

ABSTRACT

Japan is a developed countries that relies on the system of manufacturing industry. Nevertheless, Japan is not capable of fulfilling the needs of raw materials for the industry. In order to overcome the problem, the Japanese binds cooperation with countries that possess abundant natural resources, one of which is by conducting cooperation with Indonesia. Japan-Indonesia cooperation can be seen in Joint future in the aluminum industry located in Lake Toba, Indonesia. The aluminum industry is better known by its name of PT. Indonesia Asahan Aluminium (INALUM). In 2013, Japan decided to release the ownership of PT INALUM and then gave PT INALUM to Indonesia.

Japan with its rational consideration (Rational Choice) decided to relinquish ownership of PT. Indonesia Asahan Aluminium (INALUM) to Indonesia in 2013. The rational consideration was motivated by several considerations, among others: political consideration, where Japan realized that Indonesia was not cooperative in binding partnership towards PT.Indonesia Asahan Aluminium (INALUM). This case can be seen from the regulation and legislation issued by Indonesia for nationalizing PT. Indonesia Indonesia Asahan Aluminium (INALUM). Based on economic consideration, Japan would experience economic loss because the cost spent was greater than the profit earned. It is the reality discovered in INALUM's shareholding. Besides, the release of INALUM provides an opportunity for Japan to acquire and open up a new place of business that has more promising profit.

Political situation in Indonesia, particularly in both the local one (North Sumatra) and national that continued rumbling desiring PT INALUM in nationalization. Various rules and legislation controlling Indonesia's right to terminate the cooperation and do the nationalization towards PT INALUM gave pressure on Japan to set INALUM free. Japan's rational action in relinquishing the ownership of INALUM in a political way left a very

advantageous situation for Japan since the long history of bilateral relations noticed between the two nations and various cooperation in various sectors that were still running. Japan believed that the release of INALUM was a right policy and should be taken in order to maintain bilateral relations that have lasted for a long time. The decision would further strengthen bilateral relations between the two countries.

In addition to the political situation, the economic situation also affected Japan's position in INALUM. Various problems of finance appeared in INALUM, starting from the price decline in aluminum that affected the INALUM's profit, the demands from districts around INALUM to immediately give them annual fee, and a technical problem of the decrease of debit of Toba lake water affecting the performance of PLTA that culminated in the decrease of the production of aluminum bullion (ingot). This situation imposed a huge cost for Japan as the largest shareholder in INALUM for INALUM's operational costs. This further supported Japan to release the ownership of PT INALUM to Indonesia.

Keywords: Nationalization, Rational Choice, Economic Consideration and Political Consideration