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The Cluster of Global Competitiveness: How is the Position of Indonesia

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ABSTRACT

The Global Competitiveness Report (GCR), 2015-2016, stated that global competitiveness index of Indonesia tended to increase from time to time. There are 12 pillars of competitiveness to measure the Global Competitiveness Index (GCI), which consists of some indicators. There is a rank of GCI in each country. However, so far, there is no research how is the position and the cluster of GCI for Indonesia. The aim of this research is to analysis the cluster and the position of GCI for Indonesia in the global market. By using secondary data from the global report in the World Economic Forum (2015), and using Keyser-Meyer-Oklin and Bertlett test, and non hierarchical cluster, it founded that the cluster of GCI for Indonesia is in moderate level. In addition, from 144 countries, there are 29 countries are in high level, 61 countries are in moderate level, and 54 countries are in low level. Moreover, market size, macroeconomic, and primary education are the main factors of Indonesia competitiveness in the global market. Then, the most problematic for doing business in Indonesia are corruption and inadequate infrastructure. So, it is suggested that the Government of Indonesia should act systematically and strategically to reduce the corruption and to develop infrastructure, in order to increase the Indonesia competitiveness in the global market.

Keywords: Competitiveness, cluster.

1. INTRODUCTION

In the World Economic Report (WER), the ranking of Indonesia's competitiveness in the global sphere fluctuate. In 2013, the ranking of Indonesia's competitiveness in the global sphere is ranked 50 of 148 countries surveyed. In 2014, the rank rose to rank 34 of 144 countries. In 2016, the rank dropped to rank 37 of 144 countries surveyed in the world.

There are 12 frames or pillars (WER, 2015), which became the basis for determining the ranking of global competitiveness. The pillars are (1) institutions, (2) infrastructure, (3) Macroeconomic, (4) health and primary education, (5) higher education and training, (6) the efficiency of goods markets, (7) the efficiency of labor markets labor, (8) the development of financial markets, (9) the readiness of technology, (10) the amount of the market, (11) business sophistication, and (12) of innovation.

The twelve pillars are an elaboration of the 3 groups. The groups are basic requirements, efficiency enhancers, and innovation and business sophistication. With prediction of competitiveness of a country, each of these pillars is given different weights. The weighting differences based on economic progress of the country concerned. The Pillars are then decomposed into 103 indicators were calculated based on secondary data and the perception of the executives. Ranking and scoring competitiveness of countries in the global market has been made. However, cluster analysis of competitiveness of a country in the global market has never been compiled. The cluster competitiveness becomes important in order to know the position of a country's competitiveness in the global market based on the 12 pillars. Hence, it is needed a research on cluster competitiveness of Indonesia in the global market. The study also will address the main problems in the implementation of the business and the dominant factors in Indonesia's competitiveness in the global market. The benefits of this research are to know "where and how is Indonesia position in terms of global competitiveness, where do Indonesia want to go, and how will Indonesia get there".

2. LITERATURE REVIEWS

The concept of competitiveness of a region is often used as a benchmark for the competitiveness of other regions. The competitiveness of these areas is, then, used as a reference to the competitiveness of a country. Furthermore, the concept of competitiveness in developing countries is developed into global competitiveness. World Economic Forum (Global Competitiveness Report) and the International Institute for Management Development (World Competitiveness Yearbook) presents the concept of competitiveness Country with more comprehensive. World Economic Forum (2015), basically defines global competitiveness is measured by the productivity of a country, as revealed in the definition of global competitiveness as follows.

"We define competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return Obtained by investments in an economy, which in turn are the fundamental drivers of its growth rates. In other words, a more competitive economy is one that is likely to grow faster over time".

Porter (2011) stated that the concept of competitiveness that can be applied at the national level is the "productivity" which he defined as the value of output produced by a workforce. The World Bank stated that relatively the same in which the "competitiveness refers to the magnitude and rate of change of the value added per unit of input achieved by the company". However, both the World Bank, Porter (2011), as well as other literatures regarding the competitiveness of the national view that competitiveness are not narrowly covers only a level of efficiency of a company. Competitiveness covers broader aspects. It is not only at the micro enterprise level, but also outside the company covers aspects such as business climate clearly beyond the control of the company. In more detail, Porter (2011) defined national competitiveness as "the outcome of a country's ability to innovate in order to achieve or maintain an advantageous position compared to other countries in a number of key sectors".

