

Indonesian Military Defence Strategy

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Abstract

Although Indonesia's defence budget, which increases annually, does not rank among the largest in the world, the government should be capable of devising an effective economic strategy with that amount of money. The purpose of this study is to examine Indonesia's defence strategy through the lens of its defence economy. Utilising a descriptive approach, qualitative case study research is the method of investigation. The findings indicate that Indonesia's defence economic strategy has effectively diminished the nation's reliance on imported goods and enhanced public welfare. This research suggests that Indonesia can preserve its economic viability through the implementation of an appropriate defence strategy. The research presented herein offers novel perspectives that can be utilised by policymakers and economic practitioners to formulate efficacious defence economic strategies.

Keywords: Defense Strategy, Defense Economics, Defense Economic Strategy

Introduction

The dynamics that will be scrutinised in the Asia-Pacific region over the next five years encompass economic expansion, which possesses significant ramifications for the advancement of military might. Bukku Putih Pertahanan (2015) states the following. It is the responsibility of nations to guarantee that the resources under their control are utilised in an ideal and effective manner in order to fulfil their national defence requirements. This encompasses the administration of both natural and human resources, including energy and labour, in addition to science and energy. Efficient resource management will contribute to the development of an autonomous defence industry and yield favourable outcomes for the national economy.

Economic diversification is a critical approach for mitigating a nation's reliance on a singular sector, particularly in the realm of defence (Putra et al., 2020).

The Alutsista acquisition policy is a critical component in the development of superior defence capabilities. States are responsible for ensuring the effective and efficient procurement of alusista in order to fulfil their national defence requirements. The advancement of the defence sector has emerged as a critical tactic in the construction of increasingly self-sufficient defensive capabilities. The establishment of an autonomous defence sector can assist a nation in fulfilling its domestic defence requirements and fortifying its overall defensive prowess.

The discipline of defence economics investigates the correlation between the economy and the security of a nation's borders. (2020, Budiman & Nabella). When considering defence strategies, the defence economy plays a crucial role in assessing a nation's capacity to safeguard its interests and ensure its own security. When formulating its defence strategy, a nation must take economic factors into consideration in order to improve its defence capabilities.

Conduct a literature review, This time, the author commences the study with a review of several articles previously published in comparable journals, including "Is the warming of the Asia-Pacific a

hazard to ASEAN and Indonesia? He examined the environmental dynamics of security strategies in Asia and the Pacific, as well as their effects on ASEAN nations and Indonesia, in the study. (2022, Armaid Armawi et al.).

Additionally, defence sector maintenance serves to stimulate national economic growth. This can be achieved by fostering the growth of both developed and underdeveloped industries, thereby increasing employment opportunities and economic activity via the multiplier effect. The significance of Sri Lanka's geostrategic position in relation to China's political objectives and objectives underlying the economic crisis in South Asian nations, as well as the instability of the Sri Lankan economy, presented China with a chance to bypass and constrain India in the region, according to additional research (Tran My Hai Loc, 2023). As a result, India was obligated to take proactive measures to counter this threat. Strategy for the Development of the Defence Sector in Island States According to Supporting National Defence (Dede Rusdiana et al. 2021), the development of the defence industry can benefit communities economically in addition to meeting the demand for defence equipment. To optimise the island state, enhancements must be made to the system that generates policy, given that policy formulation necessitates the administration of results during the planning, implementation, and evaluation phases. In terms of evaluation. Additional research on the Development of the Indonesian System and National Security Doctrine (Manukallo Danga, C., 2023) indicates that defence is a critical component of a nation since a sovereign state can only be realised through effective defences. Indonesia has undergone numerous doctrine revisions regarding its defence system and national security; at present, it has embraced the universal defence system, which it had previously implemented in a few preceding periods.

From the discussion above, the author finds the research gap that is the research issue of how the Defence Strategy from the perspective of the defence economy in Indonesia, with comparisons of several countries. This paper will also discuss strategies that can help a country in building better and independent defense capabilities, as well as creating economic added value through the independence of defense industry, strengthening the economic sector, and increasing the military capability sustainably. Thus, this article can provide a better understanding of the importance of economic factors in the development of defence strategies.

