



Rental Policy of Military Combat Equipment for National Defense: A Trial

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Authors' contributions

This work was carried out in collaboration among all authors. Author AS designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Authors ST and HJRS managed the analyses of the study and the literature searches. All authors read and approved the final manuscript.

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ABSTRACT

Aims: The purpose of this research is to analyze the rental policy of military combat equipment for national defense.

Study Design: This study is descriptive and employed qualitative approaches.

Methodology: This study uses a qualitative analysis approach that aims to analyze the policy of renting combat equipment for the military, using rental theory as an analytical tool supported by policy theory, national defense, threat perception, and national security.

Place and Duration of Study: This research was conducted in Jakarta, Indonesia in September – October 2020.

Results: The results of this study are: (1) Indonesia has a firm stance on China's claims in Indonesia's Exclusive Economic Zone (EEZ) to defend its sovereignty in the Natuna Sea; (2) Indonesia's national security is related to how to maintain Indonesia's territorial sovereignty as a whole as a nation. The responsible institution is the TNI; (3) the basis of national defense is the Indonesian National Army which is developed as a defense asset that is professionally trained and equipped with modern technology; and (4) the policy of renting combat equipment to strengthen

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the military presence in Natuna is a step that must be seriously considered. There are many advantages to renting rather than buying: renters don't pay for repairs, renters get nice stuff too expensive for owners, renters don't tie up their money, renters have more bargaining power at work, renters have more flexibility in recessions, and renting can be good for the economy and the climate.

Keywords: Combat equipment; national defense; national security; policy; rental policy; threat perception.

1. INTRODUCTION

Since the founding of the People's Republic of China in 1949, China's borders have been relatively unclear and territorial disputes have been a strong source of conflict in China's relations with its neighbors. In the South China Sea, a massive body of water stretching more than 4,000 km (2,485 miles) from mainland China in the north to Indonesia in the south - roughly the same distance between London and Chicago [1], China claims sovereignty over four groups. different islands, namely Paracels, Spratlys, Pratas, and Macclesfield Bank. The issue of sovereignty over Pratas and Macclesfield Bank is less controversial and relatively insignificant [2].

In 1990, the Chinese leadership was concerned about energy. After 30 years in which China has become self-sufficient in oil, thanks to its inland fields in Daqing, it is clear that the increased demand generated by Deng's economic reforms will soon exceed production. The country needs a new source of supply.

In April 1987, Chinese scientists surveyed parts of the South China Sea and soon afterward identified 'rich oil and gas reserves in the Zengmu [James] Shoal' off the coast of Borneo. In December 1989, the China Daily reported an official count that the Spratly Islands contained 25 billion cubic meters of natural gas and 105 billion barrels of oil and the James Shoal area about 91 billion barrels. Deng and other political leaders began to talk about the Sea in response to the looming crisis [3].

The South China Sea dispute involves island and maritime claims between several sovereign countries in the region, namely Brunei, the People's Republic of China (PRC), the Republic of China (ROC / Taiwan), Indonesia, Malaysia, the Philippines, and Vietnam. It is estimated that the US \$ 3.37 trillion worth of global trade passes through the South China Sea each year [4], which accounts for one-third of global maritime trade [5]. 80 percent of China's energy imports and 39.5 percent of China's total trade passes through the South China Sea [4].

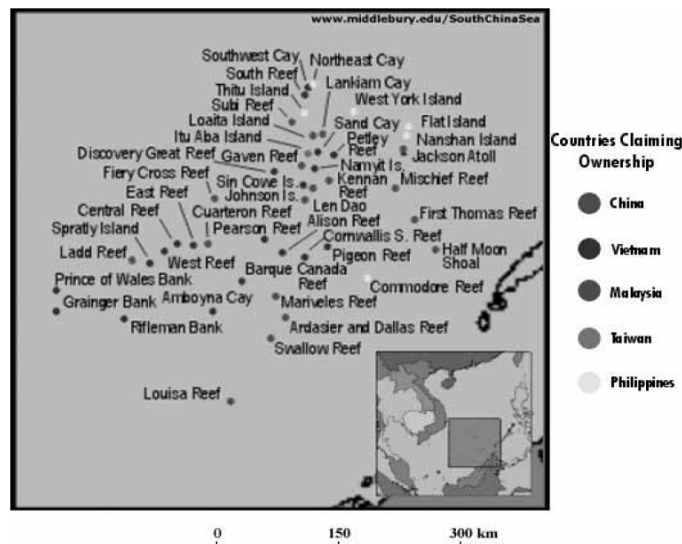


Fig. 1. The Spratly Islands and their claimants
Source: Riegl [6]

