

Anticipation of Indonesian Embargo Sanctions in the Economic Aspect of State Defense

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Abstract: National defense needs to be built to deal with threats that come from within and outside the country, this requires meeting the needs of the military in carrying out its functions, one of these needs is defense equipment but these needs cannot be fulfilled alone but still rely on other countries. This poses a threat if at any time you get an embargo sanction. The purpose of this study is to analyze the Anticipation of Indonesian Embargo Sanctions in the Aspect of National Defense. The research method uses qualitative research methods with a qualitative descriptive design. The results of the study show that the steps to anticipate government embargo sanctions have taken several things including realizing defense independence by empowering the domestic Defense Industry, as well as Confidence Building Measure Diplomacy to create mutual trust with other countries as well as carrying out diversification policies aimed at creating variations in meeting defense needs.

Keywords: Defense Economic, Diplomacy, Embargo Sanction, National Defense.

A. Introduction

Defense is a very fundamental factor in ensuring the survival of the country, both in defending itself against threats from abroad and/or from within the country as an effort for a country to defend its sovereignty. Defense is also the state's effort to defend sovereignty, territorial integrity, and the safety of the entire nation from threats and disturbances to the integrity of the nation. Article 1 paragraph 1 of Law Number 3 of 2002 concerning National Defense emphasizes that national defense is all efforts to defend state sovereignty, territorial integrity of the Unitary State of the Republic of Indonesia, and the safety of the entire nation from threats and disturbances to the integrity of the nation and state. One way to achieve this is by establishing bilateral relations and establishing good cooperation with other countries (Arifin, 2022).

The dominant interest in international cooperation arises to meet the needs of the country which cannot be fulfilled by the country itself, so that international cooperation is needed in every country to meet national needs that come from outside. International cooperation is an important issue that cannot be debated by states or international

actors, because international cooperation involves interdependence between states and other international actors. National defense is also not spared from cooperation with other countries in the world. Defense cooperation includes joint training of the armed forces of countries, cooperation in the provision of combat equipment, prevention and counter-terrorism between two or more different countries, joint flight training of combat aircraft, and joint border patrols (Duha, 2022).

The existence of the defense industry is very important to meet the needs of defense procurement. The existence of a strong defense industry can be seen from the continuous fulfillment of the need for defense equipment and defense equipment. However, the performance of the Indonesian defense industry is still not optimal, it still depends a lot on imports of weapons products (Aida, 2021). If a country is subject to an embargo, it will become a problem for national defense because the supply of defense equipment from other countries will stop, so from a national defense perspective it is necessary to anticipate embargo sanctions. Embargo is defined as a ban on trade and domestic trade. A country imposes an embargo on another country to isolate it, causing the government of the embargoed country to experience difficult domestic conditions. The purpose of an embargo is to force a country to obey and submit to the country that issued the ban (Saputro 2020).

Given the dynamics of the strategic environment, Indonesia needs to take anticipatory steps when there are international sanctions that can affect Indonesia's defense. This is due to Indonesia's previous experience of having received a military embargo from the United States as a result of the Santa Cruz Incident during the New Order era which had a negative impact on Indonesia's defense because the country relied on American-made defense equipment. half of the Defense Force and causing a decrease in the quality of the TNI's effectiveness due to its inability to carry out a defense system maintenance and repair program, which causes a defense and law enforcement crisis. Security (Ariatmaja, 2016).

Due to the long time needed, budget constraints and the complexity of the political process for procurement of defense equipment, Indonesia cannot continue to import defense equipment. In addition, the acquisition of defense equipment from abroad also depends a lot on the political situation of the supplying country and Indonesia's diplomatic relations with that country (Ministry of Defense, 2012). The intended purpose of this discussion is that obstacles in the aspect of national defense are the existence of embargo sanctions. Indonesia's success in dealing with obstacles to embargo sanctions will strengthen the aspect of national defense. Therefore, in this case the researcher wants to conduct research on the Anticipation of Indonesian Embargo Sanctions in the Aspect of National Defense.

Defense diplomacy is a variant in the process of achieving national interests in the field of defense and security. The spectrum of defense diplomacy is very broad and does

not only talk about the military and weapons. In addition, defense diplomacy involves military and civilian actors to construct strategies for creating defense and security.

Cottey and Forster (2004) state that defense diplomacy is a tool for creating mutual trust (confidence building measurement) to increase defense capabilities in order to prevent and solve global defense and security problems. Defense diplomacy can be used as a conflict prevention strategy, cooperative relations, providing transparency in the military field, and building a common understanding of military use in the defense and security sector. Meanwhile, according to Rolfe, defense diplomacy is a positive and more comprehensive interaction involving not only military (hard power) and political interests, but also prioritizing stability and security (Saputro, 2021).

