

The Shipping Industry Influence and Government Policy on National Defense at Sea

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Abstract

The strategic environment dynamic in Asia Pacific Region is impacting a very complex spectrum of threats, especially in rising of factual and potential defense-security threats, such as in the South China Sea. For Indonesia as an archipelagic state, the National defense is also archipelagic oriented and focusing to face every military threat and non-military threat that comes from the sea. This study is intended to analyze the influence of the shipping industry and government policies on National defense at sea. The research method used is quantitative research which will be analyzed using the Equation Modeling System (SEM) and supported by qualitative data through interviews with experts in their fields and academics. Researchers selected samples with Stratified Random Sampling and Purposive Sampling techniques. Respondents used were 347 respondents. The results of the study show that the shipping industry effects positively and significantly on Government Policy. The Merchant Fleet effect positively and significantly on the National Defense at Sea. Government policies effect positively and significantly on National Defense at Sea.

Keywords: Shipping Industry; Government policy; The National Defense.

Introduction

A number of issues concern non-military threats in the form of violence threats such as piracy, sabotage and vital object terror, navigation and resources threats, (sea and ecosystem damage and pollution), as well as threats toward sovereignty and law (illegal fishing and immigrants, illegally exploration and natural resources exploitation, including smuggling of goods and weapons) (kemhan.go.id).

This condition is certainly very detrimental for Indonesia and has the potential to hamper national economic development. This statement is in line with President Joko Widodo's speech at the 2016 IMO (International Maritime Organization) session in London which said he would build maritime infrastructure, protect marine resources from illegal and destructive exploitation, utilize marine resources for the people, maintain security and safety of the sea as a vein. pulse of world trade (setkab.go.id, 2016).

The Asia Pacific Region dynamics of the strategic environment is changing so fast that bring an impact on a very complex spectrum of threats by giving rise to factual and potential defense-security threats. The conflict of South China Sea (SCS) becomes a factual threat currently, where China's unilateral dominance and claim to the status quo over the control of South China Sea found on the nine-dashed line is disturbing and disrupts a lot to the diplomatic relations of regional countries. China is trying to establish its presence de jure and de facto. For de jure, China issued the Law on the Territorial Sea and Contiguous Zone on February 25, 1992 (bphn.go.id), and de facto China has strengthened its military presence in the region and modernized its defense forces towards achieving mastery. the sea by placing the Coast Guard and Navy fleets that have an impact on regional geopolitical and geostrategic changes. According to Darmawan (2018), ego (internal) factors which include military capabilities, economic needs and the value of nationalism, have a greater influence in China's foreign policy decisions and actions in the South China Sea dispute.

A strong national defense will increase the ability to deal with various threats, both from within and from abroad. By the Republic of Indonesia law Number 3 of 2002 about the National Defense System, the concept of national defense underwent a very basic change. Article 3 paragraph 2 states "State defense is prepared by taking into account the geographical conditions of Indonesia as an archipelagic country". Based on the article, the orientation of national defense must refer to archipelagic oriented, namely the national defense is no longer inward looking, but outward looking in facing every military threat and non-military threat that comes from the sea.

Furthermore, Indonesia also has the sovereignty and authority to protect and look after its maritime territory wholeness. The enforcement of sovereignty at sea has two dimensions of understanding, namely state sovereignty (sovereignty) and sovereign rights (sovereign rights) as described in articles 2, 34, 47 and 49 of the 1982 UNCLOS. the sea, especially for the components of the nation who have duties, functions and authorities at sea, so that the action plans implemented can be targeted, directed and integrated.

The major defense component at sea places the Indonesian Navy as the front line. However, as the major national defense component at sea, in reality the ability of the Indonesian Navy (Alutsista) (Main Equipment for Weapon Systems) to maintain such a wide coverage area is inadequate. This is due to the fact that the number and age of the Navy's defense equipment are generally old. This condition has an impact on the capacity and capability of the Indonesian Navy in carrying out the defense and security functions of the marine dimension. This is in accordance with what military observer Connie R Bakrie said at the National Seminar at Seskoal in 2021 about the importance of increasing the number of KRIs and modernizing defense equipment based on High-Technology.