Methods

This study is organised according to the library research method, which entails utilising comprehensive data sourced from scientific literature, books, or other written materials as the primary focus. As stated by Bakry (2016). The methodology employed for data collection in this research is library study. The method of data analysis employed is qualitative data analysis, in which secondary data is utilised and the theory of use is further applied.

Conduct an analysis of the phenomenon under investigation. Utilising qualitative library research methods to obtain exhaustive and in-depth information on the subject at hand is extremely beneficial. Sugiyono (2012:53) explains in his book "Understanding Qualitative Research" that the examination of libraries encompasses a range of scientific literature, including references and a theoretical investigation into the cultural, normative, and value-forming aspects of the social conditions and situations under investigation.

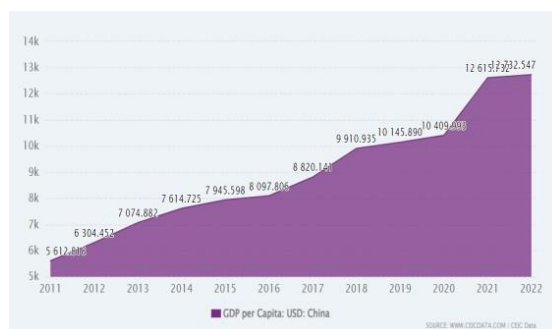
Results and Discussion

The Indonesian Defence Strategy encompasses the defense-economic domain, which aims to foster economic sector resilience, promote defence industry independence, and sustainably bolster military capabilities. The Economic Defence Solution comprises employment, entrepreneurship, and increased SDM, as well as the domestic economy, investment, and commerce.

Due to its rapid economic expansion, China was able to modernise its military. The situation gives rise to conjecture and diverse responses among the nations in the region, as well as apprehensions regarding military equilibrium; consequently, it may present the nations in the region with a security

dilemma. Bukku Putih Pertahanan (2015) states the following. The GDP per capita in China denominated in US dollars from 2011 to 2022 is presented in Table 1.

Chart 1. GDP per capita in China 2011-2022



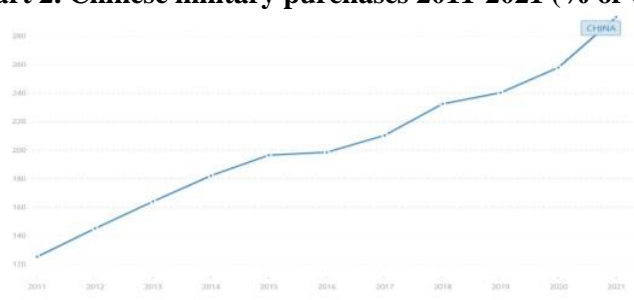
Source : ceiddata.com

China's GDP has been growing every year, even in 2020, when the Covid-19 pandemic broke out, China has been experiencing a non-significant GDP rise.

With strong economies, several countries in the Asia-Pacific region have modernized their defence forces, which are supported by better economic growth. The objective is not only to equality and standardization with the alliance system, but also to anticipate the possibility of a conjunction due to the uncertainty of the strategic situation. Modernization of the weapons system and its deployment.

Provocative can lead to miscalculation and misperception. Misperception of an event can create complex and dangerous situations.

Chart 2. Chinese military purchases 2011-2021 (% of GDP)

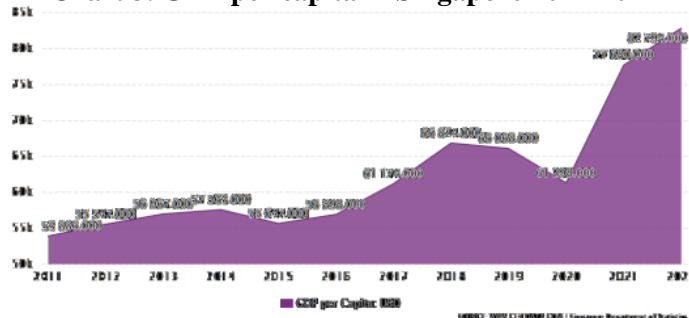


Source : Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmaments and International Security

