THE ROLE OF DEFENSE DIPLOMACY FOR THE DEVELOPMENT OF THE INDONESIAN DEFENSE INDUSTRY

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ABSTRACT

Indonesia’s defense policy in the form of a Minimum Essential Force (MEF) can produce a policy on developing Indonesia’s defense posture until 2024. Efforts to meet the needs of Defense and Security Equipment Tools (Alpalhankam) implemented to date are still trying to fulfill MEF needs until now one hundred percent. The fulfillment of the needs Defense and Security Agency continues to pursue through procurement from the foreign and local defense industries. The establishment of the KKIP in 2010 and the issuance of Law Number 12 of 2012 have legitimized the government's support in efforts to develop the national defense industry. With the government’s policy related to the defense industry, it will encourage the ability of the local defense industry to realize independence which carries out by defense diplomacy. The problem to be investigated is the government's role in defense diplomacy to support the development of the Indonesian defense industry. The research uses a qualitative descriptive method with data collection techniques through snowball sampling and literature study. The study results show that defense diplomacy carried out by the current government, especially the Minister of Defense Prabowo Subianto, can encourage defense cooperation that can support the development of the Indonesian defense industry while still prioritizing the principle of being accessible active, and non-alliance. Furthermore, the defense diplomacy strategy needs to be developed more broadly by offering a broader and more profitable defense industry cooperation scheme.

Keywords: Defense Diplomacy, Transfer of Knowledge, Defense Industry.

INTRODUCTION

Indonesia, the largest archipelagic country globally, has a strategic position between two continents and two oceans, has 17,499 islands with a total area of Indonesia about 7.81 million square km, of which 3.25 million square km is the ocean and 2.55 million square km is the Zone. Exclusive Economy. With such ideal geographical conditions, Indonesia has abundant natural resources that need optimal management and protection for the benefit of the Indonesian nation. The greater the attractiveness of natural resources, the greater the threat to maritime security and national sovereignty at sea. Therefore, it is necessary to have
a solid and resilient maritime force in dealing with various threats and disturbances that threaten national sovereignty, territorial integrity, and the safety of the nation and state. With the increasing threat to the sovereignty of the Republic of Indonesia, the need for increased national defense capabilities is also increasing.

The development of national defense must carry out comprehensively and sustainably to produce a deterrence effect by considering the defense strategy and the types of threats present in the future. Four things are needed to develop a country's defense system, including the geographical conditions of a country, existing national resources, consideration of the direction of future threats, and the development of information technology (Indrawan, 2018). These various factors need to be taken into account by the government to plan strategy and develop a national defense, which also includes efforts to fulfill the needs of the TNI Alutsista. So far, the need for the leading equipment for the TNI's weapon system is still very dependent on the purchase of foreign products, where many faces political interests from other countries. High dependence on weapons products from abroad will reduce the freedom to use the leading weapon system equipment purchased with restrictions on the purchase and use of the producing country. The independence of a country in buying and using weapons purchased from other countries is often limited because of the control of arms sales to non-aligned countries and control of the use of weapons with political considerations, regional security, and human rights (Karim, 2014). This situation impacts Indonesia's freedom to procure weapons according to needs considering that Indonesia is a country that adheres to a free and active foreign policy, so it is not included in any defense alliance. The experience of the arms embargo allies against Indonesia in the past has also encouraged Indonesia to diversify in purchasing weapons abroad. The various dynamics of purchasing defense equipment from abroad have spurred the government to build and develop the national defense industry.

The development and development of the national defense industry cannot be separated from the support and assistance from other countries, given the limited mastery of technology and the production of advanced weapons. The national interest in the defense sector needs to bridge by building a more specific government-to-government (G to G) diplomacy in the form of defense diplomacy. Diplomacy needs to be carried out to achieve national interests in various fields such as politics, economy, and military and build good cooperative relations between countries bilaterally and multilaterally (Nurrohman et al. 2019). The existence of defense diplomacy today has changed in terms of its objectives or orientation, where defense diplomacy is no longer carried out solely as a means of state defense and security policy, in this case, to seek partners or alliances. Defense diplomacy carried out by many countries is currently driven by national interests. Called post-traditional defense diplomacy, the aim is to develop good relations and eliminate uncertainty in international relations (Hartono, 2011). With the new concept of defense diplomacy, defense diplomacy activities are carried out not only to form defense alliances or pacts but also for the needs of the broader defense sector and the achievement of national interests and foreign policy. National interest is also one of the crucial factors in determining the direction of the implementation of national defense diplomacy. The national interest becomes an instrument of a political action where the national interest
becomes the justification for the actions taken for the nation and state (Nurrohman et al., 2019).

