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The Complex Motives of USAID Technical Assistance in Education and Workforce Development (2014-2023): A Literature Mapping Approach

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Abstract

Indonesia has been a key recipient of U.S. foreign aid for over seven decades, even before USAID's establishment. It was among the first countries in the Asia-Pacific region to receive U.S. assistance in 1950. Despite fluctuations in U.S.-Indonesia relations, U.S. aid to Indonesia has remained consistent and evolved over time, adapting to the changing geopolitical landscape, from Cold War politics to the Global North-South dynamics. This research focuses on USAID's technical assistance in education and workforce development in Indonesia between 2014 and 2023. Indonesia's significant democratic and economic advancements over the past 15 years have elevated its status as a prominent regional leader with growing global influence. When the U.S. and Indonesia signed the Assistance Agreement in 2014, Indonesia was experiencing robust economic growth, exceeding six percent in the previous years, and, along with China and India, played a crucial role in helping the Asia-Pacific region weather external financial shocks post-great recession. This progress solidified Indonesia's position as a prominent emerging economy. On the other hand, the U.S. had not fully recovered from the economic downturn caused by the 2008-2009 Great Recession and was facing substantial budget cuts. The total foreign aid budget approved by the U.S. Congress in 2014 decreased by six percent (approximately \$7.4 billion) compared to the previous two years. Normatively, foreign aid tends to decrease as the recipient country experiences economic growth, particularly when the donor country, like the U.S., is grappling with both domestic and international economic challenges. This research reviews 17 foreign aid studies using a taxonomy analysis method to examine the underlying motives of U.S. foreign aid. In this context, it effectively explores the complex relationship between the altruistic concern and geostrategic interest of the US aid allocation towards Indonesia.

Key Words

Foreign Aid, Indonesia, United States, geopolitical interest, geoeconomic interest.

1. Introduction

Foreign aid has been a pivotal tool in the arsenal of U.S. foreign policy, serving not only humanitarian agenda but also to advance the donor's geopolitical and geoeconomic interests. In the context of U.S. relations with Indonesia, aid has played a critical role in fostering economic development, improving infrastructure, and enhancing human capital. Over the past several decades, Indonesia has risen as a key player in Asia-Pacific and new emerging economy in the world, earning greatly from development assistance programs like USAID. This research explores the strategic interests of U.S. foreign aid towards Indonesia, particularly focusing on the technical

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assistance provided through the USAID program in education and workforce development between 2014 and 2023.

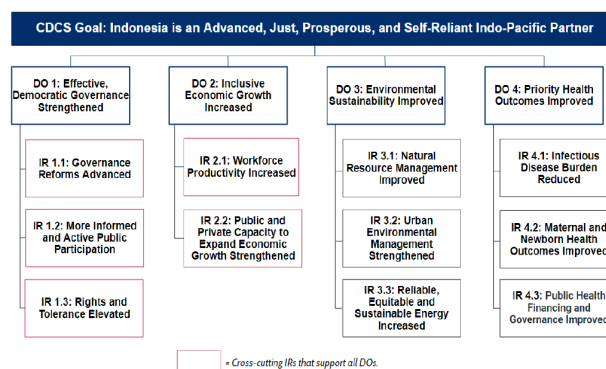
Figure 1. Four Development Objectives of USAID's Technical Assistance to Indonesia in 2014-2019



Source: US-Indonesia Assistance Agreement (2014)

The United States has a longstanding of providing aid to Indonesia, spanning over seven decades. This assistance has been instrumental in supporting Indonesia to achieve its development goals yet align with the U.S.’s geopolitical and geoeconomic interests in the most pivotal region in the world, Asia-Pacific. In September 2014, the U.S. and Indonesian governments signed the Assistance Agreement for the Achievement of a Stronger Indonesia Advancing National and Global Development, allocating \$612 million (USAID-MOF Assistance Agreement, 2014). This technical assistance program aimed to achieve four key development objectives: 1) strengthening democratic governance, 2) improving essential human services for the poorest and most vulnerable, 3) advancing global development priorities of mutual interest, and 4) increasing collaborative achievement in Science, Technology, and Innovation (see figure 1). This study also reveals that this commitment was further reinforced in July 2020 with the Bilateral Development Cooperation Framework (BDCF), outlining an additional \$650 million in aid focusing almost similar development objectives: 1) strengthening democratic governance effectiveness, 2) increasing inclusive economic growth, 3) improving sustainable environments, and 4) strengthening health impact priorities (see figure 2). This extension indicates a continued and strengthened U.S.-Indonesia development partnership with a shifted focus.

