digital transformation efforts to deal with significant disruptions in the digital era by overhauling their organizations by encouraging human resources who are experts in digital. In the context of Telkom, Telkom is committed to changing its business strategy in the digital era to become the most prominent digital telecommunications company in Indonesia and globally (Amping et al., 2019).

This study is significant in seeing and analyzing the impact of massive digital transformation on Telkom, which has made Telkom change its business strategy, but this is an opportunity to reach the global market. Telkom, as a large company in the digital telecommunications industry in Indonesia, has mastered the Indonesian domestic market as an essential first step to reaching the global market, and no less critical is Telkom's position as a company from the global south, which is part of developing countries to compete in the global market. When viewed from the urgency of this study, the research question is how Telkom's strategy is to develop its business in the global market in the digital era.

Research Method

The author employs a case study method by exploring various case studies from secondary sources such as opinions, journal articles, and others. Relevant case studies are selected based on the global strategy framework and support Telkom's business expansion plans in the global market, with case studies having high credibility levels such as authorship, publication date, and venue, as well as engaging narratives for paraphrasing. The data collection period spans from the onset of COVID-19 and post-COVID-19, with analysis based on the GSF to determine its relevance to Telkom's business expansion and identify threats and opportunities. This method facilitates the author in gathering information that may not be obtained through other methodologies.

Globalization Strategy Framework

This framework is born from combining three main drivers of globalization and various strategies. According to the World Investment Report (WIR), there are three primary drivers in globalization: technology, sustainability, and politics, and all three are interconnected, reinforcing or conflicting. These three factors can influence the strategies of a multinational corporation in the global market, either hindering or supporting strategies, including Telkom, which is currently expanding its business in the global market (Blomkvist et al., 2021).

The Globalization Strategy Framework (GSF) is crucial for this research to examine Telkom's strategies for expanding its business in the global market in the digital era as a current issue post-COVID-19. The analysis used by this GSF is highly relevant to this research, as Telkom seeks to expand its business into the global market. On the other hand, Telkom must revamp its strategy due to the influence of massive digital transformation phenomena, but this presents a significant opportunity for it. Moreover, the presence of political, sustainability, and technological variables, as well as three types of strategies, enriches the analysis in this research that the new strategies built by Telkom are not solely influenced by digital transformation but also by regulations, competition, and others, and the GSF can guide this research in providing policy recommendations. Globalization and technology are two inseparable elements in the discourse of GSF because they go hand in hand with MNCs as the main actors. MNCs set various strategies to enhance competitiveness, as well as their countries. However, post-pandemic changes in globalization have triggered increased nationalism and protectionism, forcing MNCs to realign their strategies, with technology playing an increasingly significant role within them.

1. Technology

The technology variable refers to the rapid technological changes that have significantly influenced globalization by providing new ways for companies to conduct business activities. Initially, companies had to consider operational costs, which were crucial in determining the location and expansion of their business activities. However, with the advent of technology, these costs have decreased as a driver of globalization and international connectivity. Technology serves as a tool to open up new strategies in companies' business and production activities through the use of artificial intelligence (AI), automation, cloud, and others, enabling mass customization. The effects may be disruptive, but they also offer creative solutions that shape the competitive arena and open up more opportunities for companies to expand their international business (Blomkvist et al., 2021).

2. Sustainability

The sustainability variable refers to the urgent need to establish a sustainable system driven by regulations involving companies and the community. Several aspects are highlighted in this variable, such as changing consumer preferences that are more environmentally conscious and responsible, including organic food, eco-friendly clothing, fair trade products, green investments, and retirement savings influenced at times by government regulations. The technology companies use as a tool can have negative impacts, such as forest fires in some countries due to dependence on non-renewable energy sources. When a company comes under public scrutiny, it is accountable for its actions, not limited to environmental issues but also for treating the local community well. Regulations and politics in a country become the critical factors for achieving a sustainable system, prompting companies to rethink their strategies (Blomkvist et al., 2021).

3. Politics

This variable refers to the interaction between national policies, regulations, and powerful multinational companies. The influence of a country's national policies shapes the strategies of companies through laws, economic policies, and bilateral and multilateral trade agreements that are not unidirectional. This creates a complex relationship between national policies and companies, influenced by policies shaping globalization, the impacts felt from globalization, and the political system determining the policies. Many countries issue various policies, such as protectionism and free trade, leading to complex advantages, especially for developed countries. This complexity forces companies to rethink their strategies for international business expansion. Another crucial aspect of contemporary globalization is the breakdown of the "one world" paradigm, forming multiple systems. Companies must comply with diverse systems (Blomkvist et al., 2021).

There are three strategies adopted in this framework as a concept to provide analysis and strategy recommendations for multinational companies so that they can design the right strategies to respond to the influence of the three main drivers of globalization and enhance the competitiveness of the company in the global market in the digital era.

1. Corporate Strategy

Corporate strategy functions as a fundamental role for top management in making decisions about what businesses to operate and how the composition of those businesses can make the organization larger. In strategy development and maintenance, decision-makers from various scopes and levels of related and unrelated diversification are involved in all business lines, such as products, services, and markets served. In addition, top management focuses on resource allocation and cash flow, so corporate strategy involves plans and actions regarding coordination between the central company and subsidiaries. This complex includes organizational design and incentives for business units and subsidiaries. Equally crucial for the company is responding to local reactions by meeting their needs, which is included in its global strategy (Blomkvist et al., 2021).