The various kinds of literature above provide a brief overview of the direction of this study which shows that the development of the Indonesian defense industry is an important thing to do to lead to the independence of meeting the needs of the TNI Alutsista. Defense Diplomacy carried out by the government takes on its role of achieving the goal of Indonesia's defense industry independence. G to G diplomacy, which carries out for the development of the national defense industry, is based on the good relations and cooperation established with other countries. This study collaborates with the defense diplomacy strategy carried out by the Indonesian government in order to meet the needs of the national defense industry. From this background, the author formulates the problem, namely how defense diplomacy carried out by the Indonesian government can encourage the development of the national defense industry.

**METHOD**

In this study, the method used is qualitative research that focuses on the quality of exploration of phenomena that occur from the meaning of existing social events by using literature studies. As a key instrument, the author analyzes qualitative data and information to test the research results to make a research report. To answer the formulation of the proposed problem, the authors first look for the definition of the research theme and then present supporting data from the literature results. The results of comparing the results of previous studies become the basis for discussing the formulation of the proposed problems.

Diplomacy comes from the Greek word “diploma,” which means “folded in half.” According to ancient Greek tradition, a 'diploma' is a certificate of graduation from a program of study, usually folded in half. Over time, the meaning of 'diplomacy' is getting wider. Diplomacy is attached to official documents such as agreements with foreign ethnic groups. According to Sir Ernest Satow (Djelantik 2008), diplomacy is an application of intelligence and tactics to carry out official relations between several sovereign governments or be broader with colonial countries.

Meanwhile, Barston (Djelantik, 2008) states the definition of diplomacy as a form of management of relations between countries in the presence of other international relations actors. From the two definitions above, it can be identified that diplomacy involves relations between two or more countries to support their respective interests. So the relationship that is built is a mutually beneficial positive relationship. The involvement of actors in diplomacy between countries case the government has a role as a spokesperson and negotiator in securing and fighting interests of their country. Diplomacy is mainly carried out in times of peace, but diplomacy can also apply in times of conflict or war, where diplomacy is a way to resolve conflicts or wars. Diplomacy brings a message or interest to convey to the counterpart. This condition is in line with the definition of diplomacy presented by Djelantik (2008), where diplomacy represents political, economic, and military pressure or interests against countries that interact to carry out diplomacy.
where these interests can provide formula as a request and concession among the negotiators. The targets of the implementation of diplomacy are, among others, to change the policies, implementation, and goals of the governments of other countries, which carries out employing persuasion, giving awards, exchanging concessions; it is not even possible to spread threats.

After the end of the cold war, a new form of diplomacy emerged in the defense sector as a political language to establish cooperation between countries. With the end of the two superpowers in the cold war, defense became one of the binding domains in diplomacy, now known as defense diplomacy. By having the same mission, namely, to strive for the achievement of national interests, defense diplomacy has a more focused scope related to national, regional, and alliance defense. Defense diplomacy, based on the opinion of several experts, can interpret as follows:

a. According to Thucydide (Nurrohman et al. 2019), defense diplomacy is a concept coined in the Strategic Defense Review in 1998 which aims to form integration between military instruments and diplomatic activities in the context of conflict prevention and crisis management.

b. According to the Strategic Defense Review, the British Ministry of Defense (Drab 2018) defines defense diplomacy as a peaceful benefit of defense to achieve positive results from developing bilateral and multilateral relations with other countries.

c. According to Cottey & Foster (2013), a broader definition of defense diplomacy is the peaceful use of armed forces and related infrastructure (especially the defense ministry) as a means of security and foreign policy.

d. According to Padrason (Sudarsono, Mahroza & Surryanto 2018), defense diplomacy is a variety of ways and strategies that are carried out through various aspects such as economy, culture, politics, defense, and diplomacy so that countries can build friendships, can work together and most importantly build trust. Defense diplomacy is then used to achieve the government's foreign policy goals.

e. According to Winger (2014), defense diplomacy uses soft power from military forces to achieve the country's international interests in the form of officer exchanges, warship visits, and joint exercises.

f. According to Hill (Gindarsah, 2015), defense diplomacy makes military institutions a soft power or persuasive force to achieve various diplomatic agendas.