National defense is the whole citizens obligation, as written in the 1945 Constitution, Article 27 paragraph 3, which states that "every citizen has the right and is obliged to participate in efforts to defend the state", Article 30 paragraph 1, reads "every citizen every citizen has the right and is obliged to participate in national defense and security efforts", Article 30 paragraph 2, reads "State defense and security efforts are carried out through a universal people's defense and security system by the Indonesian National Armed Forces and the Indonesian National Police, as the main force, and the people, as a supporting force", as well as Article 30 paragraph 3, which reads "The Indonesian National Army consists of the Army, Navy, and Air Force, as the state's instrument in charge of defending, protecting and maintaining the integrity and sovereignty of the state".

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basic change. Article 3 paragraph 2 states "State defense is prepared by taking into account the geographical conditions of Indonesia as an archipelagic country". Based on the article above, the orientation of national defense must refer to archipelagic oriented, no longer land oriented.

Responding to the policy of the Indonesian government as the World Maritime Axis which places the marine defense sector as one of the development priorities, various data and analysis as well as accurate information related to the state defense model in Indonesia's seas are urgently needed. So far, the marine area and its whole potential is often forgotten, so that has encouraged Indonesian governments to be back to the concept of a maritime state. Maritime is an inseparable part of national maritime defense, as well as to make Indonesia a world maritime axis country. The Indonesian nation must be capable of reading and understanding the sea potential and strategic functions. The Indonesian people have to be capable of changing their mindset in taking a look at the sea importance.

To build a shipping industry is a tough process and requires many participations and roles from various agencies and institutions or national agencies that competent to restore and solve the existing problems in the national shipping world, especially in fulfilling the requirements of defense equipment to support national defense. One of the role is the government roles to be the regulator in managing the shipping industry in the country. The shipping industry entrepreneurs' role is as service providers to construct and make quality defense equipment products and the prospective ship users' role who trust in the national shipping industry to produce equivalent products to foreign ships prepared to assist the defense function. All of the above efforts to increase the country's defense capability are strongly influenced by the government's own policies.

The gap between regulations in the form of laws and policies that have been made by the government that are contrary to their implementation. It is stated in Law no.23 of 2019 about Management of National Resources, article 3, that the management of National Resources for National Defense aims to transform Human Resources, Natural Resources, and Artificial Resources, as well as National Facilities and Infrastructure into Defense forces. A country that is ready to be used for the sake of National Defense and prepared early to face threats.

Article 5 paragraph 1 states that the Management of National Resources for National Defense is carried out through the following efforts: State defense, structuring of Supporting Components, formation of Reserve Components, strengthening of Main Components and Mobilization and Demobilization. Meanwhile, in Presidential Decree number 8 of 2021 about General Policy on State Defense (Jakkum Hanneg) article 2 point b states Jakum Hanneg(Public Policy of State Defense) in 2020-2024 is directed to increase the country's defense capabilities by way of the state defense system enforcement on land, sea and air forces by actualizing reserve components and supporting components developments. In practice, the government has carried out the establishment of Indonesian National Army's defense posture towards the Minimum Essential Force (MEF) until 2024, as well as the implementation of reserve component formation (Komcad) for the ground dimension of 2,500 in 2021 from the beginning purpose for the KOMCAD (Reserve Component) formation of 25,000 people.

However, for the Supporting Components according to the PSDN Law of 2019 until now there is no policy to manage and empower the resources of the Supporting Components, especially the marine dimension, to project their potential by the government. Meanwhile, if you look at the current strategic environment, real threats already exist and can threaten the defense stability and nation and state security as described above which have created gaps.

There are many kinds of data, analysis and accurate information regarding the model of national defense in Indonesia's seas because it has become the policy of the Indonesian government

which declares Indonesia to be the World Maritime Axis and makes the sea the main defense sector for development. So far, the marine area and its whole potentials is often forgotten, so it is right time to return to the maritime state concept. Maritime is an inseparable part of national maritime defense, as well as to make Indonesia a world maritime axis country. The Indonesian nation must be capable of understanding and reading the potential and strategic functions of the sea. The Indonesian people must be capable of changing their mindset in observing the importance of the sea as a unifying nation and a medium for defense. This study has purpose to analyze the potential influence of the Shipping Industry and Government Policy on National Defense at Sea.