However, of all the countries that have claims to these waters, only the PRC is trying to build a comprehensive support infrastructure in the South China Sea that will enable it to one day achieve its strategic objectives by force [7].

The United States and Australia reject most of China's vast maritime claims in the South China Sea. The US is also pressuring Australia to join Freedom of Navigation exercises in the South China Sea which is likely to anger China [8]. The United States has also increased its military activity and naval presence in the region in recent years, including Freedom of Navigation Operations (FONOP) in January and March 2018. In speeches during a November 2017 visit to Southeast Asia, President Donald J. Trump emphasized the importance of such operations, and ensure free and open access to the South China Sea. Since May 2017, the United States has conducted six FONOPs in the region [9]. The United States insists that the Indo-Pacific must be free and open. And Beijing's claims to offshore resources in large parts of the South China Sea are wholly unlawful, as are oppressive campaigns to control them [10].

China's claim to the maritime territory through the Nine-Dash Line also crashed into the waters of the Indonesian Exclusive Economic Zone in Natuna and caused a dispute. Indonesia believes China's claim to parts of the Natuna island has no legal basis. In November 2015, Indonesia's Political, Legal, and Security Minister Luhut Panjaitan said Indonesia could bring China to an international court if Beijing's claims over large parts of the South China Sea and parts of Indonesia were not resolved through dialogue [11].

However, it seems that China ignores Indonesia's warnings. This was made clear in December 2019 when a Chinese coast guard ship escorted several Chinese fishing vessels to waters that are within the Chinese-proclaimed "Nine-Dash Line" but also within Indonesia's exclusive economic zone near the Natuna Islands. In his most candid statement so far, a spokesman for China's Ministry of Foreign Affairs told reporters at the height of the January deadlock: "Whether the Indonesian side accepts it or not, nothing will change the fact that China has rights and interests in the relevant waters." [12].

The latest incidents follow a pattern of behavior of Chinese vessels in maritime areas that China

disputes with Malaysia, the Philippines, and Vietnam. Realizing this pattern, Jakarta immediately summoned the Chinese ambassador and staged an official diplomatic protest. Meanwhile, the Indonesian National Army deployed ten naval vessels to the area and four F-16 fighters to Natuna Island. Indonesian President Joko "Jokowi" Widodo even flew to the island to inspect the situation. For the first week of 2020, Chinese coast guard vessels and Indonesian naval vessels were caught in a deadlock, reminiscent of the previous between Chinese forces and the Philippine and Vietnamese forces over the past decade [13].

Indonesian fighter F-16s based in Pekanbaru are now conducting routine patrols in Natuna. Likewise with the Boeing 737 and CN-235 maritime surveillance aircraft flying from Makassar in South Sulawesi, and a squadron of Israeli-made drones based in West Kalimantan [12].

China's claims and actions in the South China Sea, such as the construction of military bases in the Spratly and China's policy of building military power, especially the naval fleet, pose a massive threat to regional countries. The situation heats up with the presence of the United States naval fleet in the South China Sea on the grounds of guarding freedom of navigation in international seas which, of course, arouses China's anger.

The mobilization of power by the US through Indopacom is likely to drag regional countries into open conflicts with China. The presence of the US fleet cannot be separated from the attitude of Association of Southeast Asian Nations (ASEAN) countries that tend to 'let' the US naval fleet roam the SCS to pressure China.

