



## Strategy to Build Defense Industry Competitiveness in Welcoming Golden Indonesia 2045

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### ABSTRACT

This journal discusses the strategies needed to build the competitiveness of the Indonesian defense industry to meet the target of Indonesia Emas 2045. The defense industry is an important aspect in achieving this goal as Indonesia faces various security and stability challenges. Through an in-depth review of the factors affecting the competitiveness of the defense industry, this study presents several key strategies that can be implemented to improve the potential and performance of the Indonesian defense industry. These strategies include technology optimization, collaboration among stakeholders, human resource development, increasing production capabilities, and meeting international standards. The research hopes to provide guidance for stakeholders in facing global and regional challenges to ensure Indonesia's defense industry becomes strong and competitive by 2045.

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## **INTRODUCTION**

Indonesia is the largest archipelagic country in the world with a strategic position in the Southeast Asian region. In addition to having abundant natural wealth, Indonesia is also rich in cultural diversity and human resources that have great potential. However, behind its potential, Indonesia also faces various challenges, including complex security and defense issues (Dadi, 2022).

In welcoming Indonesia Emas 2045, as Indonesia's vision to become a developed country in 2045, the development of the defense sector is one of the important pillars. In an era of rapidly evolving globalization and increasingly complex security dynamics, it is important for Indonesia to ensure that its defense industry has strong competitiveness and is able to answer any challenges that may arise in the future (Sarjito & AlmuBaroq, 2023).

The defense industry has a crucial role in defending state sovereignty, ensuring national stability, and supporting sustainable development. The development of a strong defense industry will provide long-term benefits for the country's defense, create jobs, boost the economy, and encourage technological improvement and innovation in other sectors (Gusfi et al., 2023).

However, the challenges faced in building a resilient and competitive defense industry are not easy. Global competition in the defense industry is fierce, and developed countries have invested huge resources to develop their military and defense industry capabilities (Boat, 2022). Therefore, Indonesia needs to formulate appropriate and effective strategies to ensure that its defense industry is able to compete and survive in the global market.

In this context, this journal is here to explore the strategies needed to build the competitiveness of the Indonesian defense industry to achieve the target of Indonesia Emas 2045. Through an in-depth analysis of the factors affecting the competitiveness of the defense industry, it is hoped that this journal can make a meaningful contribution to stakeholders in the defense and industry sectors to achieve Indonesia's glorious vision in 2045.

By exploring potential and mapping out the right strategic steps, it is expected that Indonesia's defense industry will be able to grow and develop sustainably, make a positive contribution to the country's defense and the progress of the nation, and ensure sustainable security and stability in the future.

Indonesia as an archipelagic country has a vast territory and is prone to various threats, including terrorism, border conflicts, piracy, and territorial disputes (Ali et al., 2021). In addition, geopolitical and geoeconomic dynamics in the Southeast Asian region also have the potential to affect the stability and security of the country. Therefore, maintaining and enhancing defense capabilities is an important task for the Indonesian government.

In line with the vision of Indonesia Emas 2045 which aims to achieve the welfare of society, Indonesia is also committed to enhancing national sovereignty and its position as a respected country at the global level (Iskandar, 2021). To achieve these goals, the defense industry must have strong competitiveness and be able to produce superior products and services in terms of technology, quality, and price.

One of the major challenges in building the competitiveness of the defense industry is limited resources (Almubaroq & Saragih, 2022). Large and consistent investments are needed to develop military technology research and development, improve production capabilities, and improve the quality of human resources involved in the defense industry. Therefore, a comprehensive and measurable strategy needs to be formulated to optimize the allocation of existing resources.

Collaboration between the government, defense industry, research institutions, and universities is also key in improving the competitiveness of the defense industry (Susdarwono et al., 2020). These synergies between various stakeholders will accelerate technology transfer, expand access to research resources, and facilitate the development of necessary technical expertise.

