

FREE TRADE: LEARN FROM THE GLORY OF THE SRIWIJAYA KINGDOM OF INTERNATIONAL TRADE

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Abstract

Indonesia is strategically located in the international trade route. Strait of Malacca to airport transit, the strength of the archipelago fleet, and political wisdom make kings ruled the archipelago is part of the international trade accounted for by the kingdom of the archipelago. Indonesia's bargaining position with strategic territory now as helpless hit by the swift currents of free trade. Heavy import goods with low price, excellent quality, consumer culture, weak bargaining power, low human resources, and low utilization of natural resources, as well as the political power to make Indonesia is still weak in the competitive free trade. Therefore, it needs to be encouraged and the spirit of the establishment of the nation entrepreneur workshop works that foster creative industries are able to compete with foreign products with specifications and quality that differentiates it from other products.

Keywords: *Free Trade, Sriwijaya, the Present*

A. Preamble

The existence of the Crusades resulted in rupture of trade relations between Europe to the Middle East and Asia. The Europeans eventually find a new trade route to India and Indonesia. Indonesia as one of the route of trade which the spice trade to find the needs of European commodities.

Sriwijaya maritime empire is one of the largest in the archipelago and even in Southeast Asia in the second century BC 7-15. The geographical position of Sriwijaya around the Strait of Malacca to support international trade between India and Southeast Asia, between China and Southeast Asian archipelago resulted in strong bargaining position as an area that must be overcome traders from all over the world. The ability to offset the shipping trade to strengthen confidence in the triumph of the archipelago international trade. Strong fleet of Sriwijaya managed to control local government potential trading commodity producers around, so that the goods commodity trade in the Straits of Malacca is quite tempting for foreign merchants who will bring many benefits. Mastery of the area also makes Sriwijaya acquire and distribute merchandise to the ports controlled by Sriwijaya.

One of the trading system that is applied is the tribute given to its trading partners, each sent envoys and diplomatic cooperation in support of the trade. Sriwijaya also guarantee the security of shipping lanes for traders from various countries to trade in the Straits of Malacca, the emergence of dangerous pirate cruise can be conquered by force merchants soldiers vigil Sriwijaya so comfort is guaranteed. Authority and control, especially during Balaputradewa Sriwijaya leaders are the key to highly influential Sriwijaya in the international trading system. Diplomacy is what makes the king of the kingdom of Sriwijaya has become one of the areas addressed by the international trade (Marwati Djoened & Nugroho Notosusanto, 1987: 72-76).

Indonesia now had to face the globalized world of free trade. Free trade is a policy in which the government does not discriminate against imports or interfere with exports. This has the consequence that there is an aspect of economic cooperation, including development, partnerships, and encourage competitiveness with the complementary aspects of the trade. Unfortunately Indonesia as a developing country is not ready to follow free trade completely. Although we have the same strategic position as Sriwijaya period, but the strength of the system of government and commerce seemed to have no meaning. Consumer culture, weak bargaining power, low human resources, global competitiveness are not up to the low utilization of natural resources, as well as

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the political power to make Indonesia Indonesia is still weak is no longer as powerful Sriwijaya trading network.

Conditions in Indonesia are not yet ready for the entry of free trade, should be anticipated with the preparation of specifications that distinguish goods trade with other commodities. As with Sriwijaya which actually has no commodity trade but was able to master the trade commodities inland and coastal areas. With the intensified local production, the potential of the area, the uniqueness and creativity of the area will bring local products required internationally, and be able to compete in international trade. Local potential can be fostered by central and local government as a vessel capable of facilitating and linking economic sectors. Policies king, power systems, and commodity trading period Sriwijaya penggalakan very important role in international trade.

B. Nusantara Trade Relations with Foreign Countries

In the early two century BC, the archipelago has a relationship with the nations of Asia. Forms of trade that took place at that time originated from trade and shipping activities. The Indonesian archipelago is located very strategically for shipping and world trade. Many other nations who stop and trade in our country. At the beginning of the first century AD, trade between China, India, and the area around the Mediterranean Sea via the Silk Road was very crowded. But this road to be unsafe due to the many robbers. The trader then trader trough of the nearest ocean, between India and China and anchored in the Strait of Malacca. Trade route trough the Strait of Malacca to be busy, and the rise of the ports where traders buy and sell merchandise. Malacca Strait is also many traders from Indonesia, who participated in the trade.

In a further development, trade relations between India and China is growing more rapidly. From China, India to obtain silk and porcelain goods. While India are exporting many items of ivory, finely woven, and engraving. Contact this trade also involve the Indonesian traders. Indian and Chinese traders, many who purchase merchandise from Indonesia, spices, cendanawood, gold, silver and others. Trade relations with India and China has put Indonesia in the international trade route in ancient times. Trade relations with India caused a change in the life style of Indonesia at that time.