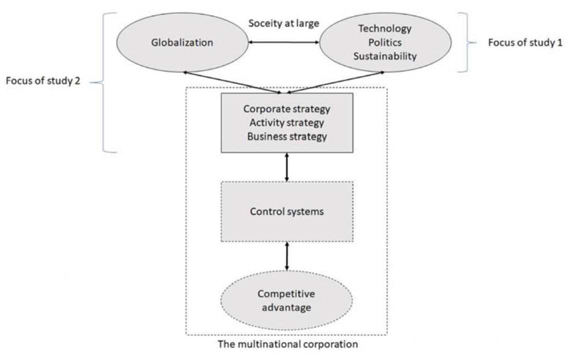
2. Activity Strategy

Activity strategy tends to focus on understanding the interconnections between activities and how decentralized or centralized activities generate value, requiring companies to decide where these activities will take place, including geographical location or organizational structure and governance arrangements. In making decisions about where activities should be carried out, companies can go through acquisitions from external parties or collaborate with external parties. Through all of this, there is an activity strategy for implementing corporate strategy (Blomkvist et al., 2021).

3. Business Strategy

Business strategy tends to focus on creating advantages in the competitive arena, which involves competitors and has the potential to form the basis of markets and industries. In achieving this advantage, companies can maintain minimal costs and ensure the lowest cost position, preventing competing companies from making a profit if they lower prices (Blomkvist et al., 2021). In the context of price competition, companies must consider the most efficient production methods by organizing production and leveraging opportunities available to the company. Another way is by differentiating the product, making customers willing to pay more than the competitor’s product by providing exceptional service and unique technological features or introducing a brand through acquisitions, such as acquiring valuable brands, establishing R&D centres, and more (Blomkvist et al., 2021).

Figure 1. Globalization Strategy Framework



Integrating the three strategies as concepts and the influence of the three main drivers of globalization are crucial to providing analysis and strategic recommendations for multinational companies. This ensures that multinational companies can devise the right strategies to respond to the influence of the three main drivers of globalization and enhance competitiveness in the global market in the digital era. Therefore, using this framework is essential to address Telkom Indonesia’s business expansion strategy in the digital era and provide strategic recommendations for Telkom in the digital era as a contribution and limitation of this research.

Analysis of the Globalization Strategy Framework on the Strategy of Telkom Indonesia

When looking at the corporate strategy, Telkom focuses on running three types of businesses, namely digital connectivity, digital platform, and digital services, and is divided into five customer segments to centre around customers with a level of unrelated diversification due to the build, borrow, and buy strategy. The building strategy maximizes infrastructure and digital talent capabilities so that Telkom can provide the best for users. The borrowing strategy involves building partnerships with large technology companies regionally and globally. The buying strategy emphasizes investments, prioritizing synergies to enhance the digital capabilities of the Telkom Group. All three strategies are implemented decentralized, managing overall risks through subsidiaries and business units to be close to markets and customers. Telin’s collaborations with NetIX to provide a global Internet Exchange platform, with TIME dotCom Berhad focusing on domestic and international connectivity, data centres, cloud solutions, and management services, and with Expereo to develop a joint market strategy for Internet connectivity and SD-WAN cloud acceleration and optimization services reflect the execution of these strategies. As the top management, Telkom focuses on resource and cash flow allocation through the "digital now" strategy, transforming into an internationally standardized digital telco as part of overall organizational design and providing incentives for business units and subsidiaries to respond to local needs within Telkom's global strategy.

Table 1. Business Focus of Telkom

Business Focus	Goal
Digital connectivity	To maximize the company's cash flow
Digital platform	Capture business opportunities
Digital services	Capture value creation

Source: (CNBC Indonesia TV and CNBC Indonesia 2022)

From the perspective of activity strategy, Telkom conducts its business activities in a decentralized manner by placing its operations based on geographical locations and governance arrangements through subsidiaries that collaborate with external parties to generate value. Collaborations like Telin with NetIX, TIME dotCom Berhad, and Expereo for global coverage exemplify this approach. Additionally, on the regional level, partnerships such as Telkomsigma with Google Cloud, focusing on infrastructure modernization, application modernization, data analytics, productivity solutions, and collaborative solutions, are developed jointly to address specific challenges for companies and communities. These decisions reflect Telkom's strategic choice in conducting its business activities.

Looking at the business strategy, Telkom maintains minimal costs and ensures a competitive cost position through efficient production methods. It organizes its production and leverages opportunities obtained through collaborations between Telkom and its subsidiaries with major technology companies. The opportunities gained as a major telecommunications company in Indonesia with a diverse and competent portfolio attract various investors, supporting Telkom's interests in the global market. Additionally, Telkom possesses a highly competent R&D centre and collaborates with other key companies and stakeholders, both regionally and globally, to offer products distinct from its competitors.