World Economic Forum (2015), an institution that issued the “Global Competitiveness Report” defined national competitiveness as “the ability of the national economy to achieve high economic growth and sustainable development”. It is further mentioned that the national competitiveness as “the ability of a country to create added value in order to increase national wealth by managing assets and processes, as well as by integrating these relationships into a model of economic and social “. As meaning that national competitiveness is a concept that measures and compares how well a country presents a particular climate that is conducive to maintaining the competitiveness of domestic and global market.

Martin (2003) in PPSK-BI (2008) stated the concept and definition of competitiveness of a country or region covers several major elements as follows: 1. Improving the living standards of the people; 2. Being able to compete with other regions and countries; 3. Able to meet its obligations both domestically and internationally; 4. Can provide employment; and 5. Development of sustainable and does not burden future generations. Furthermore, from the various terms above, it can be concluded that there is no consensus that explicitly defines competitiveness. At least though the definition is not so uniform, virtually all experts have a common opinion on what needs to be done in order to improve competitiveness (Sachs et al, 2000, in PPSK BI, 2008). Thus, the exact definition and agreed by all parties is no longer an absolute requirement in order to understand the factors that can determine a country’s competitiveness.

In conjunction with Indonesia’s economic competitiveness and excellence competitiveness, the Government of Indonesia already has a Moderate Term Development Plan (RJPM), in the year 2010 until 2025. In the second RJPM, the year 2010 until 2014, confirmed that it intended to consolidate the restructuring of Indonesia in all fields with an emphasis on improving the quality of human resources, including the development of science and technology as well as the strengthening of economic competitiveness.

Inside the third RJPM, from 2015 to 2019, the RJPM aims to consolidate the overall development in various fields by emphasizing the achievement of economic competitiveness on the basis of competitiveness of natural resources and human resources as well as the quality of science and technology capabilities.

Inside the fourth RJPM, from 2020 to 2025, revealed that the fourth RJPM is intended to bring people of Indonesia independent, advanced, just, and prosperous through the acceleration of development in various fields by emphasizing the strength economic structure based on competitive advantage in various areas with supported by a qualified and competitive human resources.

The level of competitiveness of a country in free trade, for example, is essentially determined by two factors, namely comparative advantage and competitive advantage. Areas of comparative advantage can be considered as a factor that is natural / absolute advantage (natural advantage), and a factor of competitive advantage is considered as a factor that can be acquired or developed or created.

Natural advantages or absolute advantage possessed by a country for one commodity does not directly cause these commodities will dominate the world market share. This is because the number of producers is not only one country but there are some countries that together produce these commodities with the same natural advantages. To be able to compete on the global market, a commodity must have other advantage besides natural advantages that is a competitive advantage. The competitive advantage of a commodity is an advantage that can be developed, so this advantage should be created to be owned. With regard to comparative advantage, there are differing views between Tambunan and Hamdy. Tambunan (2001) considered that factors of a natural comparative advantage. Hamdy (2001) stated that based on Theory of Product Lifecycle Vernon, the product life cycle is divided into four phases namely introduction, growth,

maturity and decline. Indeed, comparative advantage can also be a result of the development of factor “Human Resources (HR) is a high-tech and quality” given in each phase of the cycle. This factor is the factor most responsible and most needed by all product groups in sustaining competitiveness. Furthermore, Salvatore, in Hamdy (2001) explained that the determination of comparative advantage and trade patterns of a country starting from the price of a product, as a reflection of the interaction between the level of technology with market demand / supply factors of production. Market production factor is the effect of demand for products, which incidentally is the result of interaction between the proportion of production factors are owned and tastes of consumers in a country.

According to Porter (2011) the competitive advantage of a country was determined by four main determinants as follows: (a) The condition of resources, i.e. the resources owned by the state, and consists of five categories, namely human resources, natural resources, resources the power of science and technology, capital resources, and infrastructure resources; (b) the demand in the domestic market; (c) the structure of the domestic industry is strong, especially related industries and supporting industries; and (d) the structure of the market with completely free competition.

Based on the survey results of LPEM UI Bappenas (2008) on 200 companies in five cities of Indonesia, it was stated that the most important factor affecting the competitiveness of foreign trade is export-import process; which according to business perceptions of these factors contributed 55.17 percent of the total towards improving the competitiveness of foreign trade. Therefore, efforts to increase export facility plays an important role in improving the competitiveness of foreign trade.