B. Methods

The research method used is descriptive qualitative research method. This qualitative research method is defined as a type of research that explores and understands the meaning of a number of individuals or groups of people originating from social problems (Creswell, 2016). Qualitative research emphasizes a process as well as meaning. This research method in general can be used for research on life, society, history, behavior, concepts or phenomena, social problems, and others. The object of research in this article is Anticipation of Indonesian Embargo Sanctions in the Aspect of National Defense.

Data collection in this method is not based on theory but on the facts found. Research using qualitative research methods produces findings that cannot be achieved using procedures or other quantification methods. The data collection technique used is data obtained through a literature review. The data used through literature review includes information obtained from books, journals, articles, news, and reliable reports related to the author's research cases. Data collection techniques are carried out systematically by searching for as much data as possible, then the data will be selected by the author according to research needs in data analysis which is one of the things that must be done by a researcher in conducting research. The chosen research technique is the triangulation technique. Sugiyono (2016) explains that triangulation techniques are used to test the validity of data in research. This technique consists of triangulation of sources, time, and techniques. The researcher uses a source triangulation technique using various types of data sources related to the Steps to Anticipate Embargo Sanctions in the Defense Aspect of the country.

D. Results and Discussion

Indonesia's Embargo Experience

An embargo action carried out by a country against another country outside the framework of the United Nations is a unilateral action as a form of expression of its external sovereignty and a reaction to its international relations (Ariatmaja, 2016). This can be seen in the case currently being discussed, namely the US Government taking unilateral action in the form of a military embargo against Indonesia as a reaction to an incident carried out by the Indonesian military.

The US military embargo or Indonesian restrictions come in the context of the past. America blamed the TNI apparatus for violations of human rights (HAM), including the Santa Cruz Dili massacre in 1991. The embargo only applied to "deadly weapons". At that time, the United States held the government accountable for the events in East Timor and Timika, which killed an American citizen. The embargo prevented Indonesia from buying defense equipment and spare parts, such as strategic defense equipment such as the F-16 and F-5 fighter jets, and reduced the operational readiness of the TNI's defense equipment by up to 50 percent. A similar fate has been experienced by the TNI's defense equipment purchased from US allies, such as the Scorpion tank. When the embargo was still in effect, the British specifically prohibited the Scorpion from being used during the Aceh conflict.

As for Indonesia, which was subject to a 10-year US embargo between 1994-05, the US stopped arms sales, including refusing to supply spare parts to overhaul US-made TNI aircraft. As a result, many Indonesian Air Force fighter aircraft were grounded because they did not have spare parts, such as the F-16 Fighting Falcon, several F-5 Tiger aircraft, the C-130 Hercules military transport aircraft, all of which were produced in the United States. The embargo prevented many Indonesian military aircraft from flying even though they were in good condition, even relatively new ones. As a result, the TNI troops were unable to defend the territorial sovereignty of the unitary state of the Republic of Indonesia.

Learning from previous problems, where Indonesia was given an embargo sanction against countries supplying war equipment from the US, the embargo carried out by the US greatly affected sovereignty and national security. This will also have an impact on the performance of the Indonesian military due to the lack of available supporting equipment. With the existence of a foreign policy instrument carried out by the United States using a sanctions approach, Indonesia needs to make policy decisions carefully and consider national interests (Widyatmoko, 2022).

Steps to Anticipate Indonesia's Embargo Sanctions

Facing the threat of embargo sanctions, it is necessary to take strategic steps because the strength of national sovereignty and security lies with the Indonesian military, one of the steps taken then is defense diplomacy. In anticipation of facing the obstacle of the threat of embargo sanctions, it was found that there were several steps to achieve the goal of developing the national defense posture in this case as one of the main national defense policies. Cooperation in the procurement of defense equipment and cooperation in increasing the Defense Industry (Saputro, 2022).

Indonesian Defense Independence

For Indonesia, the development of the defense industry has the main goal of realizing defense independence, as a support for national resilience in order to achieve the intended national interests. The defense industry is needed to support national defense interests while at the same time encouraging national economic growth. The defense industry is a national industry, both state and private, whose production can be utilized either independently or in groups for the benefit of national defense. Obstacles in achieving defense independence have prompted the government to seek new breakthroughs in building Indonesia's defense capabilities. The state plays an important role in the development of the defense industry because the state has a role both as a decision maker (policy maker) and as the sole buyer (monopsony) of domestic defense equipment. The government has the power to regulate the budget and determine the level of ownership, structure, entry and exit processes, efficiency, prices and even determine the profits of the defense industry (Anu, 2023).