Of the strategies implemented by Telkom, all of them are influenced by the three main drivers of globalization and simultaneously represent responses issued by Telkom. Initially, Telkom did not have a wide range of business fields. However, the influence of technology has enabled Telkom to diversify into various business sectors and establish five customer segments, focusing on customer satisfaction. This has also provided Telkom with new ways to conduct its business activities by adopting technologies such as AI for customer services. Furthermore, this has empowered Telkom to expand its business globally through its subsidiaries, whose services go beyond regional coverage to global reach. As a significant digital telecommunication company in Indonesia, Telkom is influenced by sustainability issues and has taken on various responsibilities to enhance Indonesia's digital capabilities. This includes initiatives related to talent and infrastructure through programs and collaborations, given Telkom's visibility in the public eye. In its global expansion, Telkom collaborates to adapt to regulations in its target countries and elevate its standards. This is crucial as regulations vary across countries and regions, with significant changes occurring regionally, including enhancements in capabilities. The case study drawn from Telkom's global strategy in the digital era, Telkom's technology adoption initiatives, strategic partnerships, customer-centric approach in the global market, and regulations in the digital telecommunications industry guide the analysis and recommendations for Telkom's strategy in the global market in the digital era, utilizing the globalization strategy framework.

Discussion

Telkom's Global Strategy in the Digital Age

Telkom's latest targets in its strategy from 2023-2024 are to achieve the domains of digital connectivity, digital platforms, and digital services (Syahputra and CNBC Indonesia, 2023). Additionally, not to be overlooked, in 2024, Telkom aims to have an energy-efficient and environmentally friendly blue energy-based data centre (Sudoyo, 2023). The vision is to "Be the King of Digital in the Region" to continuously improve customer experience, expand digital business, and implement lean operations (PT. Telkom Indonesia, 2020a). From these three goals, Telkom has a way to achieve them, namely formulating every experience gained by customers to understand customers better, providing competent and high-quality broadband services, and streamlining digital processes supported by practical, agile, and collaborative organization and leadership. Meanwhile, Telkom's mission is to "Lead Indonesian Digital Innovation and Globalization," where Telkom is an innovation pioneer in Indonesia and becomes a global market player by actively developing the digital ecosystem (PT. Telkom Indonesia, 2020a).

From the global strategy, vision, and mission of Telkom, Telkom has a competitive strategy through innovation in business models, value chains, digital technology, and engaging in the TIMES Portfolio by focusing on customer value from all customer segments. For the strategy to be realized, Telkom has made ten initiatives abbreviated as "Digital Now", which can be seen in Table 2.

Table 2. Abbreviations of "Digital Now"

No	Letters	Meaning
1.	D	Defend and sustain the leading mobile position.

2.	I	Ignite Indonesia into a broadband nation
3.	G	Grow Enterprise business through digital ecosystem
4.	I	Invest in smart platform and intensify digital services expansion
5.	T	Transform into global 'hub' for world wide digital ecosystem
6.	A	Acquire capabilities and maximize value through digital and telecom A&A
7.	L	Localize technology businesses through innovation and investment
8.	N	Navigate major operating and organizational model transformation
9.	O	Optimize synergies across The Telkom Group and SOE
10.	W	World-class people and culture

Telkom has undergone many transformations in its implementation by continuously supporting Indonesia's digitalization to become a global player in the digital telecommunications market. Telkom is currently focusing on three main pillars to improve its competencies and capabilities in the digital business, namely digital connectivity, digital platforms, and digital services (Ayu, 2022). Digital connectivity from the existence of Indihome, which controls 80% of the Indonesian market, digital platforms to be utilized in various sectors, such as the existence of data centres, cloud computing, and big data which is utilized on various platforms such as Linkaja, Tadex, and others, digital services that aim to provide a variety of digital solutions for all levels of society, such as the agricultural sector with Agree, the logistics sector with Logee, and others. All of this is done to continuously enhance Telkom's excellence as a global player following the five bold moves strategy to maximize opportunities, increase competitiveness, and value creation as changes made by Telkom because, in the digital era, challenges will become greater (Ayu, 2022; Rosadi, 2022). This strategy has five focuses, both domestically and globally, namely strengthening market penetration, unlocking the potential of infrastructure assets, consolidating data centre asset processes, business transformation in B2B, and expanding digital business in both B2C and B2B segments (Kumparan Tech, 2023). Indeed, this aligns with the GSF, which sees the main actors as MNCs striving for their business in the global market. As a state-owned enterprise, they have a big responsibility to enhance Indonesia's digital competitiveness. However, Telkom also wants to become a global player, the influence of technology that transforms Telkom's business processes and the five bold moves as Telkom's strategy aligns with regulations and standards in various countries, including Indonesia. In addition, Telkom is making many efforts that align with the three types of strategies in the GSF.

To compete in the global market, Telkom continues to improve its digital business capabilities through building, borrowing, and buying strategies. The strategy is built by maximizing infrastructure capabilities and digital talent so that Telkom can provide the best for its users (Antara, 2021). Borrowing strategy by building partnerships with large technology companies, regionally and globally, such as Telkom's cooperation agreement with Microsoft Indonesia. A buying strategy by encouraging investments that prioritize synergies in order to increase TelkomGroup's digital capabilities, such as investing in large digital companies and startups both regionally and globally, including increased investment in the Gojek company and 50 startups in 12 countries through MDI ventures, which enabled Telkom to have an annual consolidated revenue of 3.9 per cent to IDR 69.5 trillion (Antara, 2021).

Telkom utilized the ASEAN Indo-Pacific Forum (AIPF) to expand its business. Telkom presented its investment focus on three pillars, namely connectivity, platforms, and digital services, but currently, Telkom still needs partners to supply digital platforms. In addition, Telkom partnered with Singtel in this forum to build a Hyperscale Data Center in Batam with an investment value of 581 million US dollars (Razak, 2023). In this forum, many international actors expect the positive impact of the digital financial revolution on the economy and social inclusion despite facing challenges such as geographic diversity and variations in talent, technology, and infrastructure readiness. Additionally, this forum helps bring together the public and private sectors, both from regional and global players within the Indo-Pacific and ASEAN region (Razak, 2023).