Quoted from Wikipedia, the United States Indo-Pacific Command (USINDOPACOM) is a unified combatant command of the United States Armed Forces in charge of the Indo-Pacific region. This is the oldest and largest of the integrated combat commands. Its commander, a senior US military officer in the Pacific, is responsible for military operations in an area covering more than 100 million square miles (260,000,000 km²), or about 52 percent of the Earth's surface, that stretches from the waters off the West Coast. The United States to the west coast of India, and from the Arctic to Antarctica. The US Command was also responsible for protecting the invasion of the United States through the state of Hawaii.



Fig. 2. The Nine-Dash line (Highlighted in Green)

Source: Peter Navarro [14]

It is becoming increasingly clear that the potential for conflict is very strong in the South China Sea. Indonesia must immediately take strategic steps to face any possibility that will lead to the conflict to protect the sovereign territory of the Republic of Indonesia. One of the steps is to strengthen the military presence in Natuna. The understanding of military power, military operations, and war go back to the nineteenth century when the paradigm of industrial warfare between nations was forged [15].

Faced with an urgent need for military power not accompanied by the ability of the domestic defense industry to support military equipment. This is due to the limited defense budget. Taken from Global Firepower, the following is the size of the defense budget of the countries around the South China Sea.

Table 1. Defense budgets of countries around the South China Sea 2020

No	Country	USD
1.	China 70,62%	237,000,000,000
2.	Japan 14,60%	49,000,000,000
3.	Singapore 3,33%	11,200,000,000
4.	Taiwan 3,19%	10,725,000,000
5.	Indonesia 2,26%	7,600,000,000
6.	Thailand 2,11%	7,100,000,000
7.	Vietnam 1,63%	5,500,000,000
8.	Malaysia 1,19%	4,000,000,000
9.	Philippines 1,03%	3,470,000,000

Sources: GLOBAL FIREPOWER [16].
<https://www.globalfirepower.com/>

The total defense budget of 9 countries around the SCS: USD. 335,595,000,000. Interestingly, China's defense budget is the largest, around 70.62% of the total defense budget of 9 countries. Indonesia occupies number 5 with Indonesia's defense budget of only 2.26%.

However, Indonesia must strengthen its coastal and naval defenses, and broaden its definition of national security. As Indonesia is part of an interdependent world economic and political system, commercial struggles may turn into direct wars, requiring protection of the continental domain and its foreign interests. Millet [17] emphasizes coastal defense and protection of trade and offense, he calls for a new doctrine of sea command based on warships capable of destroying enemy fleets in the middle of the ocean.

With this minimum defense budget, how can Indonesia respond to potential conflicts in the South China Sea? Some of the options are: (a) to increase the defense budget. This policy is difficult to implement because the government's ability depends on increased economic growth; (b) renting. This renting policy may sound odd, but the government needs to make serious efforts because many benefits can be obtained from renting. For example speed of obtaining defense equipment, free of maintenance costs, guaranteed operational readiness of defense equipment, economics, etc. To build weaponry and armor for modern ships and coastal defense, it is necessary to develop relationships between the military, government, and industry [17].

2. LITERATURE REVIEW

2.1 Policy

The policy is defined as a value or perspective that underlies action. Board policies express the spirit of the board, embody the beliefs, commitments, values, and vision of the board, and express its wisdom. [18].

The policy is a combination of assumptions, plans, programs, and actions taken by citizens of the United States, particularly through government action, to ensure the physical security of their lives, property, and way of life from external military attacks and domestic rebellion. [17].

Although the military force has been used in both domestic and foreign crises that do not involve national survival, policy definitions remain rooted in preventing or stopping the military threat that America collectively faces [17].

The policy is "a plan of action agreed upon by a group of people with the power to implement and enforce it" (Devon Dodd and Hébert-Boyd, 2000). Public policy can be described as an overall framework in which government actions are taken to achieve public ends, with a definition of public policy that works well, for our purposes, being the study of government decisions and actions designed to address issues of public concern. [19].

2.2 National Security

The modern concept of national security emerged in the 17th century during the Thirty Years War in Europe and the Civil War in England. In 1648, the Peace of Westphalia affirmed the idea that the nation-state has sovereign control not only over internal affairs such as religion but also over external security. National security is the safeguarding of the nation as a whole. The highest order of business is the protection of the nation and its people from attack and other external dangers by guarding the armed forces and keeping state secrets [20].