3. RESEARCH METHOD

This research is descriptive analysis using multivariate analysis. Multivariate analysis is basically divided into two groups: dependency and interdependency methods (Gunarso, 2002). The dependency analysis is a statistical method used to explain and predict one or more dependent variable based on several independent variables. Analysis of interdependence is a multivariate analysis used to determine the structure of a group of variables or objects. The methods included in this group, among others, factor analysis, cluster analysis, and multi-dimensional scaling.

In this study, it is used factor and cluster analysis. Factor analysis is used to summarize some of the information resulting from the measurement process (in the form of concepts) into a number of dimensions or smaller construct hereinafter called factor. Cluster Analysis is used for grouping a number of subjects or objects of research into small groups that are mutually exclusive.

This research data is primary data. Data obtained from the World Economic Report 2015. The data is global competitiveness data out of 144 countries in the world. The data used is the data score ranking in seven intervals. Grade 1 shows the competitiveness of each item is very low, and grade 7 indicates the competitiveness in every item is very high.

Global competitiveness grouped into 12 pillars, and 103 indicators. Moreover, the 12 pillars are grouped into three groups, namely: basic requirements, efficiency enhancers, and innovation and business sophistication.

This research uses Test of Kaiser-Meyer- Olkin (KMO) Measure of Sampling Adequacy (MSA). Level which is used is the value of KMO MSA is greater than 0.5. This study uses cluster analysis. The Cluster method is non-hierarchical with three clusters. There are high, moderate, and low competitiveness. Hierarchical method is not used in this study. It is because the number of countries analyzed is too much, so the results of the analysis are not easy to be understood.

4. ANALYSIS AND DISCUSSION

In this study, global competitiveness is grouped into 3 (three) clusters. There are high, moderate, and low competitiveness. This grouping uses the analogy of three categories of the state. There are developed countries, developing countries and underdeveloped countries.

By using non-hierarchical cluster, the results of the analysis of global competitiveness out of 144 countries, with three clusters obtained results in Table 1 below.

Table 1
Number of Cluster

	1	29.000
Cluster	2	61.000
	3	54.000
Valid		144.000
Missing		.000

Table 1 shows that from 144 countries, there are 29 or 20.14% of the countries with high competitiveness, 61 or 42.36% of the countries with the moderate competitiveness, and 54 or 37.5% of the countries with low competitiveness. Thus, there are still many countries that have low competitiveness in the global market. By analogy grouping of countries into developed countries, developing countries and underdeveloped countries, and seen in the context of competitiveness global, there are 29 developed countries, 61 developing countries, and 54 countries have not developed.

When viewed from the final cluster centers (table 2), the differences between clusters 1, 2 and 3 are obvious. For example institution cluster, the first cluster is 5.29, second cluster is 3.87, and the third cluster is 3.40. In average, first cluster has an average value of 5.329167, the second cluster has an average value of 4.285, and cluster 3 has an average value of 3.461667.

Table 2
Final Cluster Centers

	<i>Cluster</i>		
	<i>1</i>	<i>2</i>	<i>3</i>
Institution	5.29	3.87	3.40
Infrastructure	5.74	4.33	2.70
Macro_Economic_Environment	5.52	4.78	4.32
Health_and_Primary_Education	6.43	5.81	4.58
Hgher_Education_and_Training	5.54	4.52	3.13
Goods_Market_Efficiency	5.10	4.37	3.91
Labor_Market_Efficiency	4.85	4.11	3.97
Financial_Market_Development	4.99	4.08	3.42
Technological_Readiness	5.70	4.14	2.82
Market_Size	4.74	4.00	3.03
Business_Sophistication	5.16	4.08	3.45
Innovations	4.89	3.33	2.81

Judging the differences among the three clusters, with 12 dimensions or pillars, appear to have differences among countries in the world in the three groups of the cluster, as shown in Table 3 below.

Table 3
Distances between Final Cluster Centers

<i>Cluster</i>	<i>1</i>	<i>2</i>	<i>3</i>
1		3.796	6.826
2	3.796		3.256
3	6.826	3.256	

Table 3 shows the differences among the three clusters are very striking. On a scale of seven different values of the cluster with the second cluster is 3,796. Difference between first cluster and third cluster is 6.826, and the difference in the two clusters and cluster 3 is 3.256. Thus the apparent clustering results heterogeneous. In other words, countries in the world are not homogenous and striking inequality occurred.

Judging from the membership of each cluster, it can be seen in Table 4 below. Indonesia's competitiveness is in cluster two of the 61 members of the second clusters. Thus Indonesia's competitiveness in the global market is in the moderate category. Specifically, Table 4 below describes the countries into the category of countries with high competitiveness, moderate, and low.