Telkom Technology Adoption Initiative

The adoption of technology by Telkom has to do with the digitalization that occurs in the telecommunications industry. Companies invest in people, processes, and technology as three elements to get more benefits from the market, such as increasing market share (Gharib, 2019).

If companies adopt technology, they will benefit from an increased percentage in their business processes, including in telecommunications companies, such as a 75% increase in customer engagement, a 63% increase in customer satisfaction, a 53% higher digital traffic, a 49% increase in lead generation (Gharib, 2019), and visitor conversion becomes greater by around 46% (Gharib, 2019).

To maximize Telkom's business expansion in the global market, Telkom undertook a technology adoption initiative by applying artificial intelligence (AI) to optimize business operations that have the potential to be used in the long term. The type of AI developed is a chatbot for customer services to respond to various questions from customers. This initiative was described at The Bali Annual Telkom International Conference (BATIC) in 2023 in Nusa Dua, Bali (Hariyanti, 2023). The emergence of various AI innovations is an opportunity for digital telecommunication companies to lure customers because, in several case studies, many other companies from other industries use AI to maximize services for many users, such as Tiktok, Instagram, Spotify, and others (Hariyanti, 2023).

As for the challenges in adopting AI, only some companies in Indonesia invest in R&D in AI development, with around 28%, while around 57% of companies consider adopting AI in their business processes. This low percentage is caused by uneven talent distribution that can develop AI, difficulties in finding the right partners, lack of knowledge in AI investment, and issues with personal data. In response to this low percentage, Telkom openly absorbs knowledge from existing AI technologies by adopting and developing them, such as metaverse, openly announces the desired partner criteria, and develops applications based on cyber security like Open Web Application Security Project (OWASP) and IT General Control (ITGC) (Fitri, 2022; Suhartanto & Firdaus, 2023; Waranggani, 2022). Even so, Indonesia has experienced a high economic increase of around 366 million USD, equivalent to a 12% increase in Indonesia's GDP in 2030 (Hariyanti, 2023). Telkom, as a large digital telecommunications company in Indonesia, has access to build partnerships with Google and Microsoft and invest in many potential startups because the development of AI requires competent sources, broad bandwidth capacity, energy, and processing machines. Telkom's adoption of technology, including AI, has inspired many companies to achieve successful business operations that were previously unsolved. However, Telkom has yet to go too far in developing AI, such as AI, which completely replaces the role of humans. However, Telkom is aware of the coming technological innovations and can prepare its digital talents to face the future (Hariyanti, 2023).

Telkom's Customer-Centered Approach in the Global Marketplace

In its expansion in the global market in the digital era, Telkom takes a regional and global customer-centric approach to the various services offered. Telkom continues to increase value to take a customer-centric approach; Telkom organizes its business by dividing customer segments or Customer Units (CFU), which are divided into five segments, namely Consumer, Mobile, Enterprise, Wholesale and International Business, and others (PT. Telkom Indonesia, 2022a). In each segment, there are product specifications, namely:

1. Products for the consumer segment consist of fixed voice, fixed broadband, IP-TV, and digital services, with 9.2 million subscriptions.
2. Products for the mobile segment consist of cellular legacy services (voice and SMS), mobile broadband, IoT, big data, financial services, VOD, music, gaming, and digital advertising with more than 300 million subscriptions.
3. Products for the enterprise segment consist of platform and ICT services such as connectivity, IT services and cloud, business process outsourcing, devices, satellite business, e-health services and ATM management with more than 300 million customers.

4. Products for the wholesale and international business segment consist of wholesale traffic, networks, digital platforms, and services such as towers, data centres, and managed infrastructure and networks covering regional and global with more than 500 customers and partners.
5. Products for other segments include digital platforms, digital content, and e-commerce for B2B with 77 users.

These products are distributed in regional and global coverage, such as Australia, Hong Kong, Malaysia, Myanmar, Singapore, Taiwan, Timor-Leste, Dubai, the United States, the United Kingdom, and the Philippines (PT. Telkom Indonesia, 2022a). In each segment, they have marketing strategies to adopt a customer-centric approach, namely:

1. The consumer segment focuses on improving the quality of services and a broader customer experience through the 'You Are First' program, based on the belief that customers are the top priority. Additionally, Telkom engages in activities through loyalty programs to continuously interact directly with customers, enhance network equipment, and reduce response times to address disruptions. The offered products provide attractive value to customers through digital channels, campaigns, and celebration promotions, such as the 'Unlimited Activities' tagline that emphasizes brand stories, gimmicks, special offers, and community empowerment (PT. Telkom Indonesia 2022a). Telkom also collaborates and contributes to significant events such as Mandalika MotoGP, IndiHome Gideon Badminton Academy (IGBA), International Basketball Federation, IndiHome Blog Competition, FIFA World Cup broadcasting sponsorships, IndiHome Limitless E-Sport Academy, and more. Moreover, multisectoral activities focus on multi-sector events across Indonesia almost weekly, including sports, e-sports, arts, literacy, education, and social activities. Through all these approaches in the consumer segment, its main product, IndiHome, is promoted to a wide range of potential customers (PT. Telkom Indonesia, 2022a).
2. The mobile segment refers to a marketing strategy that focuses on the specifications of customer segments and personalizes offers through various channels for efficient implementation. Additionally, Telkom enhances payload growth and acquires new users through improvements in network quality, services, product offerings, digital capabilities, acceleration, and expanding the digital ecosystem. To continually improve customer satisfaction, Telkom's partners and others increase data usage and digital products and create more creative content on digital platforms based on what customers need. One implementation is enhancing digital life-

style capabilities in games and videos, such as the influence of Maxstream on the streaming industry, and supporting the mobile game industry by providing solutions that empower the gaming community through 'Dunia Games' (PT. Telkom Indonesia, 2022a).