The uncertainty-coloured global economic trend requires quick, accurate and measurable strategies and policies to respond to opportunities and challenges, including implementation of the ASEAN Economic Community. (MEA). Indonesia's readiness to face five areas of free flow of goods, services, skilled personnel, capital, and investment is something that needs to be anticipated thoroughly. The government has adjusted its economic growth targets to improve Indonesian economic performance. Such conditions will affect the business climate especially in the small and medium-sized enterprises (SMEs) sector, which absorbs a lot of labour. (Buku Putih Pertahanan, 2015).

Singapore is an example of a country that succeeds in implementing defence economic strategies by building an independent defense industry despite having limited resources. Singapore's ability to produce its own weapons and defence equipment has boosted its economy and created jobs. Singapore has also succeeded in exporting its defence products to other countries, which provides additional revenue.

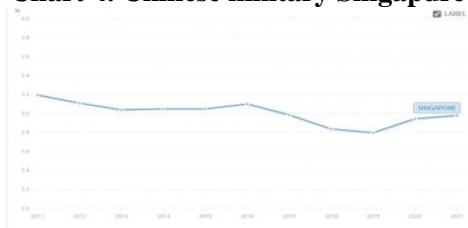
Chart 3. GDP per capita in Singapore 2011-2022



Source : ceidata.com

In addition to constructing a robust defence infrastructure, Singapore has actively involved the public in its defensive endeavours. Singaporeans receive military reserve training in order to assist in an emergency situation. Singapore makes an endeavour in this regard to guarantee the stability and security of its nation. Defence-economic implementation of a defence strategy that was effective has assisted Singapore in bolstering its economy while preserving national security and stability. The successful implementation of this strategy by Singapore can serve as a model for other nations seeking to simultaneously bolster their economies and national defence capabilities.

Chart 4. Chinese military Singapore



Source : Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security

In Singapore, defense strategies have been adopted from a defence-economic perspective. This small country has managed to build a strong and independent defense industry to meet its defence needs. For example, Singapore has developed the ability to produce its own weapons and defence equipment. The country has also exported its defence products to other countries and helped boost its overall economy.

The Indonesian government has issued a policy to enhance cooperation between the defence and manufacturing industries, increase domestic production and allocate large amounts of funds to defense even though the target of 1.5% of GDP has not been reached.

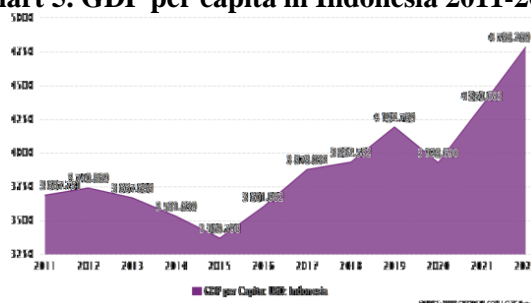
According to the Economic Defence Solutions theory, including through Domestic Economy, Investment and Trade, enhanced SDM, employment and entrepreneurship, the evaluation also needs to consider the economic impact of defence strategies, such as job creation, increased economic added value, and improved competitiveness of the domestic defense industry. However, this must also be balanced with considerations of long-term economic sustainability and a balance between defence needs and other economic needs.

Defence is one of the most important aspects of national security. A proper and effective defence strategy can help a country strengthen its defensive capabilities and enhance national security and stability. However, with

With different economic, political, and military conditions, each country can choose a defence strategy that fits its needs and circumstances.

The Indonesian government has issued policies and improved cooperation between the defence industry and the manufacturing industry as well as reducing imports of defensive equipment and increasing domestic production. Besides, the government has also allocated large budgets for defence.