Figure 2. Four Development Objectives of USAID's Technical Assistance to Indonesia in 2020-2024



Source: USAID/Indonesia CDCS (2020)

Indonesia's rapid economic growth and emerging global status have made it an attractive recipient of foreign aid. Over the past 15 years, Indonesia's significant democratic and economic progress has positioned the country as a prominent regional leader with a growing global presence. The ADB's 2015 report highlighted Indonesia's transition to 'emerging economy' status after a decade of strong economic growth post-reform (ADB, 2015). The IMF highlighted Indonesia's significant contribution to the Asia-Pacific region's resilience against external financial shocks during the global financial crisis, attributing it to the country's strong domestic demand, alongside with China and India (Singh, 2010). When these two countries signed the agreement, the U.S. had not fully recovered from the economic downturn post the global financial crisis and was facing significant budget cuts. The total foreign aid budget approved by the U.S. Congress in 2014 decreased by six percent (approximately \$7.4 billion) compared to the previous two years (U.S. Department of State, The US Congressional Budget Justification for Department of State, Foreign Operations and Related Programs, 2015).

Normatively, foreign aid tends to decrease as the recipient country experiences economic growth, particularly when the donor country, like the U.S., is grappling with both domestic and international economic challenges. Despite facing budget constraints, U.S. foreign aid to Indonesia continued, driven by Indonesia's increasing importance as an economic partner and strategic ally in Asia-Pacific. Thus, this paper seeks to understand how U.S. aid has contributed to Indonesia's economic development, while simultaneously advancing the United States' geoeconomic and geopolitical interests. By reviewing key literature and analyzing specific aid initiatives, this study will provide insight into the underlying motives driving USAID technical assistance in Indonesia, shedding light on how such initiatives align with broader American foreign policy goals in the Indo-Pacific region.

2. Literature Review & Analytical Framework

Beyond altruistic or humanitarian considerations, aid is often used to achieve donor's strategic interests. As an instrument of donor's strategic interests, foreign aid has been primarily framed within two discourses, geopolitical (national security) and geoeconomic (national prosperity) interests, aim to strengthen alliances, expand market opportunities, and ensure regional stability. Thus, this section synthesizes key academic contributions, identifies the conceptual framework used to explore the donor's motives on aid, specifically studies that focus on strategic interests behind aid allocation.

Foreign aid can be simply defined as the transfer of resources from one country or international organization to another with the aim of achieving specific development goals, whether in the form of financial, material, or technical assistance. However, this definition becomes more complex when we consider the various perspectives on the motivations behind foreign aid. Different theories in International Relations offer varying perspectives on foreign aid's motives. Realists view aid as a tool for power and control as states act primarily in their own self-interest. Liberals see aid as a means for cooperation and growth, promoting democratic governance and economic development. Constructivists emphasize the role of ideas, norms and values.

The discussion between scholars that explored the multifaced nature of aid, specifically in the context of the relations between the developed and developing nations, has significantly increased since the early 2000s. Post World War II, donor countries not only seek to increase their economic influence by providing aid, but also aim to secure access to natural resources and strategic markets, while simultaneously containing the influence of rival nations in the region (Alesina & Dollar, 2000). Adopting Rational Choice Theory, Sumida's findings comprehensively highlight the factors that influence donor motivation in the context of educational aid include

geopolitical and economic interests, the influence of soft power, and the alignment of recipient country policies with donor country objectives (Sumida, 2017). Sumida argues that educational aid aims to fulfill humanitarian needs such as increasing access to education, reducing inequality, and supporting sustainable development in recipient countries, while also used to achieve the strategic interests of the donor. In addition, a recipient country's economic status, good governance, and political values alignment with donor country also play a crucial role in donor's decisions for aid allocation.

Since the mid-20th century, the United States has used economic aid programs in advancing its foreign policy interests, and more actively in the post-World War II. Essex in his study explores how geopolitics and geoeconomics are interlinked in USAID strategies and reflect motives for foreign aid through a unique geographical analysis. Essex argues that USAID's strategies are driven by the Global North-South dynamic, with a focus on neoliberal globalization to maintain U.S. economic dominance and promote market liberalization in the Global South (Essex, 2013). This strategy, combined with geopolitical objectives, leverages both soft and hard power. Essex emphasizes that understanding US geostrategic discourse in the era of globalization means placing U.S. Agency for International Development (USAID) within the broader context of the evolving debate on international development goals. Understanding shifts in global power dynamics and the economic potential of recipient nations is a crucial factor in shaping foreign aid priorities (Pratt, C., 1990). To understand North-South dynamics, it is essential to comprehend the complex interplay of aid between developed and developing countries.