3. The enterprise segment focuses on continuous improvement and fundamental enhancements, increasing consultative sales, and developing strategies that support products and services to be closer to customers. Additionally, Telkom expands business partnerships, attracts high-end customers, and collaborates with customers to design what they genuinely need. In this segment, Telkom has a more competitive marketing strategy by organizing digital transformation initiatives conducted by a company, enhancing its portfolio in the market, supporting SMEs to gain greater access through digital platforms, and becoming a trusted partner in the ICT industry for the Indonesian government. Telkom has several specific employee positions to improve customer service, such as Account Managers, Government Relationship Officers, Business Account Managers, and Tele Account Management (PT. Telkom Indonesia, 2022a).
4. The wholesale and international business segment focuses on improving the effectiveness and efficiency of the cost structure, creating new opportunities, supporting state-owned enterprises (BUMN) to go global, and evaluating the portfolio to become better, ensuring the value of this segment continues to increase. The specific strategy for this segment includes offering attractive business schemes with competitive prices based on the quality of its services, enhancing services for global data centre customers, providing comprehensive solutions to tower service customers, and expanding into regional markets by offering submarine cable deployment and maintenance services (PT. Telkom Indonesia, 2022a).
5. The other segment refers to the continuous improvement of digital innovation, including digital content, more engaging digital services, brand, platform, operations, customer experience, enhancing the digital business portfolio, and more (PT. Telkom Indonesia, 2022a).

Customer-centric Telkom received positive feedback from customers due to the growth in customer satisfaction in 2022, reaching 29.72% for the services provided by Telkom, including Telkomsel by.U, especially with the addition of digital prepaid services. In addition, the percentage is higher than that of XL Axiata, which puts Telkom in first place (Jatmiko, 2023).

Regulation in the Digital Telecommunications Industry

As a significant digital telecommunications company in Indonesia, global and regional regulations impact Telkom. Regional regulations originating from Indonesia are created to address challenges arising in the digital telecommunications industry by enabling the inhibition of growth in the digital market due to disparities in infrastructure development among regions in Indonesia, such as Java, Bali, and others. The Indonesian government's efforts in developing the telecommunications industry aim to equalize digital capabilities across Indonesia by fully opening up the industry to investors through the regulations outlined in Law Number 11 of 2020 on Job Creation (Omnibus Law) and facilitating the licensing process for establishing businesses in this industry, ultimately attracting significant investments (Hartanto et al., 2023). Another initiative by the Indonesian government involves enhancing data protection, given the numerous data breaches in Indonesia, with a peak occurrence between August and September 2022, primarily within the digital telecommunications industry. In response to this significant risk, Indonesia swiftly enacted the Personal Data Protection Law in September 2022 to comprehensively regulate data privacy, similar to the General Data Protection Regulation of the European Union. Indonesia's actions became more stringent, requiring all companies engaged in digital business, including telecommunications companies, to promptly register their electronic systems in Indonesia. While attracting significant public attention, this move proved effective, as many digital platform companies swiftly registered themselves after that (Hartanto et al., 2023).

Digital telecommunications companies in Indonesia are subject to the Ministry of Communication and Information Technology (Kemenkominfo), which regulates the management of resources, postal and information technology equipment, postal and information technology administration, information technology application management, and public information and communication management. They must also be involved in cybersecurity and data protection regulations supervised by Kemenkominfo and the National Cyber and Crypto Agency (BSSN) (Hartanto et al., 2023). As for more detailed sources of regulation for the digital telecommunications industry, including cybersecurity and data protection, they include:

Key regulations in the digital telecommunications industry:

1. Law Number 36 of 1999 concerning Telecommunications (Telecommunications Law), later amended by the Omnibus Law into Law Number 11 of 2020 concerning Job Creation.
2. Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE Law) was later amended into Law Number 19 of 2016.
3. Government Regulation Number 46 of 2021 concerning Post, Telecommunications, and Broadcasting (PP 46/2021).
4. Government Regulation Number 71 of 2019 concerning Operational Systems and Electronic Transactions (PP

71/2019).

5. Ministry of Communication and Information Technology Regulation Number 5 of 2020 concerning Electronic System Providers in the Private Sector, later amended into Ministry of Communication and Information Technology Regulation Number 10 of 2021.
6. Ministry of Communication and Information Technology Regulation Number 5 of 2021 concerning Telecommunications Operations.
7. Circular Letter of the Ministry of Communication and Information Technology Number 3 of 2016 regarding the Provision of Internet-based Application Services (over the top).