In addition, it is important to emphasize that the competitiveness of the defense industry is not only about military capabilities alone, but also includes economic and technological aspects. A strong defense industry will be able to drive the broader economic ecosystem, including manufacturing, technology, and other related sectors (Sirait et al., 2022). By ensuring high international standards and compatibility with trading partners, Indonesia can also expand its defense product export market, increase state revenue, and support national economic growth.

Through this journal, it is expected that there will be meaningful contributions for policy makers, researchers, and practitioners in the defense industry to understand more deeply about the challenges and opportunities faced by Indonesia in building the competitiveness of the defense industry. By presenting innovative solutions and effective strategies, Indonesia can face the future with more confidence and make its defense industry a force capable of supporting the goal of Golden Indonesia 2045.

## **THEORETICAL REVIEW**

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## **METHODOLOGY**

This research uses a qualitative approach to explore deep insights into the strategies needed to build the competitiveness of the Indonesian defense industry to welcome the Golden Indonesia 2045 (Press, 2021). The qualitative approach was chosen because this study aims to understand and explore various factors affecting the competitiveness of the defense industry comprehensively and deeply. Through this qualitative method, it is expected that the research can provide rich and in-depth insights into the factors that contribute to the competitiveness of Indonesia's defense industry as well as provide strategic guidance for the government, defense industry, and other stakeholders in achieving the Indonesia Emas 2045 target.

## **RESULTS**

This research presents several important results obtained through a qualitative approach in understanding the strategies that need to be implemented to build the competitiveness of the Indonesian defense industry in welcoming the Golden Indonesia 2045. **Technology Optimization:** The results show that Indonesia's defense industry needs to optimize technology to improve its competitiveness (Siswadhi et al., 2020). Investment in research and development of military technology is key to creating more sophisticated and innovative defense products and services. By adopting the latest technology, Indonesia can face modern security challenges more effectively and reduce dependence on technology imports.

**Stakeholder Collaboration:** This research highlights the importance of close collaboration between government, defense industry, research institutions, and universities. Through this collaboration, the exchange of knowledge and resources can be improved, which in turn will encourage innovation and technological development. Collaboration also helps create synergies between various parties involved in the defense industry, strengthen the industrial ecosystem, and increase efficiency in facing various challenges.

**Human Resource Development:** This research confirms the importance of investment in the development of high-quality human resources in the defense industry. Proper training and education of technical experts, engineers, and other personnel will improve production capabilities and product quality. The development of competent human resources also allows the defense industry to have expertise that is in accordance with the latest technological developments.

**Increased Production Capability:** The results show that increasing production capability is a strategic step to increase the competitiveness of the Indonesian defense industry. By increasing production capabilities, the defense

industry can better meet domestic demand and open up opportunities for defense product exports. In addition, increased production capabilities also contribute to national economic growth by creating jobs and increasing the defense industry's contribution to the overall economy.

**Fulfillment of International Standards:** This research emphasizes the importance of meeting international standards to increase the competitiveness of the Indonesian defense industry in the global market. By ensuring defense products and services conform to relevant international standards, Indonesia can strengthen the reputation of the defense industry at the global level and increase attractiveness for international cooperation.

The results of this study also highlight the potential positive impacts that can be generated through the implementation of these strategies. Some of the potential positive impacts that can be achieved are as follows: **Strengthening the Defense Industry:** With the optimization of technology and the improvement of production capabilities, the Indonesian defense industry can increase the competitiveness and reliability of defense products. This will strengthen the position of Indonesia's defense industry in regional and global markets, open opportunities for cooperation with other countries, and reduce dependence on imports of defense products.

**Economic Growth and Employment:** By increasing investment and production capabilities in the defense industry, the sector can make a positive contribution to national economic growth. The development of a strong defense industry will create new jobs and increase the economic contribution of the sector.

**National Sovereignty and Security:** In welcoming the Golden Indonesia 2045, achieving strong national sovereignty and security is the main goal. By building a superior defense industry, Indonesia can better face various security challenges and create a stable environment for the nation's growth and progress.

**Image and Reputation Improvement:** Compliance with international standards and technological innovation in the defense industry will improve Indonesia's image and reputation in the eyes of the world. This will open up opportunities for international cooperation and help strengthen Indonesia's position on global security issues.