Onur Sen, in his research, "Strategic Aid: Explaining the Motives and the Choices of International Donors," builds upon previous research, systematically examines the relationship between the indicators underlying donor motives and the main objectives of aid distribution. Sen develops an 'eclectic typology' based upon the realist, constructivist and liberalist perspective on aid motivations and classifies donor countries into four main categories (Sen, 2018). Major powers, characterized by high democracy and power index scores, tend to use aid as a tool to achieve strategic (security and economic) goals. Emerging major powers, with low democracy and high power-index scores, tend to use aid to strengthen their economic influence in the international system. Middle powers, with high democracy and low power-index scores, are more likely to provide humanitarian aid based on the recipient country's characteristics (needs and performance). Regional middle powers, with low democracy and low power-index scores, use aid as a soft power tool to spread their influence and expand their regional reach. By using a robust analytical framework and relevant data, Sen's study makes a significant contribution to understanding the factors that influence US foreign aid, especially in the case study examined. His eclectic typology is particularly useful in identifying the strategic motivations of the United States as a major power.

The studies above underscore the complexity between humanitarian concerns and strategic interests in foreign aid. Donors' motivations are multifaceted and influenced by various factors, including geopolitical and geoeconomic considerations. Understanding these motivations is crucial for comprehending the dynamics of foreign aid relationships and their implications.

3. Research Method

This study employs a taxonomy analysis approach to explore the dual motives behind U.S. foreign aid to Indonesia between 2014 and 2023. The methodology involved collecting, skimming, screening and analyzing relevant data sources. By using this taxonomy, the research provides a comprehensive understanding of how U.S. aid to Indonesia serves dual objectives, supporting Indonesia's development while advancing U.S. strategic interests.

To ensure a comprehensive review, multiple sources were screened on relevance to U.S. foreign aid programs, geopolitical and geoeconomic interests, Indonesia's characteristics as recipient country and the specific technical assistance programs in education and workforce development between 2014 and 2023. The academic literature sources are collected from scholarly articles accredited by Sinta, indexed Scopus, or from peer-reviewed journals, specifically published after 2014, given the research period under study, unless the publications provide essential historical context. Databases such as JSTOR, Taylor & Francis, Scopus, and other trusted journal databases were utilized to access academic publications. US government documents, particularly reports and relevant publications by US Department of States, USAID, Congressional and Foreign Affairs Services were the key sources. Indonesian government reports and publications related to country's development strategy and development assistance were examined. Official reports from institutions like the World Bank, the International Monetary Fund (IMF), and the Asian Development Bank (ADB) were also reviewed. Non-peer-reviewed sources such as policy briefs, think tank publications and working papers relevant to U.S.-Indonesia relations, foreign aid and assistance programs were included.

After collecting and screening the data sources, the taxonomy analysis was applied the U.S. foreign aid motives into two categories. First, geopolitical interests. This category included literature that focuses on the strategic aims of U.S. foreign aid, such as maintaining influence in the U.S. most pivotal region, countering China's regional power, promoting democratic governance, and securing military and political alliances. Second, geoeconomic interests. This category included studies that examine how U.S. aid serves to promote trade relations, secure market access, and foster economic conditions favorable to U.S. corporations, particularly in sectors like education, workforce development, and technological innovation. This analysis allows for the identification of recurring themes and trends in the literature regarding the dual motivations of U.S. aid.

Finally, the categorized data were analyzed to interpret the findings and gather insights. Using the taxonomy framework, the study synthesized how U.S. foreign aid has served both altruistic and strategic interests toward Indonesia. The dual motives of aid were critically analyzed to examine the US foreign policy objectives alignment with Indonesia's development strategy.

4. Results and Discussions

The United States has been a pioneer and the most aggressive nation in employing foreign aid as an instrument to achieve its strategic interests. The first foreign aid was enacted in 1948, when the Truman administration passed the Economic Recovery Act to aid in the economic reconstruction and social recovery of Western Europe in the aftermath of World War II which is known as the Marshall Plan. This policy was a geopolitical and geoeconomic endeavor by the United States, primarily aimed at containing Soviet expansion, countering the dominance of Eastern Bloc communism, and expanding U.S. markets in Western Europe (Grant, 1979).