Regulations on data protection and cybersecurity:

1. Law Number 27 of 2022 concerning Personal Data Protection (Personal et al. Law).
2. The ITE Law (Law Number 11 of 2008 concerning Electronic Information and Transactions, last amended into Law Number 19 of 2016).
3. PP 71/2019 (Government Regulation Number 71 of 2019 concerning implementing Electronic Systems and Transactions).
4. Ministry of Communication and Information Technology Regulation Number 20 of 2016 concerning Personal Data Protection in Electronic Systems.
5. BSSN Regulation Number 8 of 2020 concerning Security Systems in the Management of Electronic Systems.

Digital telecommunication services can only be owned by companies holding licenses regulated by the Ministry of Communication and Information Technology. This includes the organization of telecommunication networks, telecommunication equipment and its usage, spectrum, service areas, provisioning, and delivery of telecommunication services. In recent years, there have been changes in ownership and market access, including the digital telecommunication industry, as outlined in Presidential Regulation Number 10 of 2021, Presidential Regulation Number 49 of 2021, and Presidential Regulation Number 44 of 2016. The aim is to restrict foreign investments in various industries, as previous investments had negative impacts, resulting in significant foreign ownership (Hartanto et al., 2023).

Global regulations are derived from several international actors that exert influence in the global market. Among the highly influential international actors in global digital telecommunications regulations are, firstly, the International Telecommunication Union (ITU), a specialized United Nations agency responsible for coordinating global telecommunications operations and services. ITU plays a significant role in developing international standards, allocating global radio spectrum resources, and fostering innovation in the telecommunications sector (Utilities One, 2023). Secondly, the Federal Communications Commission (FCC) is an independent agency in the United States with significant responsibilities for regulating cross-country and international communications. It enforces regulations related to Internet service providers, promotes competition in the telecommunications market, ensures smooth and efficient communication channels, protects consumer interests, advocates for network neutrality, and ensures continued access to telecommunication services. Finally, the European Telecommunications Network Operators' Association (ETNO) operates in the European Union to develop policies that stimulate industry growth, promote innovation, and enhance Europe's global competitiveness. This is achieved through policies that ensure fair competition, innovation opportunities, incentives for investment in the European telecommunications market, collaboration with policymakers, and more (Utilities One, 2023).

The presence of regulations has a real impact when Telkom operates its business operations under regulations. Telkom successfully obtained the Most Excellent Good Corporate Governance Implementation by implementing Good Corporate Governance (GCG), which includes transparency, accountability, responsibility, independence, and fairness and equality that can enhance the company's national and international competitiveness (Anam and CNBC Indonesia, 2023). This shows that Telkom's standards at the national and international levels are based on both regulations that can improve its business.

Innovation and Research & Development (R&D)

In facing the global market in the digital era, Telkom engages in innovation and research and development (R&D) with actors both at the regional and global levels. Telkom consistently explores innovation and R&D by developing AI for AI Voice, AI Image/Video, and AI Text/NLP, which are predicted to become significant businesses driving the growth of the 4.0 industry (PT. Telkom Indonesia 2020b). Telkom also establishes comprehensive facilities to support innovation and R&D, such as the AI Lab, Robotics Lab, RPA (Robotic Programming Automation) Lab, Blockchain Lab, AR (Augmented Reality)/VR (Virtual Reality) Lab, Biological Signal Lab, and others, equipped with various advanced devices like the NVIDIA DGX A100 to accelerate the training data process and AI algorithms. The presence of innovation and R&D is expected to contribute to providing incubator services for many startup companies by collaborating with universities, businesses, communities, governments, and media to enhance Telkom's and Indonesia's competitiveness in the global market (PT. Telkom Indonesia, 2020b).

To further accelerate innovation and R&D, Telkom collaborates with the Indonesian Telecommunications and Digital Research Institute (ITDRI) and the Massachusetts Institute of Technology (MIT) through the Industrial Liaison Program (ILP), primarily focusing on enhancing digital talent through digital transformation development. This collaboration also addresses the rapid and extensive technological advancements, such as the Internet of Things (IoT). MIT is a globally renowned institute that contributes significantly to research, knowledge, innovation, and alums, impacting the world's technological progress (PT. Telkom Indonesia, 2022b). The primary focus on developing digital talent aims to meet global needs for digital skills across various sectors. This collaboration adopts the Penta helix scheme, involving the government, business partners, academia, technology providers, and the community, including many international actors. Both parties gain access to databases, articles, and more to generate ideas that provide solutions. The implementation of ILP through the adoption of the Penta helix scheme in the regional context is carried out by Telkom in collaboration with ITDR, involving the Bandung Institute of Technology (ITB) and Padjadjaran University (Unpad), with a focus on IoT, Blockchain, and AI tailored to industry needs and strengthening Indonesia's digital talent capabilities (PT. Telkom Indonesia 2022b; Syahputra, 2023).

As a subsidiary of Telkom, Telin engages in the exploration, investment, provision, and utilization of submarine cable technology. Submarine cable technology enables more efficient and robust data transmission across borders, accelerating innovation and positioning Indonesia as a primary gateway for high-speed data delivery in the regional and global markets through programs like WIDE and APNIC. This is achieved through collaboration with the Asia Pacific Infrastructure Development Trust (APIDT). Additionally, this collaboration supports joint investments and development initiatives (PT. Telekomunikasi Indonesia Internasional, 2023).