The various definitions of defense diplomacy show the use of force and military communication in other, more lenient forms to convey intentions. The military is no longer used as a mere tool of war but has begun to use for diplomatic purposes. Therefore, defense diplomacy can interpret as an effort made by a country to build cooperation and trust in other countries in the defense sector to achieve its national interests.

Industrial activity is one of the characteristics of the progress of human civilization, which shows the existence of modernization in producing a product or goods. With its modern nature, the industrial process is always closely related to the influence of science and technology. According to School (Prasetyono, Keliat & Widjajanto, 2012), the industry is an activity of producing consumer goods and the existence of production facilities in large quantities to earn profits. Meanwhile, the defense has a meaning as both
aggressive and protective activities taken by the government of a country or nation to fight 
in international life (Widjajanto et al., 1919). Along with the many conflicts and wars in human life history, industrial activities have also penetrated the production of weapons and become modern defense industries.

The defense industry is one of the branches of the national industry determined by the government where all or part of its products are in the form of defense and security equipment, maintenance services in the context of meeting the strategic interests of the defense and security sector within the territory of the Unitary State of the Republic of Indonesia (NKRI) (Aida, 2021). The national defense industry is vital in Indonesia to develop the independence of the national defense system. As part of the government's effort to develop the national defense industry, the government issued Law Number 16 of 2012 concerning the Defense Industry, in which Article 3 states the objectives of realizing the independence of defense and security equipment, increasing the ability to produce defense and security equipment that will use in the context of building reliable defense and security forces and independent defense and security systems (Al-Fadhat & Effendi, 2019). Furthermore, in the law, Article 34 stipulates the priority for procuring the leading weapon system equipment where the weapon system is required to come from within the country. However, if the domestic defense industry cannot fulfill it, then the procurement of the leading weapon system equipment from abroad is allowed by fulfilling several requirements. Provisions for the fulfillment of defense equipment from abroad include the existence of defense offsets or transfer of technology, trade offsets, local content, and a minimum offset of 85%, which is calculated from the procurement value.

Various countries have carried out technology transfer activities since the beginning of the development of the industry for various purposes, both for political and economic interests. Technology transfer can define as applying information (technology innovation) to be applied and used (Rogers, Takegami, & Yin, 2001). Therefore, the ToT process involves the transfer of technological innovation from a research and development organization (R&D) to a recipient organization (company). However, these ToT activities can also carry out by involving G to G. According to Markets (Choi, 2009), ToT is the development of technology in one setting and then transferred for use in other settings. Meanwhile, according to Johnson, Gatz & Hicks (1997), ToT from a holistic perspective includes transferring technology from one place of origin to another for its use and matters that include acceptance and use by end-users. Another definition of ToT, according to Choi (2009), is a way to gain a competitive advantage through improving performance in collaboration with institutions that accept the technology. This definition shows that the ToT will involve at least two parties, namely the technology provider and the technology recipient. In the international ToT, there are horizontal and vertical components (Reddy & Zhao 1990). In contrast, in the horizontal component, there are three essential elements, namely the country of origin, the recipient country, and the transaction (the country of origin is the place where technology starts, and the recipient country is the one that uses technology). Meanwhile, the vertical aspect recognizes that the analysis and problems that arise are specific to the country, industry, or company within the country of origin and recipient country.
RESULTS AND DISCUSSION