Table 4
Cluster Membership

<i>Case Number</i>	<i>Country</i>	<i>Cluster</i>	<i>Distance</i>
1	Albania	2	2.186
2	Algeria	3	3.043
3	Angola	3	2.799
4	Argentina	2	2.766
5	Armenia	2	1.667
6	Australia	1	1.121
7	Austria	1	.777
8	Azerbaijan	2	1.987
9	Bahrain	2	2.099
10	Bangladesh	3	1.840
11	Barbados	2	3.065
12	Belgium	1	1.260
13	Bhutan	3	2.202
14	Bolivia	3	1.543
15	Botswana	3	2.714
16	Brazil	2	1.940
17	Bulgaria	2	1.279
18	Burkina Faso	3	1.873
19	Burundi	3	2.378
20	Cambodia	3	1.332

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<i>Case Number</i>	<i>Country</i>	<i>Cluster</i>	<i>Distance</i>
21	Cameroon	3	.698
22	Canada	1	1.116
23	Cape Verde	3	2.586
24	Chad	3	3.009
25	Chile	2	1.948
26	China	2	3.569
27	Colombia	2	1.633
28	Costa Rica	2	1.378
29	Côte d'Ivoire	3	1.770
30	Croatia	2	1.017
31	Cyprus	2	2.418
32	Czech Republic	2	1.510
33	Denmark	1	.993
34	Dominican Republic	3	1.466
35	Egypt	3	2.626
36	El Salvador	2	1.663
37	Estonia	1	2.425
38	Ethiopia	3	1.078
39	Finland	1	1.707
40	France	1	1.786
41	Gabon	3	1.929
42	Gambia, The	3	2.503
43	Georgia	2	1.639
44	Germany	1	1.588
45	Ghana	3	1.755
46	Greece	2	2.170
47	Guatemala	2	1.554
48	Guinea	3	2.633
49	Guyana	3	1.726
50	Haiti	3	1.790
51	Honduras	3	1.762
52	Hong Kong SAR	1	1.876
53	Hungary	2	.654
54	Iceland	1	2.949
55	India	2	2.973
56	Indonesia	2	1.857
57	Iran, Islamic Rep.	2	2.440
58	Ireland	1	2.351
59	Israel	1	1.985
60	Italy	2	2.672

<i>Case Number</i>	<i>Country</i>	<i>Cluster</i>	<i>Distance</i>
61	Jamaica	2	2.078
62	Japan	1	2.576
63	Jordan	2	1.808
64	Kazakhstan	2	1.459
65	Kenya	2	2.453
66	Korea, Rep	1	2.563
67	Kuwait	2	2.188
68	Kyrgyz Republic	3	1.248
69	Lao PDR	3	1.706
70	Latvia	2	1.942
71	Lebanon	3	3.068
72	Lesotho	3	1.956
73	Libya	3	2.406
74	Lithuania	2	1.784
75	Luxembourg	1	2.162
76	Macedonia, FYR	2	1.470
77	Madagascar	3	1.307
78	Malawi	3	2.293
79	Malaysia	1	1.902
80	Mali	3	1.519
81	Malta	2	2.483
82	Mauritania	3	2.378
83	Mauritius	2	1.786
84	Mexico	2	1.935
85	Moldova	2	2.160
86	Mongolia	3	2.109
87	Montenegro	2	2.011
88	Morocco	2	1.269
89	Mozambique	3	1.381
90	Myanmar	3	1.927
91	Namibia	3	2.160
92	Nepal	3	1.742
93	Netherlands	1	1.166
94	New Zealand	1	1.701
95	Nicaragua	3	1.064
96	Nigeria	3	2.640
97	Norway	1	1.677
98	Oman	2	2.449
99	Pakistan	3	2.348
100	Panama	2	2.220

