

CHAPTER 1

INTRODUCTION

1.1 Background

In a book written by Iwan Gayo known as *Buku Pintar Nusantara*, he declared Indonesia's is one of the fifth biggest archipelagic nations on the planet.¹ Hundreds of years back, Indonesia's was known as a nation rich in spices. Indonesia's has 17.508 islands, large and small islands. In the auspices of the equatorial emerald, Indonesia lies at coordinates six degrees north latitude, 11 degrees south latitude, between the meridian 95 degrees and 141 degrees east of Greenwich.²

The aggregate range of Indonesia's in general is 5.193.252 km², covering by the land in 1.904.569 km² and the ocean in 3.288.683 km². It makes Indonesia topographically situated between the continents of Asia and Australia, as well as the Indian and Pacific Oceans.³ Due to its land area, Indonesia's considered having a strategic potential in the international scope. Indonesia's can attract other states to put their resources and invest in business and economy sector. Indonesia

¹ Iwan Gayo., *Buku Pintar Nusantara* (Ragunan, Jakarta: Upaya Warga Negara, 1990), 21

² *Loc.Cit*

³ *Ibid*, 22

has affected by other states technology, culture, and communication. Conditions that occur in the globalization era give Indonesia's positive and negative impact.⁴

The positive impact of advanced technology, make Indonesian people able to gather information from within and abroad. However, there is also a negative impact due to the globalization, where foreign influence began to become a lifestyle for Indonesia society. It is important to discuss this topic in order to prevent the domination of foreign influences that can threaten state's sovereignty.⁵ Therefore, in accordance with the mandate of the law, the most responsible group to maintain security and defense in this state is *TNI*.⁶

To carry out *TNI's*⁷ main tasks and functions, *TNI's* needs varieties of supports including adequate defense equipment. So, the government of Indonesia's built the National Defense Industry as part of sustainable strategic industry, stated in *UU* no. 16 in 2012. Although National Defense Industry does not become a public concern, National Defense Industry continues to produce various types of instrumental weapons for the army, navy, and air force. All the products manufactured by domestic workers.⁸

Currently, Indonesia's had dynamic work force or personnel that ventured into 676.500 individuals with the military spending in the measure of US\$ 7.6

⁴ Budi Winarno., *Globalisasi: Peluang Atau Ancaman Bagi Indonesia* (Jakarta: Erlangga, 2008), 13-14

⁵ *Loc.Cit*

⁶ *Buku Putih Pertahanan Indonesia 2008* (Jakarta: Departemen Pertahanan, 2008), 45
<https://www.kemhan.go.id/wp-content/uploads/2015/12/04f92fd80ee3d01c8e5c5dc3f56b34e31.pdf>

⁷ *Tentara Nasional Indonesia*

⁸ *Ibid*, 46

billion. For the quantity of personnel's that put in the front row on 2015 were 476.000 individuals with instrumental weapons that sizeable for the work force needs. Indonesia's had 400 units of armored tank, 506 units of armored combat vehicles, 62 units of long-range artillery, 50 units of rocket launchers, 3.350 units of mortars, 11.000 units of anti tank weapons, 11.100 units of logistics transport vehicles, 150 units of warships, 2 units of submarines, 26 units of transports work forces, 23 units of corvette class ships, 6 units of frigate ships, 70 units of patrol boats, 118 units of fighters, that incorporates: 50 units of ambush fighter, and 68 units of tactical fighters.⁹

General Try Sutrisno as a former Commander of Indonesia Military and also former Vice President of Indonesia under Suharto regime stated, Indonesia's Military should not rely upon the foreign products to fulfill the needs of defense equipment; our state should have state's interests in developing National Defense Industry.¹⁰ Also General Moeldoko, former Commander of Indonesia Military in 2013-2015 stated, that Indonesia's still not able to help the Search and Rescue institution. Therefore, General Moeldoko asked support from the first commission in the house of representative to cooperate as an inseparable unit with the Defense Ministry.¹¹

⁹ Yon Dema., "Kekuatan Militer Indonesia Peringkat Keempat Asia," Tempo News, , accessed April 24, 2017, <https://m.tempo.co/read/news/2016/08/12/078795512/kekuatan-militer-indonesia-peringkat-keempat-asia>.

¹⁰ "TNI Jangan Ketergantungan Alutsista Asing," Jitunews.com, , accessed September 29, 2017, <http://www.jitunews.com/read/21956/tni-jangan-ketergantungan-alutsista-asing>.