The distinctive meaning of national security is freedom from foreign dictation. National security policy implies a state of readiness to use force if necessary, to defend national independence [21].

Science Daily defines that national security is a requirement for maintaining the survival of the

country through the use of economic power, diplomacy, power projections, and political power. [22]. Initially focused on military power, it now covers various aspects, all of which are based on the non-military security or the economy of the nation and the values held by the national society.

Different countries focus on national security and have definitions of national security that match the national goals of those countries. Watson [23] cites former US Secretary of Defense Harold Brown's definition of national security which seems to be the most basic: "Thus, national security is the ability to maintain the physical and territorial integrity of the state; to maintain its economic relations with the rest of the world on reasonable terms; to protect its nature, institution, and governance from outside interference; and to control its borders".

In this case, Indonesia must be able to control the border area in Natuna which has the potential to become a conflict area caused by China's unilateral claim through the nine-dash line that crashed into the Indonesian Exclusive Economic Zone.

2.3 Threat Perception

Traditionally, threat perception has occupied a central place in the realist paradigm. For classical and structural realists, threats are the result of the asymmetry of power. Any shift in the balance of power will make some countries feel less secure because of the anarchist character of the international system, where there is no hierarchically superior guarantor of global peace.

Threat perception has become central to theories of war, deterrence and compatibility, alliances, and conflict resolution. The threat was originally equated with military force, but later scholars took seriously the source of the threat regardless of military capability [24].

The perception of threats is important to national security, which is a fundamental concern of the government. The problem with threats, as Barry Buzan observes, is that they come 'in many forms, vary widely in range and intensity, pose risks that cannot be accurately assessed, and depend on uncountable probabilities' [25].

Raymond Cohen [26] in his book "Threat Perception in International Crisis" states: threat perception is the determining variable between

action and reaction in a crisis in international relations. When the threat is not felt, even in the presence of objective evidence, there will be no mobilization of defense resources. Hence the surprise phenomenon. Secretly, threats can be felt, and countermeasures are taken, even when the opponent has no malicious intent.

The problem is that the perception of threats can sometimes be wrong, and this can have enormous consequences for international politics. This error in perception is called "misperception" in the literature. Misperception occurs because threats tend to be exaggerated or underestimated. Indeed, a country may feel a threat if it does not exist, or vice versa. many misperceptions [27].

2.4 National Defense

State defense means national defense, and security is largely defined in a way that reinforces this equation [28]. State Defense is responsible for the preservation and continuity of the country. This includes fighting drug trafficking both at home and abroad, fighting organized crime, protecting borders, fighting trafficking in persons, safeguarding state interests in the international arena, which is increasingly competitive, be it economic, political, or even environmental interests [29].

The concept of National Defense is a policy planning document that outlines the basic strategic principles of military defense, priorities, and measures to ensure national defense. The concept of National Defense provides guidelines for times of peace and when national security is threatened.

National defense capacity rests on well-planned, coherent, and coordinated political leadership, as well as cooperation between the state authorities, the Indonesian national army (TNI), and the public. This is an essential prerequisite for preventing and defeating threats to national security and for dealing with consequence management.

The national defense base is the Indonesian National Army which is developed as a defense asset that is professionally trained and equipped with modern technology. In ensuring national defense, the quality of the TNI's capabilities is a priority. Likewise, with the competitiveness of the soldier's profession, its professional development and motivation are also very important.

To facilitate the contribution to international security, Indonesia must participate in international operations. The Indonesian National Army must strengthen cooperation with the armed forces of neighboring countries, especially ASEAN, and jointly develop new military capabilities from a long-term perspective.

To increase the effectiveness of national defense, it is imperative to ensure a long-term national defense funding mechanism, which will provide a gradual increase in national defense funds every year, to reach 2% of the gross domestic product in the future. This objective is related to the country's economic growth and is based on the efficient use of the financial resources of the defense sector, and facilitates the development and modernization of the TNI.

2.5 Rental Concept

Although the concept of rent has repeatedly been the subject of controversy since the era of classical economics, it is still one of the most important concepts in debates about economic development and the role of government, in public choice theory, and resource-based views. [30].