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<i>Case Number</i>	<i>Country</i>	<i>Cluster</i>	<i>Distance</i>
101	Paraguay	3	1.090
102	Peru	2	2.030
103	Philippines	2	1.617
104	Poland	2	1.437
105	Portugal	2	2.696
106	Puerto Rico	2	2.165
107	Qatar	1	1.827
108	Romania	2	1.139
109	Russian Federation	2	2.223
110	Rwanda	3	2.802
111	Saudi Arabia	1	2.517
112	Seychelles	2	2.704
113	Senegal	3	1.306
114	Serbia	2	2.064
115	Sierra Leone	3	1.982
116	Singapore	1	1.963
117	Slovak Republic	2	.938
118	Slovenia	2	2.112
119	South Africa	2	2.685
120	Spain	2	2.896
121	Sri Lanka	2	1.630
122	Suriname	3	2.050
123	Swaziland	3	1.714
124	Sweden	1	.976
125	Switzerland	1	1.848
126	Taiwan, China	1	.952
127	Tajikistan	3	1.583
128	Tanzania	3	1.254
129	Thailand	2	1.842
130	Timor-Leste	3	1.829
131	Trinidad and Tobago	2	1.523
132	Tunisia	2	1.665
133	Turkey	2	1.528
134	Uganda	3	1.094
135	Ukraine	2	1.702
136	United Arab Emirates	1	1.619
137	United Kingdom	1	1.951
138	United States	1	2.930
139	Uruguay	2	1.470
140	Venezuela	3	3.397

<i>Case Number</i>	<i>Country</i>	<i>Cluster</i>	<i>Distance</i>
141	Vietnam	2	1.763
142	Yemen	3	2.588
143	Zambia	3	1.980
144	Zimbabwe	3	1.203

In Table 4, the numbers in the column indicates competitiveness cluster. Cluster 1 shows country competitive is in the high category. Cluster 2 shows the competitiveness of the country is in the moderate category, and cluster 3 shows the state is in the low category of competitiveness. Furthermore, in the column distance, shows the distance between center of high category of competitiveness and a score of competitiveness of the State concerned. The correlation between the pillar of Basic Requirements Group, Efficiency Enhancers and Innovation and Business Sophistication, shown in Table 5 below.

Table 5
Correlation among three pillars

		<i>Basic_ Requirements</i>	<i>Efficiency_ Enhancers</i>	<i>Innovation Sophistication</i>
Basic_Requirements	Pearson Correlation	1	.901**	.835**
	Sig. (2-tailed)		.000	.000
	N	144	144	144
Efficiency_Enhancers	Pearson Correlation	.901**	1	.917**
	Sig. (2-tailed)	.000		.000
	N	144	144	144
InnovationSophistication	Pearson Correlation	.835**	.917**	1
	Sig. (2-tailed)	.000	.000	
	N	144	144	144

***. Correlation is significant at the 0.01 level (2-tailed).*

Table 5 shows that among the pillars of competitiveness figures show a very high correlation. This means that the State has a good basic requirements tend to have high levels of efficiency and good enhancers and have a level of innovation and the level of sophistication technology and vice versa.

Figure 1 shows that Indonesia’s competitiveness in the global market is above the average global competitiveness. Although Indonesia’s competitiveness in the moderate cluster, the competitive position, within the group, is in high above of the average global competitiveness.