Building on the success of the Marshall Plan, the US launched a new international development policy agenda in 1950 called 'the Point Four Program' and foreign aid becomes foreign policy. With a total allocation of \$13.3 billion in aid and technical assistance, this program focuses on two primary goals, which are creating markets for the U.S. by reducing poverty and increasing production in developing countries, and diminishing the threat of communism by helping countries prosper under capitalism (USAID History, 2011). President Kennedy signed the Foreign Assistance Act into law and created the U.S. Agency for International Development (USAID) in 1961. Ten years later, USAID began to shift its focus from technical and capital assistance program to 'basic human needs' approach, which focused on food & nutrition,

population planning, health, education, and human resources development. Historically, the United States has provided foreign assistance for reasons of enlightened self-interest, in other words, by helping developing countries fulfill their goals, the United States has also furthered its own foreign policy objectives (Runde, 2020). The U.S. geopolitical and geo-economic interests significantly influence US foreign aid allocation, impacting democracy, human rights, and humanitarianism priorities based on recipient countries' alignment with US interests (Sandlin, 2018).

4.1. U.S. aid to Indonesia: Past Trends and Current Dynamics

Indonesia has been a key recipient of U.S. foreign aid for more than 70 years. Indonesia signed the first economic development assistance with the U.S. in 1950 and was one of the first countries in Asia-Pacific to receive the U.S. foreign aid under the Point Four program (USAID/History, 2004). Since its establishment, USAID has partnered with Indonesia. With an annual program budget of about \$100 million and through results-driven investment, the agency works with the Government of Indonesia local leaders, the private sector, civil society and other development partners to strengthen Indonesia's infrastructure, health, education systems, and economy (USAID/Indonesia, 2024). Despite the fluctuation of U.S.-Indonesia relations, U.S. foreign aid to this country has continued and evolved over time, adapting to the shifting geopolitical context, from the Cold War politics to the Global North-South dynamics.

Over the time, the U.S. prioritized aid to Indonesia in part due to its significant role as a regional power and emerging market in the Asia-Pacific. According to Congressional Research Service (CRS) report, Indonesia's strategic position in Southeast Asia is shaped by its demographic significance, leadership within ASEAN, and the interplay of its domestic politics with foreign policy (Vaughn, 2011). As the most populous Muslim nation and the fourth most populated country globally, Indonesia gives it substantial influence in regional affairs. Its strategic location near vital sea lanes, such as the Straits of Malacca, makes it a key player in international trade and security matters. Approximately half of the global merchant fleet capacity transits these straits, underscoring Indonesia's importance in maintaining open sea lanes for global commerce. Several studies trace the historical evolution of U.S. foreign aid to Indonesia, particularly how aid programs have shifted in focus. This shift aimed to stabilize Indonesia's economy and maintain political stability, which was seen as vital for U.S. interests in the region.

Between 1950 and 1970s, the U.S. foreign aid towards Indonesia was an altruistic move amid the Cold War and decolonization period, yet the U.S. strategic approach for market expansion and to counterbalance Eastern Bloc. The U.S. Fulbright Program was introduced to Indonesia in 1952 and up to this date serves as a soft power instrument to foster positive perceptions of the U.S. by promoting educational and cultural exchanges (AMINEF, 2024). The program helps build a network of global leaders who are familiar with American values and governance systems. During the 1950s, Indonesia faced increasing food shortages and received food aid through the U.S. PL480 program, which was structured around concessional loans. This aid was initially focused on supplying rice, aiming to secure a foothold in Indonesia's rice market. However, as demand for wheat-based products rose, the emphasis shifted towards providing wheat aid. By the 1970s, food aid accounted for a substantial portion of Indonesia's food imports, reflecting the donor's strategic interests in expanding its market presence within the country (Eng, 2015). The strategic use of food aid, particularly to countries with poor human rights records, highlights how aid can be employed to maintain influence even in challenging political contexts (Fariss, 2010). The foreign aid was also crucial for Indonesia's economic development, influencing architecture and infrastructure projects like the Fourth Asian Games in 1962, as a case of engagement between the two Cold War blocs with Indonesia in the middle (Widyarta, 2022). In

This study revealed that the education and workforce development assistance program received the highest budget allocation compared to the other three development goals, with its main interests to influence the governance of Indonesian education and expand market opportunities to American education and businesses. Higher education institutions wield soft power through attraction, satisfaction, and influencing favorable decisions, enhancing international diplomacy and global influence (Arslan & Sezgin, 2023). International organizations play a crucial role in this dynamic, utilizing soft power to impact public policy decisions and governance in higher education, despite challenges in measuring effectiveness (Maldonado-Maldonado & Delgado, 2023). Overall, higher education's soft power capabilities are pivotal in shaping global governance and diplomatic landscapes.