The term 'rent' is an unfortunate term. This means that in Economics it is different from ordinary usage. In colloquial speech, the term rent is applied to the regular periodic payments made to rent a particular asset.

In simple words, 'rent' is used as part of the product paid to landowners for goods and services. In economics, however, rent is defined differently over time. Thus, renting only refers to payments for factors of production for which the elastic supply is imperfect. For example, the price paid for land use.

The theory of economic rent was first put forward by the Classical British Economist David Ricardo (1773-1823) in his book "The Principles of Political Economy and Taxation", defines rent as: "Principles of Political Economy and Taxation", defines rent as: "The share of produce paid to landlords due to the original and indestructible power of the land, Ricardo in his theory of rent has emphasized that rent is a reward for land services that remain in stock. . Second, it arises because of the original, indestructible quality of the soil. " (Indestructible original strength of soil includes natural soil, fertility, mineral deposits, climatic conditions, etc.) [31].

Modern economists such as Pareto, Mrs. Joan Robinson, Boulding, Sigler, Shepherd, have tried to simplify and generalize the Ricardian rent theory (http://economicsconcepts.com/modern_theory_of_rent.htm) [31]. According to them, the Ricardian rental theory is too closely related to land (http://economicsconcepts.com/modern_theory_of_rent.htm). This gives rise to the impression that rent is a specific income from land alone. The fact, however, is that other factors of production such as labor, capital, and entrepreneurship can also generate economic rents. The determination of rent, say modern economists, can be explained in the same way as the reward of other factors, namely by the forces of demand and supply (economicsconcepts.com) [31].

The reasons for renting to be better than buying are stated by Haury [32]. including no maintenance or repair costs, access to facilities, no real estate taxes, no down payment, more flexibility for housing, decreased property value, flexibility to save. , fixed rental amounts, lower insurance costs, and lower utility costs.

Six reasons for renting according to Ghilarducci [33], are: renters don't pay for repairs, renters get nice stuff too expensive for owners, renters don't tie up their money, renters have more bargaining power at work, renters have more flexibility in recessions, and renting can be good for the economy and the climate.

3. MATERIALS AND METHODS

The fact that geopolitical tensions are increasing in the South China Sea requires Indonesia to protect the Natuna sea borders from spills over open conflicts. This requires a balanced weapon capability with regional countries.

As we know, Indonesia adheres to the principle of a free and active foreign policy, so that Indonesia does not have a military alliance with any country. To obtain weapons quickly, it is impossible to rely on the domestic arms industry or buy from developed countries considering that the defense budget is insufficient. Therefore, researchers offer a renting policy as a solution to get weapons quickly and cheaply compared to buying.

This research is qualitative research and using tool analysis rental theory as applied theory to

solve the problems. Following the object of this study, this type of research is included in the category of library research, namely, first, by recording all findings regarding the potential for conflict in the South China Sea and the policy of renting defense equipment in general in each research discussion obtained in the literature-literature, and sources, and / or recent findings.

By using data from various references, both primary and secondary. The data is collected using documentation techniques, namely by reading (text reading), reviewing, studying, and recording literature that is related to the issues discussed in this paper.

The purpose of descriptive research is to make a systematic, factual, and accurate analysis of the facts of the nature of a particular population or area. This research is used to analyze the policy of hiring defense equipment to strengthen the presence of the Indonesian military in responding to potential conflicts in the South China Sea.

4. RESULTS AND DISCUSSION

4.1 Policy

Since President Jokowi made a critical statement about China's claim in Indonesia's Exclusive Economic Zone (EEZ), various harsh responses to China have appeared in the media, especially concerning Jokowi's speech, "We will defend sovereignty in the Natuna Sea. There is no such thing as a bargain on sovereignty. the territory of our country. " Jokowi deliberately sailed to the northern boundary of the EEZ face-to-face with dozens of Chinese fishing boats fishing in the area even though they were protected by large Chinese coast guard vessels [34]. Since 1996 Indonesia has deployed more than 20,000 Indonesian National Army personnel to guard Natuna which has the largest gas reserves in Asia Under international law, Indonesia is entitled to its EEZ in the waters around Natuna Island and is entitled to the resources in the area.