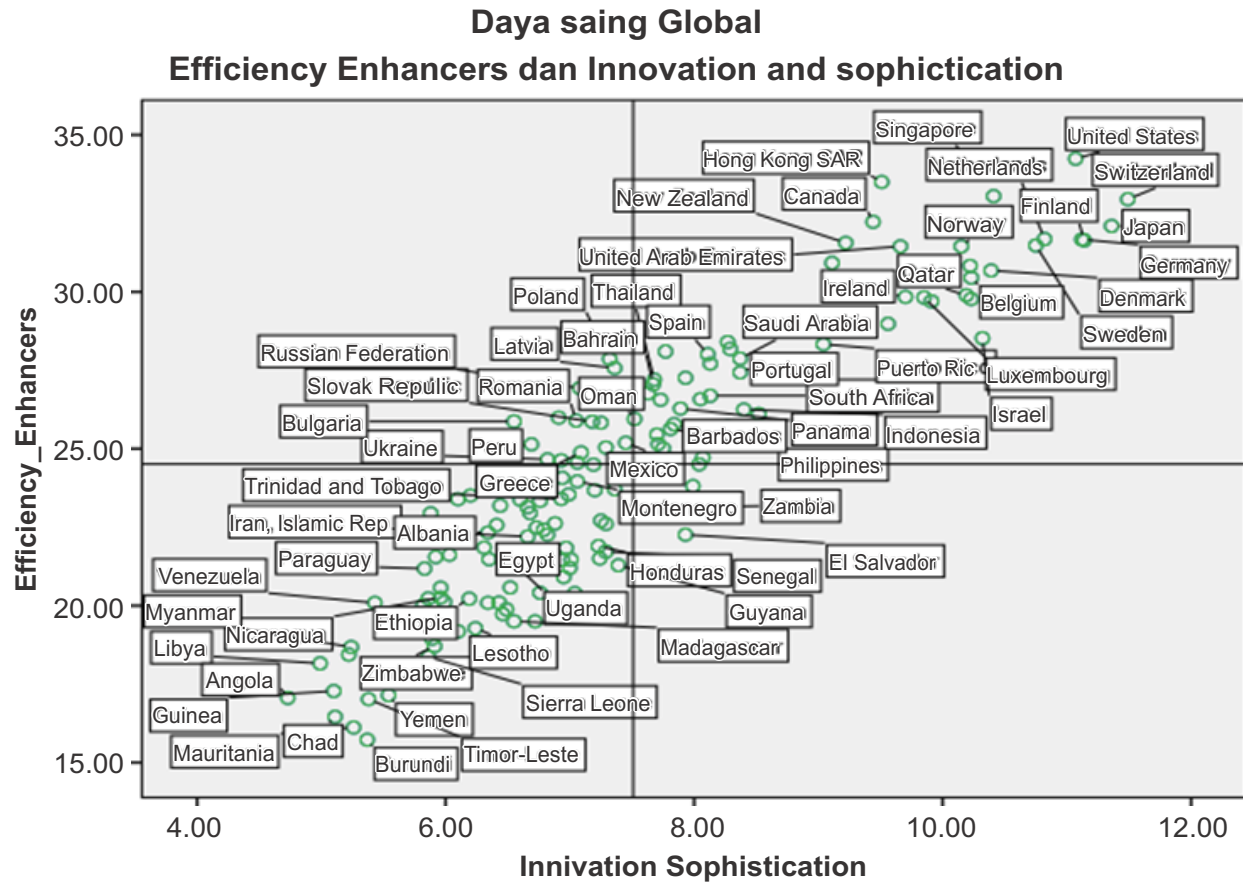


Figure 1

Indonesia's competitiveness in the global market is likely to fluctuate as shown in Table 6 below.

Table 6
Rank and Score of Indonesia Competitiveness

<i>Global Competitiveness</i>	<i>Rank</i>	<i>Score</i>
2015-2016, out of 140 countries	37	4.5
2014-2015, out of 144 countries	34	4.6
2013-2014, out of 148 countries	38	4.5
2012-2013, out of 144 countries	50	4.4

Source: WER (2015)

Table 6 shows that the rank of the global competitiveness of Indonesia in 2012/2013 is 50 of 144 countries surveyed, with a score of 4.4 on the competitiveness scale of 7. In 2013/2014 global competitiveness for Indonesia rose dramatically to rank 38 of the 148 countries surveyed. The competitiveness score only increased by 0.1 from 4.4 to 4.5. In the 2014/2015 global competitiveness for Indonesia rose again to rank 34 of 144 countries surveyed. The competitiveness score only increased by 0.1 from 4.5 to 4.6. In the 2015/2016 global competitiveness for Indonesia fell to the order of 37 of the 144 countries surveyed. But score of competitiveness is only reduced by 0.1 from 4.6 to 4.5.

In WER 2015, global competitiveness is inseparable from the existence of the problems of doing business in each of the countries surveyed. Problems of business in Indonesia appear in Figure 2 below.

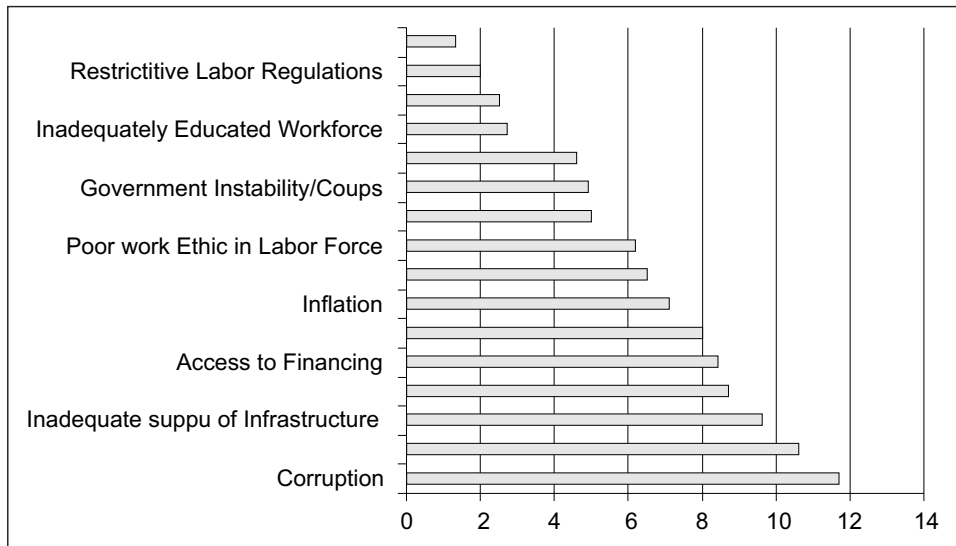


Figure 2: The Most Problematic Problem in doing Business in Indonesia

Source: WER (2015)