Gambar 1.
Bandar Transito Selat Malaka

Before Indonesia has a cultural engagement with India and China, Indonesia first have trade relations with India and China with commodities of the spice trade. Effect of kings and heads of state indicated in building strong international trade relations, through their strong position in determining the existing trade rules. One of the royal engagement archipelago in International trade is the kingdom of Sriwijaya. Sriwijaya kingdom century VII - XIV growing in international trade.

Sriwijaya kingdom is the kingdom of the shore-based marine commerce. Sriwijaya controlled the sea in various parts of Indonesia, especially around the Straits of Malacca. The power and wealth of Sriwijaya caused by international trade through the Strait of Malacca. The power of the international trade route linking the East Asia-West Asia-Europe.

The technology is still simple cruise the seventeenth cause of merchant ships through the Straits of Malacca should stop at several ports. Ports along the Strait of Malacca is important as harbor provisions. This led Sriwijaya attempted to monopolize and control the coastal areas in the

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Straits of Malacca. Mastery also performed around the Straits of Malacca shipping lane. Mastery of the harbor area around the Straits of Malacca followed by acquisition of commodities trading generated from the hinterland, especially pepper. Mandatory trading ships docked at the port-owned Sriwijaya, Sriwijaya also have the right to hoard goods, the right of the main purchasing and customs tax. Policies king and abilities is what makes Sriwijaya into port with a strong economy. Archipelago was not underestimated by the international in terms of international trade. The power of government, strategic location, the maximum utilization of natural resources, human resources, human beings seek an optimal and natural resources management systems are slick, and the ability to lead a high competitive strength of Indonesia's trade in the international trade arena (Saiful Bachuman resourcesi, 2005: 19-23).

C. Economic Relations Free Trade Learning from Sriwijaya Glory Trade

Free trade is an activity of buying and selling products between countries without any hassle or bureaucracy rules governing free trade within a country. Thus, a country, company, or individual can even sell the products created abroad. Vice versa, the State another party to sell its products in the country so that Consumer can obtain international quality goods easily and at a relatively affordable price. Learning from the history of international trade during the Sriwijaya be equipped to strengthen Indonesia in facing global free trade.

Foreign trade plays an important role in the economy of a country because it creates trading market, where demand for goods is far greater than domestic demand. So that the parties involved in the free trade that alike will try to meet the needs of the market with the advantages and specifications of each. Besides the specification is also required so that the comparative advantage of the free trade of goods offered and the quality of fine quality, and will be profitable for producers. Free trade also facilitate the availability of a wider range of goods. Social welfare will increase if they have a variety of items to choose from. In addition, the diversity of goods also benefit producers as an opportunity for the growth of the production of goods needed to produce the types of goods are more diverse and cheaper cost of production. By opening up to international trade of a country get more opportunities to increase productivity thuman resourcesough the transfer of knowledge (Alecsandra Dagne, 2010).

Opportunities and benefits is what we should have learned since the heyday of the empire archipelago able to take advantage of international trade opportunities that could eventually deliver Indonesia as one of the strengths of international trade. But unfortunately we never learn from past glory. Now the negative impact instead it suffered due to free trade. Become a consumer society to nuraring imported goods, many are unemployed because of competition from overseas manufacturers, and many factories are bankrupt because strong with competition so tight, other than that due to investor flight of human resources and work ethic weak domestic and foreign are depleted due to more imports than exports. Then for developing countries will always rely on other countries to continue importing goods ked nature, making it a weak state is difficult to develop.

B. Solution of Free Trade Issues

Free trade is done by a country, have a positive impact on the country that is able to enjoy not only the product of its products made in the country itself, but also to consume products made overseas with ease. Besides established an increasingly open international relations between countries. The products in this country can facilitate gained popularity abroad. The impact of free trade such as this should be used by the government and the people in the country to take part in developing superior products that distinguish comparative with other countries.

Local economic development efforts into one face of the free market. Need training institutions can change and redirect the behavior to suit the demands of the international market. Indonesia's natural resources are rich in each of these areas require further processed to obtain and added economic value, so it can compete in the international market. It took the entrepreneur, young entrepreneur especially in developing internationally competitive local potential. Mastery of technology and communication that now dominated the youth should be a reinforcement in the

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development of local commodities and introduction of local commodity. Local creative industry commodities ethnic native products should continue to be explored and developed as national products globally competitive. These products are supported by local ethnic creative economy, exhibition and tourism into the unity that supports the introduction of comparative domestic products and quality in free trade.

Local products quality and low price will raise affection of local products. Even if local products to compete with foreign products and recognized by the international community, the more we take pride in the local product worldwide. Moreover, Indonesia has had Indonesian National Bureau of Standards as a filter and control products in the country.

E. Closer

Need to public awareness and the government of Indonesia to see the past, take a positive meaning from past successes of international trade. So the synergy between the positive values that have been developed in the past does not fade or declining but being more advanced than the past.

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