¹¹ "Ngiler' Lihat Alutsista Asing, Panglima TNI Minta Dukungan Komisi I DPR," Detiknews, , accessed September 29, 2017, <https://news.detik.com/berita/2796430/ngiler-lihat-alutsista-asing-panglima-tni-minta-dukungan-komisi-i-dpr?9922022=>.

Indonesia's current President, Joko Widodo give permission to the Indonesia's Air Force to purchase a helicopter from the foreign defense industry and it would give adverse effect to *PT. Dirgantara Indonesia*.¹² Indonesia's current Vice President, Jusuf Kalla explained the function of the military is to resolve the state's problem. Defense equipment owned by the Indonesia Military is not just intended to increase the ability of a state in terms of strength and ability in war.¹³

National Defense Industry already has the courage to present their work in Defense Equipment Exhibition that held in every two years in Jakarta, Indonesia. Rank of Indonesia Defense Industry as reflected in the Global Fire Power is in the top of 100th.¹⁴ According to the Global Fire Power, Indonesia Military rank is in 14th position. The results are from the analysis of Military Forces in 2017. One indicator that measure the force and scale of defense relies on state's military spending.¹⁵ On, February 14th 2017, National Defense Industry technology development program launched 15 new military instrumental weapons. Fifteen new instrumental weapons, consist of FA swamp boats, submarines, unmanned, 57 mm cannon simulator, FA dooper weapons and ammunition, the C-130 battery (Herculles), and an underwater assault weapons (SSBA). The total funds

¹² *Loc.Cit*

¹³ Yohanes Paskalis, "Di IndoDefence 2016, Kalla: Militer Berfungsi Atasi Konflik," accessed April 24, 2017, <https://nasional.tempo.co/read/news/2016/11/02/078816901/di-indodefence-2016-kalla-militer-berfungsi-atasi-konflik>.

¹⁴ "2017 Military Strength Ranking," GlobalFirepower.com - World Military Strengths Detailed, , accessed September 28, 2017, <https://www.globalfirepower.com/countries-listing.asp>.

¹⁵ *Loc.Cit*

expended for 15 new instrumental weapons reach into 86 billion in Rupiah, and according to the Ministry of Defense, there are already 75% of military instrumental weapons that produced by the National Defense Industry.¹⁶

In addition, this thesis provides knowledge to Indonesian people to know about the development of National Defense Industry along with the progress and problems. National Defense Industry has never attracted public attention, but National Defense Industry deserves more support from Indonesian people to become more develop and advance in the future.

1.2 Research Question

In the globalization era, with high technology and cultural diversity influenced by foreign cultures, it can pose threats to Indonesia's sovereignty and defense system. This thesis focuses on the development of National Defense Industry as a strategic industry to maintain state defense system. In its development, the National Defense Industry is still experiencing problems in producing good and decent defense equipment for Indonesia Military needs. In this thesis occur the policies that used by the government in supporting the development of National Defense Industry.

In conducting this research, there are several questions that need to be answered;

¹⁶ Yudha Manggala Putra., "15 Peralatan Militer Buatan Indonesia Diluncurkan," Republika Online, , accessed April 24, 2017, <http://nasional.republika.co.id/berita/nasional/daerah/17/02/14/old44z284-15-peralatan-militer-buatan-indonesia-diluncurkan>.

1. What are the development of National Defense Industry?
2. What make National Defense Industry unable to support the instrumental weapons for Indonesia Military?
3. What policies does the government made to ensure the National Defense Industry in developing and boosting domestic production for defense equipment system?

1.3 Research Purposes and Significance

The purpose of research is to analyze the development of National Defense Industry in revitalization and procurement of Indonesia Military's instrumental weapons during President Susilo Bambang Yudhoyono administration. This research aims to encourage Indonesian people to understand about Indonesia's defense system. This work is designed to be the guidelines for people to learn more about the ability of Indonesia's defense system along with the problems and government policy. This research is intended to make contributions to the literature on goals, motivation, and variety.

1.4 Thesis Structure

This research paper consists of five chapters to consolidated to evaluate the major findings.

The first chapter is the introduction, which presents about the background as well as the problems that exist in this particular issue. This chapter explains the

focus of writing, which associates with the research question along with the with the structure of writing.

In the second chapter, the first part of theoretical framework will review the literature that utilizes as references to supporting this research paper. I will clarify a few readings along with the hypothesis, which suitable to complete the research.

The third chapter demonstrates the method of writing this research paper I will explain the ideal approach to accumulate all the data. The fourth chapter clarifies the exploration or research itself, where I will clarify the issue with several discussions; consist of national security threat, national security agenda, national defense industry, instrumental weapons, problem analysis, challenges, potency, and prospects. In chapter five, I will define the results of the research and the author will specify the possible solution to solve the problems on the issue.