The Indonesian government continues to make several diplomatic efforts with China so that the South China Sea dispute does not extend to Natuna. Both parties have agreed to prioritize diplomacy by implementing the Declaration on the Conduct of Parties in the South China Sea (DOC). Apart from that, Indonesia has also proposed a zero-draft code of conduct for the South China Sea which can be used as a weapon for Indonesian diplomacy. The three

points, namely: Creating mutual trust. Prevent incidents from happening. Manage incidents, if they do occur and cannot be avoided [35].

The Indonesian government itself has drawn up a strategy related to handling this Natuna 'conflict'. This strategy was discussed in a meeting at the office of the Coordinating Ministry for Political, Legal, and Security Affairs of the Republic of Indonesia (Kemenko Polhukam), which was attended directly by several ministers. Apart from Foreign Minister Retno Marsudi, this meeting was also attended by Minister of Defense Prabowo Subianto, Minister of Transportation Budi Karya Sumardi, Minister of Law and Human Rights Yasonna Laoly, and Coordinating Minister for Political, Legal and Security Affairs Mahfud MD as chairman of the meeting [36].

As is known, China has submitted several joint development proposals in the South China Sea since 2017, to the Philippines, Vietnam, and Indonesia. In this proposal, China proposes to form a Sparty Resource Management Authority (SRMA), with membership not only from the disputing claimant countries, namely Brunei, China, Malaysia, Vietnam, and the Philippines but also from Indonesia [37]. Indonesia must reject the proposal because it can drag Indonesia into the vortex of territorial dispute conflicts. Indonesia's position is clear, Indonesia is not a plaintiff of any feature in the South China Sea, so there are no pending maritime boundaries with China. But China unilaterally insisted Indonesia's Exclusive Economic Zone (EEZ) and the continental shelf off the Natuna Island coast overlapped and claimed to be the 'nine-dash line'.

4.2 National Security

National security is essentially a basic need for all countries, whatever the shape of the country and whatever the government system. Even so, a country that adheres to an authoritarian system to run the government at the same time to maintain the strength and stability of the country concerned [38].

Barry Buzan divides the security sector into five areas; military, political, environmental, economic, and social. The military approach means only one of them in the national security system. The role of the military focuses on the capabilities of defense institutions, threat assessment, and others [39].

National Security can be interpreted as both a condition and a function. As a function, national security will produce and create a sense of security in a broad sense, which includes a sense of comfort, peace, serenity, and order. This kind of security condition is a basic human need besides welfare. The understanding of the meaning and substance contained therein will vary depending on values, perceptions, and interests [40].

Each country has its own national security system, depending on nature, type of threat, and geographical conditions. National security is a requirement for maintaining the survival of the state through the use of economic power, diplomacy, projection of military power, and political power.

Indonesia's national security is related to how to maintain the sovereignty of Indonesia as a whole as a nation. The institution responsible is the Indonesian National Army, by Indonesian National Army Law no. 34 of 2004, which states that the main task of the Indonesian National Army is to uphold the sovereignty of the country, to maintain the integrity of the territory of the Republic of Indonesia based on Pancasila and the Constitution of the Republic of Indonesia in 1945, and to protect all nations and all Indonesian bloodshed from threats and harassment the integrity of the nation and the country.

In carrying out its main duties, the Indonesian National Army is very dependent on the strength of the main weapons system, both the Army, Navy, and Air Force. Therefore, the Indonesian government has developed the TNI's combat strength through the MEF (Minimum Essential Force) policy. The need for defense equipment is supported by the capability of the domestic defense industry and purchases from other countries through the Transfer of Technology scheme. However, the government's financial capacity is a major factor hindering the TNI's strength development program. Apart from that, the technical mastery of the domestic defense industry has not been able to compete with global competitors.

4.3 National Defense

The concept of National Defense is a policy planning document that outlines the basic strategic principles of military defense, priorities, and measures to ensure national defense. The concept of State Defense provides guidelines for

times of peace and when national security is threatened.