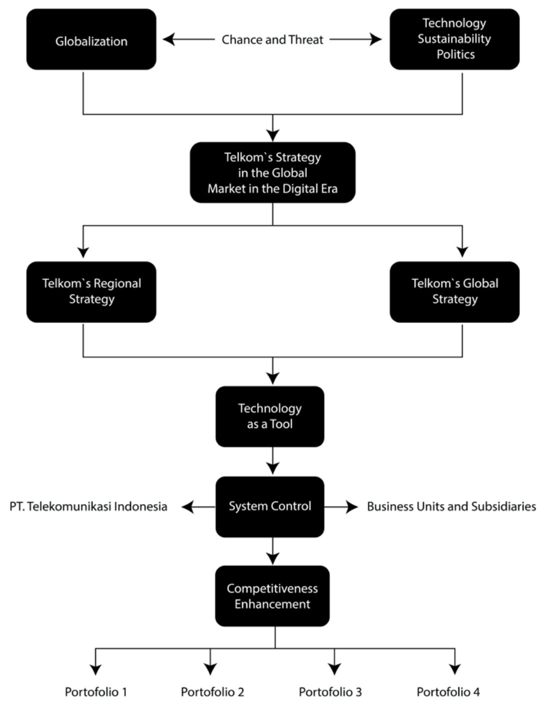
Telkom is engaged in further innovation and research and development (R&D) by creating new network services in the Asia-Pacific region, focusing on virtual infrastructure technology for the years ahead, specifically targeted for 2020. This innovation and R&D are conducted through collaboration with Nippon Telegraph and Telephone Corporation (NTT) as part of implementing the Asia-Pacific Telecom Innovation Initiative (ATII) program. The initiative aims to develop proof of concepts (PoCs) and technical studies to strengthen partnerships. Many service providers in the Asia-Pacific region face challenges such as natural disasters and diverse traffic needs due to uneven population growth (Antara, 2017). Moreover, this innovation and R&D initiative aims to create new markets using Information and Communication Technology (ICT), focusing on sustainable development through collaboration and promotion with various partners in the Asia-Pacific region. The goal is to lead the global economy in the future. Ultimately, the ATII program resulted in three projects: high-value-added network services, server platform virtualization, and flexible access network virtualization (Antara, 2017).

Policy Recommendation

In this final section, the author recommends policies while providing conclusions. In this digital era, Telkom has extensively transformed its business by diversifying its business types to align with current trends in the global and regional markets. As a significant digital telecommunications company in Indonesia, Telkom is responsible for enhancing the country's digital capabilities. While expanding globally by strengthening its regional presence, Telkom possesses a competent portfolio to enter the global market. The digital influence also requires Telkom to navigate regulations in different regions, each with its digital regulations. The complex coordination among Telkom, its subsidiaries, and business units due to the many businesses owned serves as a subject for future exploration. It represents limitations that need to be addressed in this study.

The policy recommendations for Telkom in the global market in the digital era are formulated based on the globalization strategy framework by analyzing numerous case studies, as depicted in Figure 2.

Figure 2. Telkom Policy Recommendations



In Figure 2, it is explained that the interaction between globalization with technology, sustainability, and politics presents threats and opportunities for Telkom. This underscores the importance of carefully formulating Telkom's strategy to manage both opportunities and risks in the global market in the digital era. Telkom's strategy in the global digital market is crucial to complement its regional strategies, given the undeniable fact that Telkom is a leading digital telecommunication company in Indonesia. In implementing these strategies, Telkom must leverage technology in its business operations to manage the control system between Telkom and its subsidiaries and business units. Once Telkom's control system is competent, it will generate high competitiveness with various business portfolios that align with its strategy in the global digital market. It is also important to note that national and international regulations are crucial to improving standards, enhancing competitiveness and compliance with regulations, which is equally important. Therefore, the author believes that Telkom must acquire and absorb knowledge and technology from the global market, whether through competition, collaboration, or regulations, to continually enhance Telkom's value-added and ensure its position in Indonesia against its competitors. Although its position in the global market may still need to have a significant impact due to intensified competition, its presence among established global players adds value.

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Authors Biography

Global South Review

Muhd Rafli Ramadhan Warganegara is currently pursuing a master's degree in MSc Development Studies (Political Economy) at SOAS, University of London. His research interests revolve around the intricate connection between economic growth and sustainability, encompassing topics such as measurement, industrial policy, global commodity chains, and feminist political economy. Rafli is particularly focused on addressing the challenges of sustainability through green growth and green industrial policy. He has undertaken several works on the political economy of technology, green growth, and social reproduction, contributing to the broader understanding of how economic policies can align with "sustainable" development based on niche socio-political context.

Nabila Talitha Sani earned her bachelor's degree in International Relations from Universitas Gadjah Mada. Currently an analyst at a global management consulting firm, she has extensive experience in both qualitative and quantitative research across wide array of industries. Her academic background focuses on studies around global politics and political economy where she wrote her thesis on Indonesia-Australia Relations on Rohingya refugee crisis management. Nabila's research interests encompass political economy and development, global security, and local empowerment through policy initiatives.

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Rizki Faisal Ali is a Master of International Relations student in Gadjah Mada University with a special interest in Digital Transformation and Competitiveness. He has a great interest in doing research on the correlation between the phenomenon of digital transformation and international relations, where digital transformation cannot be ignored or only considered as a neutral tool, but there is a purpose behind it. In addition, multinational companies and countries as actors continue to arouse his curiosity in seeing the phenomenon of digital transformation, especially when it comes from the Global South.