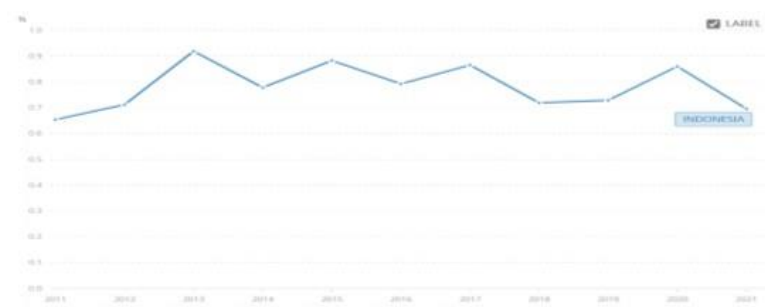
Chart 5. GDP per capita in Indonesia 2011-2022



Source : ceidata.com

According to a report from Global Security Finance, Indonesia is the country with the largest defence spending in Southeast Asia by 2020. However, Indonesia's defence budget has not reached the target of 1.5% of expected GDP. Nevertheless, the Indonesian government continues to work to enhance its defence capabilities through the policies that have been issued.

Chart 6. Indonesia military purchases 2011-2021 (% of GDP)



Source : Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security.

It is noteworthy to mention the achievement and efficacy of said approach. It is critical to ensure that the nation possesses sufficient and autonomous defence capabilities, in addition to the capacity to enhance the economy's value-added.

The evaluation of defence economic strategies may be conducted through the utilisation of metrics including production independence, budget efficiency, economic impact, and defence industry innovation. Prolonged evaluation is critical for guaranteeing success, given that improper execution of the strategy could be adverse to the interests of the nation. A defence economic strategy must

It is conceptualised with consideration for economic, political, military, and social factors, in addition to the preparedness of the defence sector and overall economic expansion.

Additionally, other nations have implemented defence economic strategies. An example of a nation that has implemented such a strategy is the United States. The most powerful and independent arms manufacturer in the world, the United States possesses a robust defence sector. In the United States, the defence sector is comprised of major corporations such as Lockheed Martin, Raytheon, and Boeing. Furthermore, the United States develops initiatives to improve its technological capabilities in the field of defence, including the sixth-generation fighter programme and the F-35 Joint Strike Fighter programme.

The Japanese government expanded the scope of collective defence with other nations and incorporated it into a new defence policy it issued in 2014. In addition, Japan developed new defence capabilities, including F-35 fighters and warships, and increased its defence budget.

Adopting defence economic strategies is not, nevertheless, devoid of dangers and obstacles. An imbalance between the development of the defence industry and that of other industries is one of the hazards, as it can cause reliance on the defence sector and disrupt economic stability as a whole. Furthermore, substantial financial investments are necessary to execute defence economic strategies, which may result in budget cuts for other sectors.

There exist multiple strategies that can facilitate the development of enhanced and self-sufficient defence capabilities within a nation, while concurrently generating economic value. The second approach entails bolstering collaboration between the defence sector and other economic sectors through the expansion of defence sector technology and research utilisation in other industries. Enhanced technological advancement and human resource development constitute the third approach. Electronic commerce advancement: Digital economy expansion constitutes the fifth strategy.

Global nations are characterised by diverse economic, political, and military circumstances. Subsequently, divergent defence strategies will be implemented by each nation. Nevertheless, through the adoption of effective strategies, nations can fortify and construct superior and more self-sufficient defence capabilities while generating economic value. Public opinion, industry, government, and educational institutions must all support this approach.

Conclusion

Economic considerations significantly influence the formulation of a nation's defence strategy. Developing self-defense capabilities and generating economic value are both essential objectives. Defence economic considerations for defence strategies include the following: government support for the expansion of the defence industry; investment in research and development of defence technology; utilisation of civilian technology within the defence sector; and international cooperation pertaining to the development of the defence industry. This study is constrained to an examination of the economic aspects of the nation's defence strategy, in addition to a comparative analysis with China and Singapore. Further investigation is advised for future scholars regarding the defence economic facets that were not addressed in this article. Additionally, case studies of nations that have effectively established autonomous and swiftly progressing defence sectors should be conducted. Furthermore, an interdisciplinary approach and the advancement of more effective analytical models are imperative.

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