In doing business in Indonesia, level of corruption is the most prominent problem, followed by the inadequacy of infrastructure and access financing. From the 16 problems in doing business in Indonesia the final sequence of the problems is a poor public health. Thus the biggest homework in driving global competitiveness for Indonesia is the existence of corruption and inadequate infrastructure.

What a contribution to improve Indonesia’s competitiveness in the global market. Figure 3 shows the 12 pillars of the competitiveness.

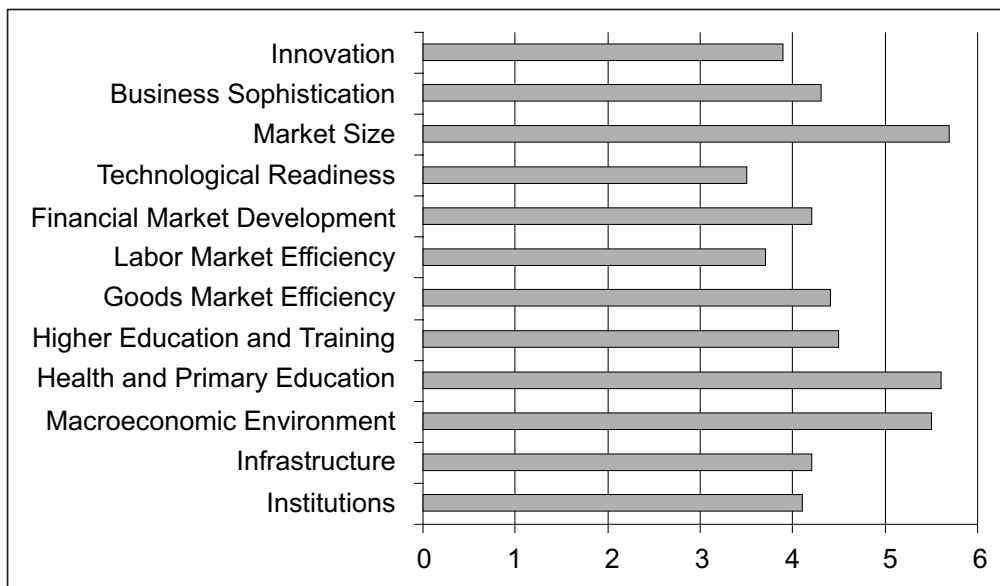


Figure 3: The 12 Pillars of Competitiveness in Indonesia

Market size, macroeconomic conditions and health and basic secondary education is the main Indonesia's competitiveness in the global market. Where How The competitiveness of Indonesia in the Asean regions?. Table 7 illustrates dominant component of competitiveness in the Asean regions.

Table 7
The dominant Component of Competitiveness in Asean

	<i>Component</i>		
	<i>1</i>	<i>2</i>	<i>3</i>
Institutions	.690	.656	-.124
Infrastructure	.938	-.221	.187
Maceoeconomic_Enviroment	.469	-.798	.292
Health_Primary_Education	.397	-.684	.274
Higher_Education_Training	.944	-.243	-.080
Goods_Market_Efficiency	.368	.892	.075
Labor_Market_Efficiency	-.879	.245	.268
Finacial_Market_Development	.436	.772	.185
Technology_Readiness	.378	-.158	.706
Market_Size	.697	-.081	-.608
Business_Sophistication	.110	.915	.343
Innovation	.955	.205	-.014

Extraction Method: Principal Component Analysis.

(a) 3 components extracted.

Table 7 shows that by using the principal component analysis, which is the first component element of competitiveness of Indonesia in the Asean level is innovations, higher education and training, infrastructure, institutions, primary health education, and macroeconomic conditions. Second component is good market efficiency and business sophistications. Being the third component is the technology readiness.

When viewed in the Asean region, how is the grouping of Indonesia's competitiveness? Table 8 shows the cluster in Indonesia's competitiveness in Asean Countries.