Indonesian Defense Posture

The Minimum Essential Force (MEF), established by the government of President Susilo Bambang Yudhoyono through Presidential Decree No. 5 of 2010, is a formulation of the ideal posture of Indonesia’s defense as a form of Indonesia’s defense reform; the MEF includes elements consisting of human resources, material/primary weapons systems TNI, facilities for bases and training areas, defense industry, organization, and budget. In terms of budget, it is also entirely a concern in the MEF, where the defense budget has a significant increase. The existence of the leading weapon system equipment in Indonesia's defense posture is fundamental apart from being a defense tool used by the TNI and having a deterrence effect for other countries. In the MEF defense posture, the TNI as Indonesia’s main defense force in developing its capabilities and capabilities is aimed at having ideal deterrence, not attack power (Fachrur et al. 2019). In its implementation, the MEF is divided into three strategic planning stages until 2024.

In budget constraints, the development of the MEF is expected to encourage the development of the national defense industry and be able to appropriately increase the TNI’s ability to deal with real threats on a priority scale without ruling out potential threats. The government can carry out the development function of the national defense industry by optimizing defense diplomacy capabilities and good relations with many friendly countries. Friendly relations between countries that have been built will be able to produce mutually beneficial relations (mutualism), which initiate by the existence of defense diplomacy. A clear example is a cooperation in constructing the Changbogo Class U-209 submarine between PT PAL and DSME Korea and the cooperation in constructing the Kaplan/Tiger Medium Tank between PT. Pindad with Turkish FNSS.

The Government’s Role in the Development of the Defense Industry

The Indonesian defense industry has begun to develop in a coordinated manner with the government’s support since the establishment of the Board of Trustees and Management of Strategic Industries and Defense and Security Industries in 1983 through the issuance of Presidential Decree No. 59 of 1983 (Karim, 2014). The forum that was formed at that time was called the Strategic Industry State-Owned Enterprise (BUMNIS), which was in charge of several fields, namely aerospace (PT. IPTN), maritime (PT. PAL), weapons and ammunition (PT. Pindad), explosives (PT. Dahana) which are also included in the ten national strategic industries.

In the context of developing the capability of the National Defense Industry and encouraging Indonesia's independence in foreign-made Defense and Security Equipment (Alpalhankam), the United Indonesia Cabinet I under President Susilo Bambang Yudhoyono began to make the defense industry a development priority. The government accommodates and provides excellent opportunities for the involvement of the private sector in the activities of the Defense Industry. This effort was continued by the United Indonesia Cabinet II, which produced Presidential Regulation No. 42/2010 concerning the Defense Industry Policy Committee (KKIP), followed by the ratification of Law Number
16 of 2012 concerning the Defense Industry and other products of legislation. This committee is chaired directly by the President, where the Minister of Defense is the Daily Chair. The Minister of SOEs is the Deputy Daily Chair with the membership of the TNI Commander and the National Police Chief. However, the establishment of KKIP is inseparable from at least two problems (Prasetyono et al., 2012). First, KKIP will face the problem of the absence of a working mechanism formulation between institutions that are members of KKIP. Second is the challenge of problems related to research policy and industrial policy, starting from the level of planning, implementation to supervision, and management of national resources for the benefit of the defense industry.

The ratification of Law Number 16 of 2012 concerning the Defense Industry has become a driving force for efforts to develop the national defense industry, where the government's role is critical and dominant. This law emphasizes the political-legal commitment of the government and defense industry players to be independent to meet the needs of the TNI, the leading weapon system equipment, according to the criteria of being efficient, modern, and high-tech (Prasetyono et al. 2012). With the existence of this law, the efforts to develop the defense industry and the activity processes of the actors have obtained legal certainty. This law also makes the national defense industry a strategic industry that needs to continue to receive government support to increase the independence of the National, the leading weapon system equipment.

Indonesian Defense Industry Development

Indonesia has experienced various ups and downs in diplomatic relations with other countries throughout the nation's journey, especially western countries. The political instability and diplomatic relations that occur can affect efforts to fulfill the national defense equipment system, which encourages the need to build the independence of the national defense industry. With the establishment of self-sufficiency in meeting the needs of a good defense, Indonesia no longer needs to be confused with the arms embargo imposed by other countries as in previous experiences.