There are several challenges in the development of the Indonesian defense industry. First, the stagnation of the defense budget allocation which is always only 0.8% of GDP. Second, the dominance of SOEs in the Indonesian defense industry ecosystem which has not shown the existence of a helix and supply chain in the Indonesian defense industry. Third, the small allocation for research and development in the defense industry makes it impossible to adopt even a technological leap. Fourth, there are no economies of scale in several defense equipment which is Indonesia's main desire to develop (Lemhannas RI, 2022).

To achieve the main goal of creating a strong, independent and competitive national defense industry in supporting the country's defense needs, Indonesia is taking an approach that includes promotion, cooperation and implementation of the IDKLO policy. The results of research and development of the defense industry are developed into defense and defense products for the needs of national defense and are followed up with related ministries/agencies and institutions to increase the use of Alpahankam and national defense industry products.

Industrial policy can also be strengthened through efforts to establish the Defense Acquisition Agency, which is a merger of the Defense Facilities Agency and the Defense Research and Development Agency. Thanks to the new systems and procedures, TNI's involvement in the acquisition process is at a stage where the needs for each spell are proposed by the respective Chiefs of Staff (Setiadji, 2021). In addition, the Minister of Defense, the Commander of the Indonesian Armed Forces and the Chief of Staff of the Army evaluate and decide on the need for defense equipment in accordance with the Defense Strategic Plan. After that, BAP carried out the procurement process through a product purchasing and development program. The procurement program will be carried out based on domestic and imported industries with plans for technology transfer. The R&D program is carried out by BAP to produce prototypes according to the procurement plan. Mass production can be carried out by industries participating in R&D programs or through open tenders. In addition, defense materials that have passed the BAP tests and evaluations are handed over to the TNI unit that delivers them. This proposal aims to simplify the bureaucracy which has so far seemed to impede coordination between the Ministry of Defense and defense equipment, in this case the TNI Headquarters.

Windiyawati (2022) said that the procurement of defense equipment from the domestic industry as long as it can be produced domestically should be the first choice, because the price of defense equipment from the domestic defense industry is usually much cheaper compared. at the price of defense equipment purchased from the foreign defense industry. Prioritizing the use of Defense Industry-derived defense equipment in the country is also a way to minimize the occurrence of an embargo on all forms of defense equipment supplied. Therefore, the government should provide more support to the arms industry to stock weapons on an ongoing basis. As a result, the national defense industry has become more independent and developed, and can contribute to the national economy through value creation. In implementing the IDKLO policy in supplying defense equipment from abroad, Indonesia has tried to at least establish a cooperative relationship where the defense industry is involved in the production of defense equipment so that it can participate through the KLO program. and the presence of ToT for technology transfer.

The hope is that in the future the defense industry can develop gradually and be able to meet the needs of the Indonesian Armed Forces Defense System independently. This capability will reduce Indonesia's dependence on other countries in meeting the needs of defense equipment so that it can directly increase Indonesia's Bargaining Power ability to carry out international cooperation with other countries (Widyatmoko, 2023). This is also to avoid the dynamics of the strategic environment which is currently very uncertain involving power blocks which show an unfavorable international relations situation which can have implications for mutual embargo policies on cooperation involving these power blocks.

Diplomacy of Confidence Building Measures

Another strategic step for Indonesia is also the implementation of CBM efforts through the synergy of all existing stakeholders, especially the Ministry of Defense and the Ministry of Foreign Affairs in realizing national interests that are aligned with defense interests. Indonesia, which occupies a large and strategic position in the heart of the Indo-Pacific region, is owned by the United States and has a special position compared to other countries in the region, this position serves not only economic interests but also regional interests. Peace where stability matters.

Forster (2004) state that defense diplomacy is a tool for creating mutual trust (Confidence Building Measurement). Furthermore, it is hoped that Indonesia's position through CBM efforts can increase leverage that Indonesia can use for the benefit of the United States, both in imposing sanctions and other military cooperation.

Given that Indonesia plays an important role as a country in the ASEAN community and is involved in the Indo-Pacific region, building a strategic partnership between the two countries is important. Indonesia's leadership in improving ASEAN-US relations was seen in the 34th ASEAN-US High Officials Meeting, which was practically held on May 6, 2021. This meeting was the first ASEAN-US meeting under the Biden-Harris administration. This meeting is very important for Indonesia because Indonesia is the country coordinator of the ASEAN-US partnership for the 2021-2024 period. At the meeting, ASEAN and the United States discussed cooperation priorities that the two regions would like to develop under the Biden-Harris government.