4.2. Geopolitical Interests of U.S. Foreign Aid to Indonesia

Strategic competition amongst dominant and rising powers has remained an unremitting cycle given the ever-changing contours of international relations. The U.S.-Sino geopolitical and geostrategic rivalry in this region has become a defining factor in the region's dynamics (U.S. Department of State, *Bilateral Relations: U.S. Relations with Indonesia*, 2022). Indonesia's strategic location in the Indo-Pacific region makes it a potential major player in the U.S.-China geostrategic rivalry.

Geopolitical interest behind foreign aid identified in this literatures review is the U.S.'s effort to counterbalance China's influence in Indonesia and the broader Asia-Pacific region. Foreign aid is a critical component of U.S. foreign policy, often used strategically to influence nations and counter adversaries (Tarnoff, Curt & Lawson, 2016). The U.S. foreign aid allocation reflects US geopolitical interests by aiming to create global stability, limit military threats, and strengthen the capitalist system, with humanitarianism playing a secondary role (Taffet, 2018)

Indonesia, as one of the U.S. closest allies and as the largest economy in Southeast Asia, plays a pivotal role in the wider Asia-Pacific region. In the post-colonial era, U.S. foreign aid in the region aimed to counter the influence of the Eastern Bloc and Chinese communism. U.S. aid, including food assistance, has historically been used to bolster friendly regimes in Southeast Asia, aligning humanitarian efforts with geopolitical objectives (Cohen, 1984). This strategic focus has evolved significantly, particularly during the Obama administration, which recognized the region's growing importance as a global economic engine and sought to enhance U.S. engagement through initiatives like the Trans-Pacific Partnership (Malone, 2019). The United States' geopolitical interests in the Asia-Pacific region are driven by a combination of economic, security, and strategic factors, particularly in response to China's rising influence.

Under President Obama's leadership, the U.S. recognized the Asia-Pacific region as central to global political and economic governance. In between 2011 and 2012, the Obama administration rolled out its most significant strategic policy decision, the 'rebalancing' of its foreign and defense policy priorities towards Asia (Bisley & Philips, 2013). The rebalancing strategy indicates a deliberate effort to enhance U.S. engagement in Asia, acknowledging the region's critical role in international security and economic dynamics. U.S. foreign aid in the Asia-Pacific aims to counterbalance China's influence, strengthen regional alliances, and maintain a favorable geopolitical order amidst rising Chinese power and assertiveness (Abbas, Qazi, & Ali, 2022). The region housed some of America's closest allies as well as emerging powers with significant roles. Indonesia, along with India, was seen as a key driver of the global economy, a vital partner for the United States, and an increasingly important contributor to regional peace and security with the emerging influence that likely to grow in the years ahead (Foreign Policy, 2011). The 2016 CRS report to U.S. Congress highlights national security and strategic interests

as key rationales of U.S. foreign assistance, emphasizing its role in addressing strategic competition through military and civilian support to allies.

China's power has rapidly risen since the 1990s, and over the time, threatens the U.S. and its allies' superior position in this geopolitical region. Hu, in his study, highlights the USA-China rivalry as a geopolitical competition between free and repressive visions of world order which emphasizes the strategic competition between the two countries and its implications for the Indo-Pacific region (Hu, 2020). China is more likely to be a status quo power in the global order, but a challenger to break down the status quo in Northeast Asia, however, the US role is critical in making this power transition stable or unstable (Lee, 2015). Lee also argued that the nation's ability to influence the changing of other nation's behavior is categorized by two powers, economic and military. Joseph Nye introduced smart power concept which combines hard power (economic and military) and soft power (Nye, Jr., 2004).

Table 1 indicates that China is the second strongest in terms of hard power including economic and military powers, and its influence is rapidly expanding. Adopting from the 2013 World Development Indicator (WDI) Database (World Bank, 2013) and Stockholm International Peace Research Institute (SIPRI) Database (SIPRI, 2013), Table 1 shows the list of G20 countries military and economic powers. According to the 2013 WDI data below, the U.S.'s military is the strongest in the world and China is the second. China also rapidly chasing the U.S. on the world rank and occupation ration of military spending. China's economy caught up with Japan and Germany, however, it has only half the GDP of the US. While the nation's hard power is measured by its military and economic capability, the soft power is measured by the people's recognition or level of satisfaction based on the value, norms and attractions shared by the nation. However, according to Lee, the satisfaction could only be shaped by regime type similarity among nations.