Defense and military industries have different needs and work dimensions (Montratama, 2018). The defense industry is built on microeconomic principles where all resources used will pay for from income. It is different in the military, where the military, as an organization not built from economic principles, carries out state duties by using defense equipment that has quality according to its needs. The defense industry needs the military's reliability of defense equipment, adequate numbers, and use without an embargo. The two dimensions of these needs need to be synergized to accommodate their fulfillment. Therefore, the role of the government as a regulator and sponsor is essential for efforts to develop the national defense industry.

The defense industry needs certainty in strategic planning in the defense sector to prepare its production capacity and capability. Following Law Number 16 of 2012, one of the powers of KKIP is to synchronize the determination of the need for Defense and Security Equipment (Alpalhankam) between users (TNI and Polri) and the defense industry. The following process that needs to be taken next is KKIP bringing together the
TNI/Polri and other user institutions with SOEs in the defense sector to discuss the needs of the Alpalhankam. This seemingly simple process is essential to synchronize needs with the fulfillment of Alpalhankam. In addition to meeting the needs of the TNI and Polri efficiently and effectively, it can also encourage the development of the national defense industry (Karim, 2014).

To effectively develop the national defense industry, it is necessary to think about an appropriate development model by government policies, the capacity of supporting resources, and financial capacity. According to Prasetyono et al. (2012), Indonesia can apply one of the three defense industry models that are popularly applied in East Asian countries. The first model is Defense Self-Reliance, which implements by countries with ambitions to achieve defense independence, such as Japan and China. The defense independence model has several parameters, including the state's capacity to master the military technology needed to produce weapons, the fulfillment of financial capabilities to finance the production of weapons, and the production capacity of the national defense industry to meet national needs.

This defense independence can have been fulfilling if it has reached 70% technological capability, financial capability, and weapons production capability. The second is the Niche Production Model, which is applied by countries that seek to reduce dependence on weapons needs from foreign manufacturers by developing national capacity for mastery of military technology, with examples of countries that apply are Taiwan and South Korea. While the last model is the Global Production Chain Model, as production models that have own by countries with a solid military technology base but do not have access to the international arms market, examples of countries with this model are Malaysia and Singapore. This lack of access makes the country concerned about rationalizing weapons production by integrating its weapons production into a global industrial consortium. Of the three models, defense independence is the ideal model to be implemented.

In order to achieve the defense independence model, Indonesia needs to implement four development strategies (Prasetyono, 2012). The first strategy is to formulate a long-term strategic plan. The MEF defense policy formulation until 2024 needs to strengthen with a work program related to the independence of the defense industry, at least until 2050. The second strategy is the formation of political commitment for long-term budget support. Following the MEF defense policy that has been prepared and with the existence of a long-term defense industry work program, political commitment from the government is needed to meet the necessary financial support. The third strategy is all efforts to forge defense industry alliances both at the regional and global levels to be able to absorb existing defense technology. This condition can be realized by the existence of good defense diplomacy from the government. The last strategy is the establishment of a network-centric posture, namely by integrating the leading defense equipment used by the TNI so that it does not make it difficult for the TNI Commander to develop the integration of Alutsista in the operational and tactical ranks.
Defense Diplomacy Strategy

Defense diplomacy can use an effort by the government to build strategic partnerships with other countries to support the development of the national defense industry. However, to carry out defense diplomacy effectively, the government needs to pay attention to the character of defense diplomacy (Pramono, 2020). The characters of defense diplomacy are:

a. Defense diplomacy must build a Confidence Building Measure (CBM), where defense diplomacy must build a conducive strategic environment for Indonesia. CBM has a close relationship with national defense conditions because this character determines the nature of the cooperation developed with other countries.

b. Defense diplomacy must develop defense capabilities. This condition encourages defense diplomacy to become a tool for developing a country's defense capability by considering the elements of limited resources, threats, challenges, vulnerabilities, and opportunities.

c. Defense diplomacy must be able to increase the development of defense industry capabilities. Defense diplomacy applied to the development of the defense industry should be used to gain contributions to defense industry cooperation from other countries.