Research Methodology

The research method used is quantitative research with an emphasis on 3 (three) variables, namely the Potential of the Shipping Industry, Government Policy and State Defense at Sea (SCS). Of the three variables, the influence and relationship of each variable will be analyzed using the Equation Modeling System (SEM) and supported by qualitative data through interviews with experts in their fields and academics. Data collection techniques by providing questionnaires, documentation, observation, Focus Group Discussion (FGD) and interviews (interviews).

The researcher chose the sample with the sampling technique, the Stratified Random Sampling method and the Purposive Sampling technique. Respondents used were 347 respondents. The population and sample in collecting questionnaire data are stakeholders in the shipping industry including regulators in government agencies as policy implementers.

The population and sample of the Merchant Fleet can be seen in table 1 below:

Table 1. Sample of Merchant Fleet

No.	Merchant Fleet	Sample
1	PT PELNI	115
2	PT ASDP	160
3	PT Pertamina	72
Total		347

Results and Discussion

In the analysis of the SEM model that has been carried out, the results are as shown in Figure 1 below:

SEM Model Analysis

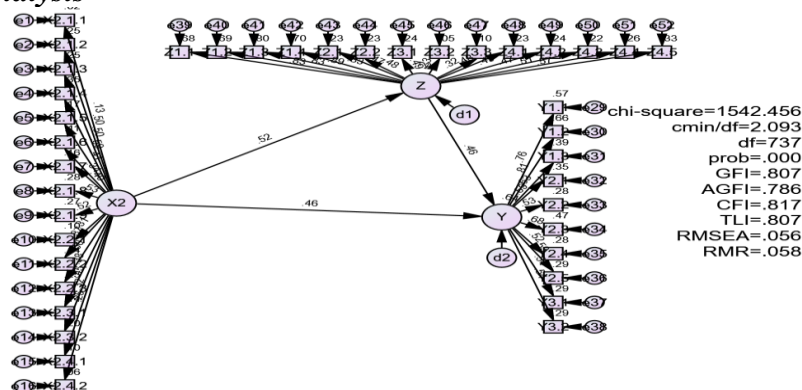


Figure 1 Structural Model First Order

Based on the above figure, it is known whether the developed model is supported by the data, it is necessary to do a goodness of fit evaluation test. Following are the goodness of fit test results on the structural model of this research.

Hair et al., (2010) suggest using at least one absolute-fit-index (GFI, RMSEA or RMR) and at least one incremental-fit-index (CFI, NFI, RFI, IFI, AGFI or TLI) to define a model. can be considered fit. Thus, looking at the model test results in the table above, it can be resumed that the model does not fit because no one has met the criteria. Based on these results, it can be concluded that the structural model can already be declared unfit.