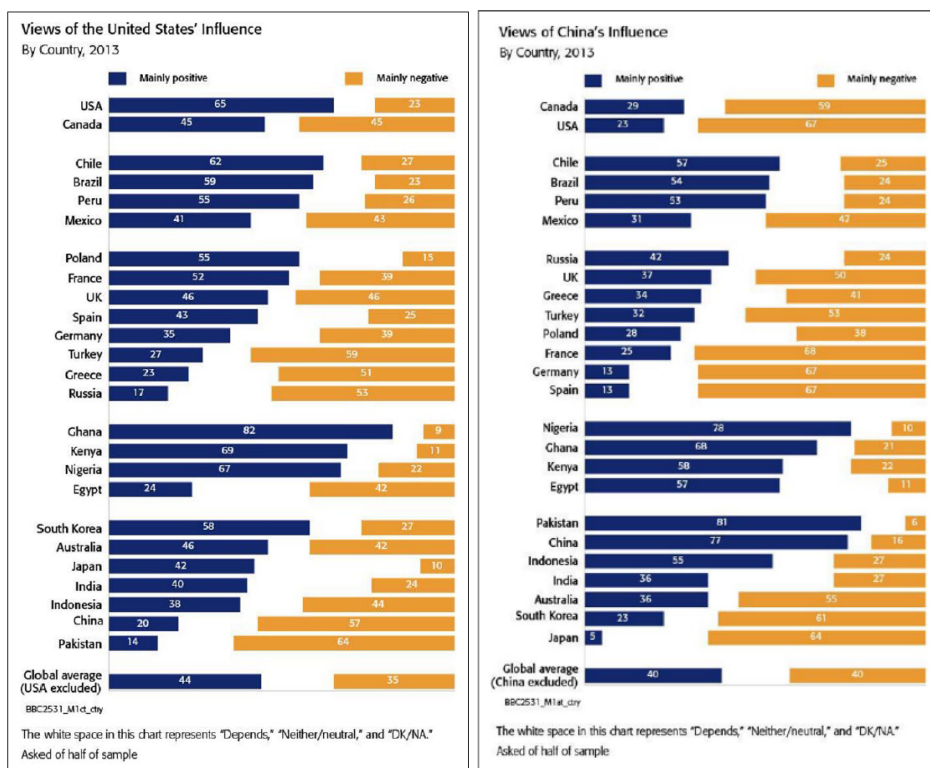
Table 1. Hard Power of the U.S., China and the G20

Hard Power nation	Economic power*			Military power**		
	GDP (US\$, billions)	Number of internet users, per 100 in the population	GDP growth rates (%)	Military expenditure (US\$, millions)	Military spending among GDP (%)	World rank and occupation ratio of military spending (rank/%)
Australia	1520.61	82.3	3.4	26,158	1.7	13/1.5
Canada	1821.42	86.8	1.7	22,547	1.3	14/1.3
Germany	3399.59	84.0	0.7	45,785	1.4	9/2.6
United Kingdom	2435.17	87.0	0.3	60,840	2.5	4/3.5
United States	15,684.80	81.0	2.2	682,478	4.4	1/39
France	2612.88	83.0	0.0	58,943	2.3	6/3.4
Italy	2013.26	58.0	-2.4	34,004	1.7	10/1.9
Total or average (western Europe/North America/ Oceania)	29,487.73	80.3	1.5	930,755/ 232,689	3.8	53.2
Japan	5959.72	79.1	1.9	59,271	1.0	5/3.4
Republic of Korea	1129.60	84.1	2.0	31,660	2.7	12/1.8
India	1841.72	12.6	3.2	46,125	2.5	8/2.6
Indonesia	878.04	15.4	6.2	6866	0.8	-
Turkey	789.26	45.1	2.2	18,184	2.3	15/1.0
China	8358.36	42.3	7.8	166,107	2.0	2/9.5
Saudi Arabia	711.05	54.0	5.1	56,724	8.9	7/3.2
Total or average (Asia)	19,667.75	47.5	4.1	384,937/ 96,234	2.9	21.5
Brazil	2252.66	49.8	0.9	33,143	1.5	11/1.9
Argentina	475.50	55.8	-	4340	0.9	-
Mexico	1178.13	38.4	3.8	6978	0.6	-
Total or average (Latin America)	3906.29	48.0	2.3	44,461/ 22,231	1.0	-
Russia	2014.78	53.3	3.4	90,749	4.4	3/5.2
South Africa	384.31	41.0	2.5	4607	1.1	-