The three characteristics of the defense industry will be beneficial to encourage the strengthening of Indonesia's presence in the region with a military force approach. The expected result is an increase in the deterrence effect to counterfactual threats and potential national defense and security threats.

According to the Minister of Defense No. 19 of 2012 concerning the alignment of MEF Main Components, the MEF defense policy implemented by the Indonesian government also covers aspects of personnel, materials, military facilities and infrastructure, the defense industry, and budget. In carrying out defense diplomacy, the Indonesian government has implemented a hedging strategy to modernize military power in forming a deterrence effect in the MEF policy. According to Kuik (Ambarwati, Mahroza & Supandi 2019; Gindarsah 2016), a hedging strategy is a balancing act of power carried out through several policies to produce the expected effect in a condition full of uncertainty and risk. Hedging strategies have flexible characteristics with indirect actions, commonly referred to as soft balancing. This choice has strategic value in the form of a balanced strategy, namely by embracing strong countries to balance the country's strength in terms of defense capabilities by increasing military capabilities.

In the procurement of Defense and Security, the United States and Western European countries are traditional partners as the leading weapons suppliers. However, Indonesia's defense diplomacy has experienced a new trend where the direction of its implementation is no longer only for traditional partner countries but also for weapons-producing countries from Asia. One of the considerations is to avoid the risk of an arms embargo from the big country while diversifying cooperation in developing its defense industry. According to Gindarsah (2016), Indonesia's new arms procurement policy refers to the independence of purchasing. Firstly, Indonesia expands its sources of military equipment to avoid
dependence on only one supply country. Second, Indonesia requires a technological offset or ToT program for primary weapons imports and encourages foreign contractors to build industrial partnerships with the national defense industry. This condition is also in line with Law Number 16 of 2012 concerning the National Defense Industry. The defense diplomacy intelligence built by the government is shown by the current Indonesian Minister of Defense, Mr. Prabowo Subianto, who can prioritize the purchase of weapons with an emphasis on ToT and offset agreements and cooperation with the Indonesian defense industry. According to Suoneto & Evander (2021), the defense diplomacy maneuver carried out by Prabowo can strengthen Indonesia's non-alliance position with many defense partners so that Indonesia is not trapped in just one arms supplier group. Therefore, bilateral defense diplomacy carried out by the government has become an effective instrument to encourage the development of the national defense industry.

CONCLUSIONS

Based on the discussion on the role of defense diplomacy in the development of the national defense industry, it can indicate that the Indonesian defense industry has experienced an increase which is marked by the increasing number of weapons production cooperation where Indonesia is no longer an importer of weapons but has begun to become an exporter of weapons to many countries. The government's role in developing the defense industry is crucial both as a regulator and a sponsor, where policy and regulatory support are also increasing. Other support from the government also needs to be increased, especially concerning its role as a sponsor. To be able to produce the right national land industry products according to the needs of the TNI and Polri, it is necessary to make regular efforts to all stakeholders, including industry, government, and TNI and Polri, in drafting plans for strategic Alpalhankam needs for the short, medium and long term. The implementation of defense diplomacy by implementing a hedging strategy can encourage cooperation in the procurement of weapons that can support the development of the local defense industry through ToT and offset schemes. Defense diplomacy schemes that are not fixed in only one direction can help Indonesia eliminate the dependence on the Defense and Security Agency's needs from one country only.

Based on the conclusions presented, the authors submit several recommendations to the government as input in increasing the role of defense diplomacy where the government must continue to encourage the local defense industry by providing various stimuli in the form of policies and financial support so that the development of weapons products can include at least eight types of conventional weapons, namely: small/light weapons, Main Battle Tanks, surface warships, submarines, fighter aircraft, assault helicopters, missiles, and remote sensing and communication systems. The government needs to encourage all stakeholders related to the national defense industry to formulate the needs of the strategic Alpalhankam to adapt to the needs of the TNI and Polri. Needs that have not been fully met require developing a more comprehensive defense industry cooperation. The government's defense diplomacy capability needs to be continuously improved to achieve the national
interest in developing the defense industry. The diplomacy continues to prioritize a free, active, and non-alliance foreign policy so that Indonesia is not trapped in an alliance of certain countries.

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