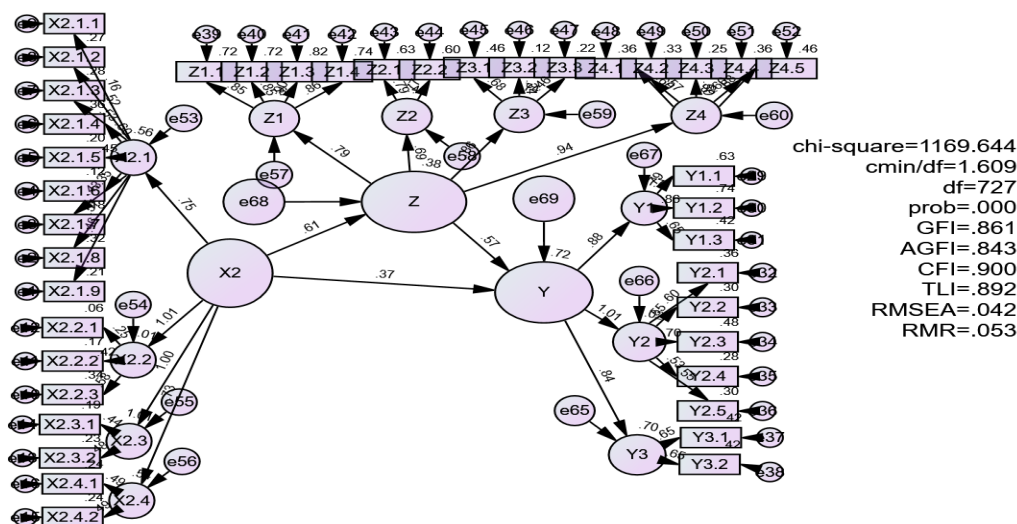


Figure 2 Second Order Structural Model

At least one absolute-fit-index (GFI, RMSEA or RMR) and at least one incremental-fit-index (CFI, NFI, RFI, IFI, AGFI or TLI) to determine a model can be considered fit. Based on the results of the model test in the table above, it can be concluded that the model fits because there are those who meet the CFI criteria of 0.900, namely 0.9 and RMSEA 0.042 less than 0.05. Based on these results, it can be resumed that the structural model can be declared fit.

Hypothesis test

The results of the SEM test show the following hypothesis testing:

Table 1 Hypothesis Test

	Hypothesis	Estimate	S.E.	C.R.	P
H1	Shipping Industry => Government Policy	1.222	.192	6.377	***
H2	Shipping Industry => National Defense at Sea	.613	.137	4.473	***
H3	Government Policy => National Defense at Sea	.466	.066	7.009	***

Research Result

The shipping industry is an industry that involves many activities including ship building and repair, manufacturing equipment, and offshore facility fabrication as well as research and development. The related institutions that have an interest in the shipping industry include the government, supporting industries, research institutions, ship design centers, finance and infrastructure. In developing a competitive shipping industry, there are many challenges, especially for the government as an industrial regulator and also entrepreneurs who will invest in the shipping industry. In Indonesia, there are many shipyards based on the type of ownership divided into two, namely privately owned shipyards managed by individuals (BUMS shipyards) and state-owned shipyards under the management of the BUMN ministry.

The Hypothesis resulted the following:

The results of the first hypothesis test show a coefficient of 1.343 with a CR of 6377 and a p value of 0.000 <0.05 so that it can be seen that the Shipping Industry has a positive and significant effect on Government Policy. Cooperation and collaboration are still used interchangeably but both of them do not show any effort to differentiate and depth the meaning of the terms. Experts have tried to provide several definitions of Collaborative Governance which refer to the same main idea in the form of cooperation between the public and non-public or private entities in administering state government. A model by incorporating elements of starting conditions, institutional design and facilitative leadership in the collaborative process. Starting conditions begins with the question of whether there is asymmetry in the conditions of power, resources and knowledge that exist in the midst of society. In addition, it is necessary to see whether there has been a history of conflict or collaboration that has ever been initiated. This will then help identify and analyze related incentives and barriers to the participation process.

The results of the second hypothesis test show a coefficient of 0.530 with a CR of 4.473 and a p value of 0.000 <0.05 so that it can be seen that the Shipping Industry has a positive and significant effect on National Defense at Sea. The Indonesian Navy already has a strong doctrine in the form of Jalesveva Jayamahe which is a source of strength and is derived from the TNI doctrine in the form of TRIDEK (Tri Dharma Eka Karma) to carry out all the roles, duties and roles assigned to them in the law. The doctrine provides a real description because it contains the concept of state defense at sea which includes the entire universal defense by making citizens participate and efforts in defending the country at and or by sea. The concept of national defense is determined by prioritizing the concept of layered defense as a basis, namely the concept of defense originating from the ties and linkages between layers of military defense and non-military defense. The concept of national defense in the form of layered defense has the main objective of overcoming, deterring and anticipating all forms of military and non-military threats and aims to prepare state and citizens for a prolonged war.

The results of the third hypothesis test show a coefficient of 0.479 with a CR of 7.064 and a p value of 0.000 <0.05 so that it can be seen that Government Policy has a positive and significant effect on National Defense at Sea. All the meanings contained in the meaning of collaborative governance have the same understanding in the form of cooperation carried out by the public and non-public or private sectors in building and administering state government. This can be seen from the model which establishes the elements of the starting and main conditions, institutional design, facilitative leadership in collaborative efforts. Basic and initial conditions begin with the question of whether there is asymmetry in the conditions of power, resources and knowledge that exist in the midst of society. In addition, it is necessary to see whether there has been a history of conflict or collaboration that has ever been initiated. This will then help identify and analyze related incentives and barriers to the participation process. The concept of national defense applies the main foundation in prioritizing the concept of layered defense, in the form of defense centered on the integration between elements such as layers of military and non-military defense. The concept of national defense has the main goal of warding off, anticipating and overcoming all forms of existing threats and facing all possibilities of war, even a prolonged war. Therefore, the deterrence function can be applied as a strategy to create a period of peace and integration in defense efforts that are capable of creating political, economic, psychological, technological and military instruments.