Source: WDI Database by World Bank (2013); SIPRI Database (2013)

The findings from the 2013 BBC World Service Survey highlight a significant challenge for the U.S. in its soft power rivalry with China, particularly in Indonesia. These concerns have fueled strategic competition between the two powers. Figure 4 is based on the results of the 2013 BBC World Service Survey on perceptions of various countries' influence, conducted by Globe Scan across 25 countries with a total of 26,000 participants (Globe Scan, 2014). These charts offer insights into how Indonesians perceive the influence of both the United States and China. In Indonesia, 55 percent of respondents have a predominantly positive view of China, while 27 percent hold a negative view. In contrast, only 38 percent of Indonesians view the U.S. positively, with 44 percent expressing a negative opinion. On a global scale, 44 percent of all survey participants view the U.S. positively, while 35 percent have a negative perception. These results underscore the shifting dynamics of influence in the Asia-Pacific region and emphasize the growing strategic competition between the U.S. and China, as the U.S. contends with China's increasing appeal and soft power in key regions like Southeast Asia.

Figure 4. World Views on the U.S. and China Global Influence



Source: Views of Different Countries' Influence (BBC World Service & Globe Scan, 2013)

The U.S.-China rivalry is a major factor shaping the Asia-Pacific region, and Indonesia's strategic position makes it a key player in this dynamic. The U.S. must adapt its foreign aid strategy to address the growing competition and maintain its influence in the region.

4.3. Geoeconomics Interests of U.S. Foreign Aid to Indonesia

Despite significant progress in transitioning from a low-income to a middle-income country, Indonesia continues to face challenges in improving its economic stability and competitiveness amid the great recession. To achieve sustainable progress and reduce poverty, well-structured policies and a multifaceted approach are crucial. Prioritizing digital infrastructure, talent, economy, and government sectors can further strengthen the digital economy and contribute to

Indonesia's long-term global success. Therefore, balancing relations with both the USA and China will be pivotal for Indonesia in attracting investment and expanding trade while avoiding undue external influence. The hedging approach in Indonesia's foreign policy focus on achieving economic development goals was evident from the outset of President Joko Widodo's administration. Relations between Indonesia and China have strengthened significantly, and this primarily driven by efforts to intensify economic cooperation in both investment and trade sectors, despite the territorial disputes between two countries, particularly over the Natuna waters. China became the first country he visited on November 8, 2014, coincided with the APEC Summit in Beijing, China. This visit Symbolically indicates that China has a strategic position in Jokowi's foreign policy.

The rise of China and the more dynamic ASEAN-China relations, including with Indonesia become salient geopolitical challenges for United States in the wake of the global financial crisis. The IMF reported in 2014 that China had overtaken the US in its contribution to global GDP, reaching a share of 17 percent compared to the US's 16 percent (IMF, 2014). Meanwhile, China's ambitious One Belt, One Road (OBOR) initiative, launched in 2013, aims to expand its global economic footprint. This initiative aims to develop China-centered and China-controlled global infrastructure, transportation, trade, and production networks as well as includes a land-based "Silk Road Economic Belt," a "21st Century Maritime Silk Road," and a "Digital Silk Road" that seeks to promote PRC information and communications technology (ICT) supply chains, optical cable and satellite networks, and a "Health Silk Road" (CRS, 2024). Initially focused on Asia, Europe, and Africa, the scope has become global and encompasses over 100 countries. Through its mega-infrastructure initiative, China's OBOR initiative aimed at extending its economic influence on countries that has territorial disputes in the South China Sea, including Indonesia. In light of China's growing economic presence in the region, the U.S. sees the importance of strengthening economic ties with Indonesia, especially given its position as the largest economy in Southeast Asia.

The Southeast Asia countries, especially Indonesia as the regional middle power is the centerpiece of U.S. endeavors to reduce the Asia-Pacific and global over-dependence on China, bolster supply chain resilience, and safeguard sensitive technologies. To accomplish these goals, the U.S. must obtain partner support and engage in regional economic diplomacy, and Indonesia could play a vital role in facilitating these objectives (Dollar, Hass, Kim, Madan, & Meltzer, 2022). The U.S. has a complex set of economics interests in Indonesia, encompassing strategic partnership, investment opportunities and traded relations, infrastructure development and digital economy, particularly in the context of ongoing geopolitical rivalry with China (Ibrahim, Sukandar, & Nusantari, 2023).