Author Guidelines

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Even pages: Author (edited by editor)

Title
Must be brief and informative, between 15-20 words
(16pt, bold, single pharagraph spacing, 0 before-after)

First Author; Next Author; Last Author – without academic title (12pt, bold)
First Author's Affiliation (Department, University, Country) (12pt);
Second Author's Affiliation;
Third Author's Affiliation;
email@writer.ac.id (only write email for the corresponding author)

Abstract (13pt, bold)

Abstract should be typed in italic, font size 10pt, single-spacing format and justified. The abstract should briefly summarize the aim, findings, or purposes of the article. Authors encouraged to write clear explanation on methodology or conceptual framework used in the article, followed by short summary of the research findings. The end part of the abstract should give conclusion that indicates how this paper contributes to fill the gap in previous studies, or any practical implication that might occurs. The abstract should be written in one concise paragraph of no more than 250 words.

Keywords*: contains; three to five; relevant keywords; separated by semicolon; written in lower case, italic 10pt*

Guidelines (13pt, Bold, Title Case)

The manuscript should be written in English on A4-sized papers (21x29.7 cm), with custom margins as follows: left 2.5 cm, right 2 cm, bottom 2 cm, and top 2 cm. The manuscript should use Callisto MT, 12pt font size, 1.5 line spacing. Manuscript should consist of 4,000—7,000 words (research article) and 3,000—4,000 words (book review). Referencing and citing technique used is APA 6th edition, with in-text citation format

Guidelines - Introduction

All sources quoted or paraphrased should be listed in the reference list. Cite source using APA in-text citation format, by writing author's last name followed by the publication year, for example: (Hudson, 2014). Direct quotations, tables, or figures referred should include the page number, for example: (Hudson, 2010, p. 44).

The introduction part should explore these elements: (1) Explanation about the research background and the general theme or topic; (2) Provide clear and convincing answer to the question: Why is this article is important? (3) A concise literature review of available literature or research. Please cite the most imperative part, theories, or debates from existing studies; (4) Indicate how your article will contribute to fill the gap to the current studies. This is also important to show that your idea is original; (5) Offer explanation on specific problem or question[1] and hypothesis that will be the main point(s) of the article.[2] We encourage authors to bring only one or two questions.

Author should also describe objectives of the research and offer the brief structure of the article.

Guidelines - Methodology

Author is encouraged to describe methodology clearly. Put it in a dedicated subchapter if necessary. This part should contain a brief justification for the research methods used.

This part should contain enough detail to enable the reader to evaluate the appropriateness of your methods and the reliability and validity of your findings.

How To Write Your Subchapters

[This is an example text] Vivamus quis nisi ut diam vehicula mollis rhoncus et massa. Sed in sem felis. Nulla facilisi. Fusce lobortis vel nisl non viverra. Phasellus id molestie nunc.

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<u>If You Have 2nd Level Subchapters, Use 12pt, Underline, Title Case</u>

[This is an example text] Proin non consequat justo. Praesent tempor aliquam nibh vitae venenatis. Praesent pulvinar nulla ut ligula ultricies, bibendum pretium mi hendrerit. Quisque luctus, purus in tincidunt consequat, nibh metus laoreet ex, at rutrum nisi metus ut lacus. Integer commodo purus orci, non pharetra nisi iaculis non. Aenean eget rutrum risus, eu egestas erat. Sed lobortis diam dolor, at porttitor dolor consequat tempus. Etiam erat felis, porttitor sed enim a, aliquam commodo elit. Cras ac posuere est, eu interdum mi. Maecenas posuere lacus vitae nisi efficitur, sed malesuada erat tincidunt. Nullam a dignissim massa. Fusce molestie finibus augue id lacinia. Integer tincidunt at metus ac pharetra. Vivamus hendrerit, mauris quis pharetra fringilla, orci ipsum interdum lacus, et imperdiet massa mauris quis lorem. Pellentesque placerat fermentum imperdiet. Fusce scelerisque purus eget suscipit semper.

If You Have 3rd Level Subchapters, Use 12pt, Italic, Title Case. Run the text on after a punctuation mark. **[This is an example text]** In hac habitasse platea dictumst. Nunc in euismod libero, vel interdum lacus. Proin ut dignissim risus. Nunc faucibus libero sed eleifend bibendum. Nam mattis, odio ac placerat euismod, mauris felis consequat nunc, ut porttitor ligula risus ac nisl. Nulla ullamcorper sapien non quam gravida, nec dignissim ligula

[1] Fewer question or hypothesis is better, we encourage author to bring only 1-2 questions

[2] Footnote may be used to provide additional description (terms, concept, specific event, etc.) that might be too excessive to be included in-text.

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- Sed sit amet massa felis. [This is an example te xt for 2nd level subchapter]

Guidelines - Conclusion

Conclusion is a brief summary of findings and discussion. It is strongly recommended to avoid mere repetitive statements or phrase from the previous section. Author may also discuss implication of the findings and point out prospect for further research.

Conclusion should followed by reference list format. Reference list is based on American Psychological Association (APA) style. Reference list should appear at the end of the article and include <u>only literatures actually cited</u> in the manuscript. Citation should be sorted alphabetically and chronologically, written in single spacing and 0pt before-after spacing format.

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