State Defense System Condition. The application of a universal national defense system at this time cannot be fully seen directly, but the steps/programs from the central government in realizing the implementation of Sishanta (Total defense system) can be reviewed from the

government's efforts to form synergy between all elements/components of the nation to build character and common views. In facing threats, the potential of SUMDANAS (National resources) which consists of human resources (HR), natural resources (SDA) and artificial resources (SDB) as well as the nation's components which include the main components, reserve components and supporting components are an integral part of the nation's components that can be used in the framework of defense country. The implementation of the 2019 PSDN Law has not yet been reflected. So it means that, what is the empowerment of existing facilities at sea, which are not owned by the TNI, is still not regulated in such a way. Implementing Rules of Law Number 23 of 2019, in the field of Human Resources (HR), we have implemented this universal defense system, namely the formation of a reserve component from all citizens, who register as a reserve component. We've been doing this for two years. However, for natural resources and artificial natural resources, it is currently not applicable. Because the relevant ministries and institutions, As well as local governments that still do not meet expectations optimally in realizing the mandate in the rule of law number 23 of 2019 for the enforcement of state sovereignty, regional primacy and the safety of the entire nation from all forms of threats that can make citizens, regions, and other national resources involved. and contribute to defending the country, as well as as an early preparation carried out by the government in a comprehensive, integrated, directed and sustainable manner.

Empowerment of the Shipping Industry as a state defense in supporting component at sea which includes the state-owned and private shipping industry currently has a direct influence in supporting national defense at sea, especially in terms of developing shipyards/industry manufacturing warships for the main defense component (TNI AL) or ships of other law enforcement officers at sea (Marine Police, Coast guard, etc.), so that the application of the state defense main tasks at sea in maintaining security and upholding sovereignty at sea can be achieved correctly. The shipping industry is still considered very difficult to develop because of the large amount of capital with a profit and loss calculation, so it is necessary to provide opportunities for these industries to become more skilled in building certain cluster ships. Law Number 16 of 2012, which provides an opportunity for the shipping industry, to participate and increase media knowledge. And there are government regulations that will encourage the shipping industry to participate more. So first of all, the government actually gives them enough opportunity, what the government lacks is that the industry is one environment, one ecosystem. The shipping industry is also very influential on national defense. Because it is also in accordance with Law Number 23 of 2019, the shipping industry is included in marine infrastructure, which includes other marine facilities and infrastructure, which have strategic value. The shipping industry includes other marine infrastructures, which have strategic value because they can help or enlarge, strengthen reserve and support components. This law is also in line with Law No. 17 of 2008 concerning cabotage principle in Shipping, that stated the obligation to use Indonesian-flagged vessels to transport goods and passengers from and within the territory of Indonesia. So it proves a readiness of the national fleet to support national defense or it is said to defend the country sovereignty.

Barriers to Empowerment of Supporting Components is the missing Government Policy in the form of a ministerial regulation at the ministry level that regulates the duties, authorities and responsibilities of the relevant ministries on the mechanism for empowering the commercial fleet and the shipping industry in supporting Total Defence System (Sishanta). the Ministry of Defense/TNI under it, which led to the implementation of the empowerment of the commercial fleet and the shipping industry directly in line with Sishanta's goals. Regulations derived from existing laws do not yet exist. Second, usually there must be a budget to implement the derivative regulations,

Conclusion

The explanation above could be concluded by the following conclusions can be drawn:

1. The Shipping Industry has a positive and significant impact on Government Policy.
2. The Shipping Industry has a positive and significant impact on the National Defense at Sea.
3. Government policies have a positive and significant impact on National Defense at Sea.

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