Table 8
Number of Cluster In Asean

<i>Number of Cases in each Cluster</i>	
	1
Cluster	2
	3
Valid	
Missing	

Number of countries with high competitiveness is only one country. The number of moderate competitiveness are 5 countries, and lower competitiveness are three countries as shown in Table 9.

Tabel 9
Cluster Membership of Asean Countries

<i>Case Number</i>	<i>Negara_Asean</i>	<i>Cluster</i>	<i>Distance</i>
1	Cambodia	3	.865
2	Indonesia	2	.703
3	Myanmar	3	1.803
4	Malaysia	2	2.577
5	Philippines	2	1.148
6	Singapore	1	.000
7	Lao PDR	3	1.392
8	Thailand	2	.910
9	Vietnam	2	1.986

Asean countries are included in cluster 1, namely Singapore. The countries included in cluster 2 are Indonesia, the Philippines, Malaysia, Thailand and Vietnam. Moderate Countries that fall into three clusters are Cambodia, Myanmar and Laos. Indonesia's second highest in the cluster, with the distance to Singapore is 0,703. From the analysis above, it appears the global competitiveness of Indonesia is in the moderate cluster, but above the average of global competitiveness. Market size and macro-economic conditions in 2015, is the dominant factor in Indonesia's competitiveness in the global market. However, there are serious obstacles in achieving a new economic power in the world, namely the existence of barriers to corruption and the provision of sufficient infrastructure in Indonesia, which must be addressed immediately. Another point mentioned by Robinson (2016), it predicted that Indonesia would not be a new force, both in the region especially in the global stage, as estimated recently. It is not seen the government intentions and political leaders and economic capacity to project force Indonesia to be one of new powerful economic in the world.

5. CONCLUSION AND RECOMMENDATION

From the analysis and discussion, it can be concluded as follows. First, competitiveness ranking is formed by 12 pillars, which are grouped into three groups, namely Group Basic Requirements, Efficiency Sustainer Group, and Group Innovation and Business Sophistication. From the 12 pillars of the 144 countries there are 29 or 20.14% of the countries with high competitiveness, 61 or 42.36% of the countries with the moderate competitiveness, and 54 or 37.5% of the countries with low competitiveness. Thus, there are still many countries that have low competitiveness in the global market. By analogy grouping of countries into developed countries, developing countries and underdeveloped countries, and seen in the context of competitiveness global, there are 29 developed countries, 61 are developing countries, and 54 countries are underdeveloped. The third cluster is striking. On a scale of seven different values of the cluster with two clusters, cluster 1 and cluster 3, and the difference in the two clusters and cluster 3 is striking. In other words, countries in the world are not homogenous and striking inequality occurred. Indonesian competitiveness in the global market in the moderate category, or enter into the first cluster.

Second, the dominant factor affecting Indonesia's competitiveness in the global market is the market size and macro-economic conditions. These items are good and stable. If using the average global competitiveness, Indonesia is in the above category average global competitiveness. Not surprisingly, when it is foreseeable that Indonesia will become a new world economic power, through competitiveness. Although the opinion of Robinson (2016), said a difference opinion, he predicted that Indonesia would not being a new force, both in the Asean region especially on the global stage. This is due to the absence of intention and the capacity of political and economic leaders to elaborate projection of strength of Indonesia.

Third, In carrying out its business in Indonesia, the level of corruption is the most prominent problem. It is followed by the inadequacy of infrastructure and access financing. From the 16 issues in doing business in Indonesia the last sequence is a poor public health. Thus the biggest "homework" in driving global competitiveness for Indonesia is the existence of corruption and inadequate infrastructure.

Indonesia's competitiveness is fluctuated. Its need for a review of policies, programs and development activities carried out the problems so far. The Ministries and agencies in charge of each pillar and indicators that experienced downgrades, need to work more than usual to raise the ratings on each of the indicators and pillars of competitiveness. In addition, a variety of common factors that hinder the improvement of competitiveness needs more serious implementation.

"Homework" for the largest increase Indonesia's competitiveness in the global market is the level of corruption. Therefore there should be investigation of corruption continually. It is also need a research deeply for corruptive behavior. What do Indonesia now is crack for corruptive behavior, more on the downstream rather than upstream to find the root cause in the realm of corruption.

Infrastructure is also a seriously problem. Therefore, the infrastructure should be a priority to involve the private sector through corporate social responsibility funds. Hypothetically, Indonesian contribution to the world economy would be optimal, when the Government has good infrastructures, corruption is lost, smuggling is lost, and illegal behavior is also lost.

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