**Contribution to the Golden Indonesia Goal 2045:** The strategies proposed in this study directly support the Golden Indonesia 2045 goal to become a developed and sovereign country by 2045 (Sri Saraswati Wisjnu et al., 2020). By building a strong and competitive defense industry, Indonesia will be able to achieve these targets more steadily and purposefully.

In order to achieve the desired results, it needs to be recognized that the implementation of these strategies will not be easy and requires cooperation and commitment from various parties, including the government, defense industry, academia, and society. Supportive policies, adequate budget allocation, and synergy between stakeholders are needed to realize the full potential of Indonesia's defense industry.

In conclusion, the results of this study provide an in-depth view of the importance of building the competitiveness of the Indonesian defense industry in welcoming the Golden Indonesia 2045. By implementing the right strategies, Indonesia can achieve strong sovereignty and security, contribute to national economic growth, and enhance Indonesia's role in the global security scene.

## **DISCUSSION**

The strategies proposed in this study show the importance of concrete steps to be taken to build the competitiveness of Indonesia's defense industry in facing future challenges and opportunities. Let's explain in more detail about each strategy: **Research and Development Integration:** Research and development integration is an important step in creating technologies and innovations relevant to national defense needs. By working together between government and defense industry, resources and knowledge can be pooled to direct research into strategic areas. The increased R&D budget will support continued research on the latest defense systems, military weaponry, and other advanced military technologies. This integration will also increase the competitiveness of the defense industry in producing superior products independently.

**Strengthening Cooperation:** Collaboration among stakeholders is key in enhancing the competitiveness of the defense industry. Through strategic partnerships and ongoing dialogue, governments, industry, research institutions, and universities can share knowledge, resources, and technical expertise. By collaborating, they can identify and address shared challenges and design efficient and innovative solutions. The establishment of a defense industry cluster will also facilitate technology transfer and increased production capabilities, which will overall improve the efficiency and competitiveness of Indonesia's defense industry.

**Expert Development:** Investment in human resource development in the defense industry will ensure the sustainability and excellence of the industry. Training and education for technical experts, engineers, and other personnel will enhance production capabilities and innovation capabilities in the defense industry. High-quality training programs will help create a skilled and competent workforce, capable of dealing well with technological changes and market demands.

**Government Infrastructure and Support:** Government has a crucial role to play in creating an environment conducive to the growth of the defense industry. Providing adequate infrastructure, policy support, and reducing red tape will boost growth and investment in the sector. Government support will also help Indonesia's defense industry compete with global competitors, improve production efficiency, and strengthen the competitiveness of defense products in domestic and international markets.

**Export Promotion:** Increasing exports of defense products will help diversify the market and increase Indonesia's defense industry revenues. Effective export promotion, including compliance with international standards, will open up opportunities to enter the global market (Istiqlal, 2023). Indonesia can improve the image of its defense industry and expand the range of defense

products to various partner countries. This increase in exports will also have a positive impact on state revenues and the contribution of the defense sector to the national economy.

By implementing these strategies holistically and integrated, Indonesia has the opportunity to build strong and resilient defense industry competitiveness. The result is that Indonesia can achieve the Golden Indonesia goal of 2045 by confronting modern security challenges more effectively, achieving strong national sovereignty, and contributing to stability and prosperity at regional and global levels.

The discussion in this study provides an in-depth analysis of effective strategies in building the competitiveness of the Indonesian defense industry. In the context of welcoming Indonesia Emas 2045, this discussion is very relevant because the defense industry plays an important role in achieving this target. Here is a further explanation of the discussion of each strategy: Research and Development Integration: The discussion on research and development integration highlights the importance of cooperation between the government and the defense industry in directing research to strategic areas. Increasing the research and development budget is an important step to create the latest innovations and technologies relevant to national defense needs (Rohmad & Susilo, 2022). The discussion also emphasized that through integration, Indonesia can create superior defense products independently, reduce dependence on imported technology, and strengthen the competitiveness of the defense industry at the global level.