In the Law of the Republic of Indonesia number 3 of 2002 concerning national defense, it is stated that national defense is one of the functions of the state government which is an effort to realize one national defense unit to achieve national objectives, namely to protect the entire nation and all of Indonesia's blood, promote public welfare, educating the nation's life and taking part in implementing world order based on freedom, eternal peace, and social justice.

National defense is carried out through efforts to build and develop the capability, deterrence of the state, and nation, as well as overcoming every threat. This law places the Indonesian National Army as a means of defense of the Unitary State of the Republic of Indonesia. This is in line with the main duties of the TNI, namely: upholding the sovereignty of the state and maintaining the territorial integrity of the Republic of Indonesia.

The basis of national defense is the Indonesian National Army which is developed as a defense asset that is professionally trained and equipped with modern technology. In ensuring national defense, the quality of the TNI's capabilities is a priority. Likewise, with the competitiveness of the soldier's profession, its professional development and motivation are also very important.

To increase the effectiveness of the Indonesian National Army in national defense, a long-term national defense funding mechanism is needed, which will provide a gradual increase in national defense funds every year, to reach 2% of the gross domestic product in the future. This objective is linked to the country's economic growth and is based on the efficient use of the defense sector's financial resources, and to facilitate the development and modernization of the TNI. For example: To optimize the use of the defense budget, Indonesia prioritizes the priority scale in compiling the Indonesian National Army force structure in the Minimum Essential Forces Phase III force development program 2019-2024.

4.4 Rental Concept

The policy of renting to acquire military weapons systems quickly may sound unusual. In fact, when viewed from its understanding, renting a weapons system has the potential to succeed if an agreement is reached between the two

parties. Renting is a reciprocal agreement. According to the Big Indonesian Dictionary, rent means using something by paying rent, and renting means using it by paying rent. The essential elements of renting are goods, prices, and a certain time. As with the sale and purchase agreement, the renting agreement is a conceptualism agreement, where the agreement is formed based on an agreement between the parties, mutually binding themselves.

In the rent agreement, there are two parties, namely the tenant and the tenant. The tenant should hand over the goods to be enjoyed by the tenant, while the tenant should pay the rental price. Goods submitted in the rental are not to be owned as in the sale and purchase agreement, but only to enjoy its use.

According to the provisions of article 1320 of the Civil Code, for the validity of an agreement four conditions are needed, namely: agreeing that those who bind themselves; the ability to make an engagement; a certain thing; and a lawful cause.

The agreement of the parties is one of the important conditions in the validity of an agreement. Agreements are marked by offer and acceptance utilizing: written, oral, secretive, and with certain symbols. Certain matters are related to the object of the agreement, whether in the form of goods or services that can be valued in money. This particular thing in the agreement is called an achievement that can be in the form of goods, expertise, or energy and not doing something.

The elements listed in the renting agreement are the party renting out and the renting party; there is an agreement between the two parties; there is a renting object; there is an obligation on the part of the lessee to hand over enjoyment to the lessee over an object; and there is an obligation from the lessee to hand over the rent to the lessee [41].

As neighbors who must share peace and prosperity, Indonesia and other Asian countries have interdependent relationships. Based on this understanding, Indonesia's basic foreign policy aims at pursuing closer relations and better understanding with these Asian countries and contributing to the stability and development of the region.

Taking into account the development of the increasingly heated situation in the South China

Sea, Indonesia must endeavor to strengthen relations with Asian countries and develop relations with ASEAN as a cooperative regional organization. Indonesia's main diplomatic efforts are mainly carried out to maintain regional stability.

Based on these considerations, Indonesia can rent military combat equipment from friendly countries, especially countries that have strong interests in the South China Sea. For example, Japan and the United States are directly involved in interests against China. Therefore, reliable international diplomacy is needed to convince these countries.

International diplomacy also serves as a tool to calm existing conflicts. With the implementation of this practice of international diplomacy, Indonesia, through the Ministry of Foreign Affairs, is expected to have a comprehensive understanding of various international issues so that the public will be able to understand the foreign policy steps chosen by the government. The ideal goal to be achieved in the future is the creation of a partnership between the state/government and non-state actors with an interest.