The U.S. often viewed Indonesia as the geopolitical center of the region, and Indonesia's foreign policy direction will significantly impact the effectiveness and cohesion of the U.S. aid applications. Thus, several studies suggest that U.S. foreign aid is used to foster economic relations with Indonesia as the regional middle power in the Asia-Pacific region. The US has historically used foreign aid as a tool to advance its foreign policy interests, believing that economic development in Indonesia would foster global stability, promote capitalist development, and limit military threats (Taffet, 2018). The USAID-funded programs in education and workforce development are not always about capacity building but also about reinforcing pro-U.S. governance and economic policies. The US's economic motives in foreign aid to Indonesia include fostering research collaboration and gaining access to Indonesia's under-researched natural environment, benefiting both nations through knowledge exchange (Abbott, 2017). On the other hand, U.S. aid programs have helped to create a more favorable environment

for U.S. investments in Indonesia, enhance trade relations, and secure market access for American businesses (Askar, 2015).

Overall, economic motives behind the United States' foreign aid to Indonesia are multifaceted, primarily driven by geopolitical interests, security concerns, and the promotion of economic stability both in the country and the Asia-Pacific region.

5. Conclusion

This research has explored the multifaceted nature of U.S. foreign aid to Indonesia. Focusing on technical assistance provided through USAID in education and workforce development between 2014 and 2023, the study has examined the strategic motivations behind U.S. foreign aid to Indonesia. The analysis revealed that U.S. aid serves a dual purpose, aiming to support Indonesia's development goals while simultaneously advancing American geostrategic interests in the Asia-Pacific region.

The U.S. has a long history of providing foreign aid to Indonesia, to achieve both altruistic and strategic goals with motivations evolving alongside geopolitical and geoeconomic contexts throughout the decades. Early aid focused on Cold War containment strategies, while later programs prioritized economic development, democracy promotion, and counter-terrorism efforts. USAID's technical assistance in education and workforce development aims to strengthen Indonesia's human capital, aligning with the country's development goals. U.S. aid has supported Indonesia's economic development, infrastructure improvement, and human capital advancement. However, this also serves U.S. interests by fostering a more skilled workforce that potentially benefits American businesses and enhances U.S. influence in the education sector. Education and workforce development programs are seen as tools for strengthening Indonesia's economy, aligning with U.S. interests in fostering a stable and prosperous regional partner. The U.S. prioritizes aid to Indonesia due to its strategic location, large population, and emerging market potential.

In Indonesia's case, strategic interests are prioritized. Despite fluctuations in U.S.-Indonesia relations, foreign aid has continued and adapted to the changing geopolitical landscape. The U.S. geopolitical interests in the Asia-Pacific region, particularly countering China's rising influence, significantly impact aid allocation. From the geoeconomics standpoint, the U.S. foreign aid may strengthen economic ties with Indonesia, one of the closest allies in the Asia-Pacific and the largest economy in Southeast Asia, aimed at reducing dependence on China.

A significant portion of the literature above discusses how U.S. foreign aid in Indonesia is used to securing strategic influence in the Asia-Pacific region, aims to counterbalance China's growing influence in the Asia-Pacific region and maintain a favorable geopolitical order. While this study focused on a specific timeframe and aid program, the complex interplay between U.S. aid, Chinese influence, and regional dynamics in the Asia-Pacific deserves ongoing analysis. By supporting Indonesia, the U.S. seeks to strengthen a key regional partner and maintain a favorable balance of power.

Understanding the strategic motivations behind U.S. aid is crucial for comprehending its dynamics and impact. While promoting development is a genuine objective, geopolitical considerations significantly shape aid allocation. As Indonesia's economic standing evolves, the balance between development assistance and strategic partnership may also shift. Further research is needed to evaluate the long-term effectiveness of U.S. aid in achieving both humanitarian and strategic goals.

Overall, this study underscores the complex relationship between foreign aid and strategic interests. While promoting development can be a genuine objective, geopolitical considerations often play a significant role in shaping aid allocation and program design. This research provides

a foundation for further exploration of the complex relationship between U.S. foreign aid and Indonesia's development trajectory. By acknowledging both altruistic and strategic motivations, a more nuanced understanding of the dynamics at play can be achieved.

Conflicts of Interest

The author has disclosed that there are no potential conflicts of interest related to this article's research, authorship, or publication.

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