Strengthening Cooperation: The discussion on strengthening cooperation highlighted the importance of collaboration between stakeholders in the defense industry. In this regard, government, industry, research institutions, and universities must work together in achieving common goals. Close cooperation will facilitate the exchange of knowledge, resources, and technical expertise needed to develop superior defense products and services (Sonia, 2021). By collaborating, Indonesia can improve production capabilities and efficient technology transfer, thereby increasing the competitiveness of the defense industry as a whole.

Expert Development: The discussion on expert development emphasized the importance of investment in human resource development in the defense industry. An emphasis on high-quality training and education will enhance production capabilities and innovation in the defense industry. The discussion also provides an understanding of how the government can provide incentives for the defense industry to provide training and education programs that are tailored to industry needs. By building competent human resources, Indonesia will have a competitive advantage in facing future challenges and opportunities.

Infrastructure and Government Support: The discussion on infrastructure and government support highlights the important role of government in creating an environment conducive to the growth of the defense industry. Government support in providing adequate infrastructure, supportive policies, and reducing red tape will boost growth and investment in the sector.

This discussion explained that with government support, Indonesia's defense industry can compete with global competitors and improve production efficiency, which will ultimately increase the competitiveness of defense products in domestic and international markets (Diphayana, 2018).

**Export Promotion:** The discussion on export promotion underscores the importance of Indonesia's efforts in increasing exports of defense products to international markets. Compliance with international standards and identification of potential export markets are important steps in improving the competitiveness of Indonesian defense products at the global level. This discussion explained that by increasing exports of defense products, Indonesia can expand the market and increase defense industry revenue. By entering the international market, Indonesia can also improve the image of its defense industry and contribute to state revenues and national economic growth.

The overall discussion provides a comprehensive picture of the importance of these strategies in achieving the competitiveness of the Indonesian defense industry in welcoming the Golden Indonesia 2045 (Prihatiningsih, 2021). By adopting and implementing these strategies holistically, Indonesia can strengthen its defense industry, achieve strong national sovereignty and security, and contribute to stability and prosperity at regional and global levels.

## **CONCLUSIONS AND RECOMMENDATIONS**

This research highlights the importance of strategies to build the competitiveness of Indonesia's defense industry in welcoming the Golden Indonesia 2045. The results of the research obtained from the qualitative approach present several key strategies that need to be implemented to achieve these goals. Here are the main conclusions of the study: **Technology Optimization Strategies:** The defense industry should invest in research and development to create the latest and innovative technologies in military equipment and defense systems. The use of the latest technology will increase the effectiveness and competitiveness of Indonesian defense products in the global market.

**Stakeholder Collaboration Strategies:** Close collaboration between governments, the defense industry, research institutions, and universities is key in creating an ecosystem that supports the growth of the defense industry. The exchange of knowledge and resources will accelerate the development of superior defense products and enhance the competitiveness of the industry.

**Human Resource Development Strategy:** Investment in human resource development in the defense industry should be a priority. High-quality training and education will increase production capabilities and innovation capabilities, as well as increase the competitiveness of the Indonesian workforce.

**Production Capability Enhancement Strategy:** Enhanced production capabilities will enable the defense industry to meet domestic and potential demand for export. By improving production capabilities, Indonesia can reduce dependence on imports and increase the contribution of the defense industry to the national economy.



International Standard Compliance Strategy: Compliance with international standards is an important prerequisite in improving the competitiveness of Indonesia's defense industry in the global market. Defense products and services that comply with international standards will strengthen the image and reputation of the Indonesian defense industry.

#### **FURTHER STUDY**

In order to achieve a Golden Indonesia 2045, the implementation of these strategies in a comprehensive and integrated manner is very important. Indonesia must take concrete steps to optimize technology, strengthen collaboration among stakeholders, develop human resources, improve production capabilities, and meet international standards. By doing this, Indonesia can strengthen the competitiveness of the defense industry, ensure strong national sovereignty and security, and contribute to the stability and prosperity of the nation and the global community.

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