Miroslav Nincic describes three criteria in defining national interests [42]. First, these interests must be vital so that their attainment becomes the top priority of the government and society. The interest in implementing this policy of renting combat equipment is vital because it is related to increasing the military's ability to safeguard the sovereignty of the Republic of Indonesia in the North Natuna Sea.

Second, national interests must relate to the international environment. The policy of renting combat equipment is, of course, related to the international environment because it is based on the situation in the South China Sea which is getting hotter as a result of China's unilateral claim through the nine-dash line in the South China Sea which is strongly opposed by the United States.

Third, the national interest must go beyond the particularistic interests of individuals, groups, or government agencies so that it becomes the concern of the whole community. Strengthening the military presence in the South China Sea is of course a concern for the Indonesian people who want the territorial integrity of the Republic of Indonesia for the security and welfare of the people.

The policy of renting combat equipment to strengthen the military presence in Natuna is a step that must be seriously considered. There are many advantages to renting rather than buying. As stated by Ghilarducci [33], there are at least 6 reasons to rent: renters don't pay for repairs, renters get nice stuff too expensive for owners, renters don't tie up their money, renters have more bargaining power at work, renters have more flexibility in recessions, and renting can be good for the economy and the climate.

Although the rental policy has advantages, it also has some disadvantages: arms owners can raise the rental price at any time, the tenant cannot make any changes to the arsenal without the owner's consent, and military secrets are not fully guaranteed.

The rental agreement states the agreements between the two parties regarding the technicality of its implementation, including technical specifications of the weapons, quantity, delivery method, timeliness of delivery, etc.

5. CONCLUSION

Indonesia takes a firm stance on China's claims in Indonesia's Exclusive Economic Zone (EEZ), Indonesia will maintain its sovereignty in the Natuna Sea. There is no such thing as bargaining about the territorial sovereignty of the Republic of Indonesia. The Indonesian government continues to make several diplomatic efforts with China so that the South China Sea dispute does not extend to Natuna. Indonesia has also proposed a zero draft code of conduct for the South China Sea which can be used as a weapon for Indonesian diplomacy. The three points, namely: Creating mutual trust. Prevent incidents from happening. Manage incidents, if they do occur and cannot be avoided.

Indonesia's national security is related to how to maintain Indonesia's territorial sovereignty as a whole as a nation. The responsible institution is the Indonesian National Army, following Indonesian National Army Law no. 34 of 2004. In carrying out its main duties, the Indonesian National Army is very dependent on the strength of the main weapons system, both the Army, Navy, and Air Force. Therefore, the Indonesian government has developed the TNI's combat strength through the MEF (Minimum Essential Force) policy. The need for defense equipment is supported by the capability of the domestic defense industry and purchases from other

countries through the Transfer of Technology scheme. However, the government's financial capacity is a major factor hindering the TNI's strength development program. Apart from that, the technical mastery of the domestic defense industry has not been able to compete with global competitors.

The basis of national defense is the Indonesian National Army which is developed as a defense asset that is professionally trained and equipped with modern technology. In ensuring national defense, the quality of the TNI's capabilities is a priority. Likewise, with the competitiveness of the soldier's profession, its professional development and motivation are also very important. To increase the effectiveness of the Indonesian National Army in national defense, a long-term national defense funding mechanism is needed, which will provide a gradual increase in national defense funds every year, to reach 2% of the gross domestic product in the future. This objective is linked to the country's economic growth and is based on the efficient use of the defense sector's financial resources, and to facilitate the development and modernization of the TNI.

The policy of renting combat equipment to strengthen the military presence in Natuna is a step that must be seriously considered. There are many advantages to renting rather than buying. As stated by Ghilarducci [33], there are at least 6 reasons to rent: renters don't pay for repairs, renters get nice stuff too expensive for owners, renters don't tie up their money, renters have more bargaining power at work, renters have more flexibility in recessions, and renting can be good for the economy and the climate.

CONSENT

As per international standard or university standard, owner's written consent has been collected and preserved by the authors.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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