In addition, the ASEAN-US Joint Vision Statement was produced as a result of the 2022 ASEAN-US Special Summit. As coordinator, Indonesia spearheaded the vision statement negotiation process and succeeded in reaching an agreement in principle to upgrade ASEAN-US partnership from a strategic partnership to a comprehensive strategic partnership. The ASEAN-US Joint Vision Statement is a commitment by both parties to strengthen cooperation in a number of important sectors.

According to Rolfe (2015), developing good relations with partner countries is one of the benefits that can be drawn from implementing defense diplomacy. In building good relations through Indonesia-US cooperation, Indonesia is actively conducting bilateral and multilateral meetings between military and defense officials, as revealed by Forster (2004) as part of proper defense diplomacy. Minister of Defense Prabowo Subianto is intensively conducting and receiving bilateral visits with several partner countries, especially the United States. In the past, bilateral visits by both Indonesian citizens visiting the United States and American officials visiting Indonesia were very intensive, which shows the closeness and strategic status of the Indonesia-US partnership.

Diversification of Defense Cooperation

According to Forster (2004), increasing defense capabilities to prevent and solve global defense and security problems by establishing cooperative relations with other countries is also part of defense diplomacy. In order to support the needs of the TNI's defense force in facing possible sanctions, Indonesia also conducts diplomacy through cooperation that aims to increase military capabilities by entering into agreements with other countries. Alternative strategic steps taken by other countries to meet needs both quantitatively and qualitatively. These findings are based on the broad coverage of the area, while the quality of the development of defense equipment, especially fighter aircraft, cannot be separated from the dynamics of technological development which very quickly affect technological development. Fighter jet capability, especially the dynamics of fighter aircraft development in countries around Indonesia, some of which already have fifth generation fighter aircraft.

The procurement strategy for spending diversification in Indonesia has its advantages. This prevents over-reliance on a single country. Indonesia learned this the hard way in the early 1990s after Washington imposed an arms embargo on human rights abuses in East Timor and the TNI struggled to keep American-made planes in the air. But there are also drawbacks to the Indonesian strategy. The biggest drawback of this strategy is that the acquisition of different platforms from different countries creates a system integration nightmare for the TNI (Storey, 2021).

Defense cooperation carried out through diversification measures includes establishing cooperative relations for the procurement of fighter aircraft with various different countries, namely the United States for the F-15, with France for the Rafale, with Qatar for the Mirage-2000 and the development of a 4.5 generation multirole fighter with South Korea within the framework of the KFX-IFX cooperation which has been established since 2010 is all aimed at increasing Indonesia's air defense capabilities in the future. In addition to this collaboration, Indonesia has also established a cooperative relationship with Turkey for joint production. The Kaplan MT/Harimau is a light/medium tank jointly developed by Turkish manufacturer FNSS and Indonesian manufacturer PT Pindad. The tank development program is called the Modern Medium Weight Tank (MMWT). The tank itself is named Kaplan MT by Türkiye and Harimau by Indonesia.

Defense cooperation with various countries in the context of cooperation in purchasing defense equipment is a diversification effort so that Indonesia does not depend only on one producing country. This needs to be done so that Indonesia can survive and rely on its own capabilities in the event of an embargo from another country.

E. Conclusion

National defense needs to be built to deal with threats that come from within and outside the country, this requires fulfilling the needs required by the Indonesian military in carrying out its defense function, one of these needs is the defense system. Defense equipment is needed to support the main tasks of the TNI, but the fulfillment of this need cannot be fulfilled independently by Indonesia's own resources, but still relies on cooperation with other countries. This poses a threat to Indonesia's defense if at any time it gets an embargo sanction from another country.

As a step-in anticipation of facing the threat of embargo sanctions, the government is trying to do a number of things, including using a diplomatic framework in realizing Indonesia's defense independence by empowering the domestic Defense Industry through supportive policies, as well as Diplomacy Confidence Building Measures to create mutual trust between Indonesia and the country. The other party, especially in this context, is the United States and carrying out a policy of diversifying defense cooperation aimed at creating variety in meeting Indonesia's defense needs and not relying on one party which has a high risk of imposition of sanctions. These things need to be improved on an ongoing basis so that Indonesia can fully become an independent country in meeting current and future defense needs without relying on cooperation with other countries.

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