Strategic Development of Indonesia’s Outermost Islands as an Enhancement of National Maritime Defense and Sovereignty

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Abstract  
The Republic of Indonesia as an archipelagic country has strategic territorial waters and a wealth of maritime resources. Indonesia’s strategic position creates an area that has the outermost islands in the national border area. The outer islands of Indonesia are national natural resources to be utilized for their potential through the development of maritime resources. The huge potential of Indonesia’s territory demands the development of the outer islands through economic improvement, investment, and tourism. The responsibility of the state in maximizing the potential of Indonesia’s outermost region from a legal perspective is to maximize the determination of maritime boundaries in protecting the nation’s sovereignty based on international law and national law. The article aims to analyze the projections of the Indonesian Government on the development of the outermost islands in strengthening maritime sovereignty as a form of anticipating violations of sovereignty. This paper argues that national defense maximizes and complements the implementation of the economy, investment, and tourism. Thus, the problem that arises is how the Indonesian Government's policy towards the development of the outermost islands is based on the aspect of national defense in increasing the economic, investment and tourism potential in the outer islands of Indonesia. The development of the outer islands is a holistic focus of the Indonesian Government in increasing economic potential, investment and tourism and ensuring national sovereignty through increasing national defense.

Keywords: Economic development; Law of the sea; Small outermost islands; Sovereignty.

1. INTRODUCTION

The archipelago country of Indonesia, which has been recognized by the world as a maritime country surrounded by two oceans, is recognized for its natural marine wealth, especially the potential of islands which have maritime wealth. Indonesian waters have archipelagic and inland waters covering 3,110,000 km², an additional zone area of 270,000 km², territorial sea area of 290,000 km², continental shelf area of 2,800,000 km², an area of the exclusive economic zone (EEZ) covering an area of 3,000,000 km², and

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the area of national waters as a whole is 6,400,000 km$^2$.\footnote{Kementerian Koordinator Bidang Kemaritiman dan Investasi Republik Indonesia, “Menko Maritim Luncurkan Data Rujukan Wilayah Kelautan Indonesia,” https://maritim.go.id/menko-maritim-luncurkan-data-rujukan-wilayah-kelautan-indonesia/} According to the vastness of the national maritime area, Indonesia’s outer small islands (pulau-pulau kecil terluar, abbreviated as PPKT) have a total area of 2,000 km$^2$ including 42 populated PPKT and 69 uninhabited PPKT but not limited to ecosystem conditions and biological wealth.\footnote{Deddy Theohery, “Pengelolaan Pulau-Pulau Kecil Terluar Indonesia Dalam Perspektif Hukum Laut Internasional,” Jurnal Ilmu Hukum Alethea 2, no. 1 (2018): 3.} The condition of Indonesian PPKT includes two aspects which are security and geographic ecology (bioregion).\footnote{Metrin Geopani Simatupang, “Analisis Kebijakan Pengelolaan 12 Pulau Kecil Terluar Indonesia (Ditinjau dari Proses Sekuritisasi dan Lingkungan Hidup) = Policy Analysis for Management of the 12th Strategic Outer – Most Islands of Indonesia” [Master’s Thesis, Department of Environmental Science Studies University of Indonesia, 2009], 4.} The security aspect shows that PPKT is experiencing damage due to sand mining (reclamation) which has a major impact on geographic points, especially on the coastline, smuggling of fuel, and illegal fishing. Therefore, the conditions of PPKT in general include the limited activities of potential utilization of the area, the lack of development of biological ecosystems, limited accessibility, and low security and defense activities.\footnote{Suharyanto, “Pulau-Pulau Kecil Sebagai Pusat Pertumbuhan Ekonomi di Wilayah Perbatasan Indonesia: Review Aspek Teknis, Sosial dan Ekonomi,” Bulletin Jurnal Ilmiah Marina Sosial Ekonomi Kelautan dan Perikanan 6, no.1 (2020): 75.}

PPKT is an island with an area of less than or equal to 2,000 km$^2$ which has basic points of geographical coordinates connecting archipelagic sea baselines in accordance with international and national law.\footnote{Minister of Defense Regulation No. 10 of 2010 concerning Security Operations Allowance for TNI and PNS Servants Who Serve in Security Operations on the Outerest Small Islands and Border Areas, Art. 1 (7).} The National Land Agency asserts that PPKT of Indonesia are small islands that have basic points of geographical coordinates that connect straight archipelagic baselines in accordance with international and national law.\footnote{Minister of Agrarian and Spatial Planning/Head of the National Land Agency Regulation No. 17 of 2016 concerning Land Management in Coastal Areas and Small Islands, Art. 1 (4).} The straight archipelagic baselines based on the above regulations include a straight line connecting the outermost points on the low water line at the outermost point of the outermost island, one outermost dry coral point with the outermost point on the low water line at the outermost point of the outermost island, and the other adjacent dry corals.\footnote{Government Regulation No. 38 of 2002 concerning List of Geographic Coordinates of the Basic Line Points of the Indonesian Islands, Art. 3.}

The utilization of PPKT as an enhancement of maritime defense makes it a strategic area of the global trade system.\footnote{Bernhard Limbong, Poros Maritim (Jakarta: Pustaka Marharetha, 2015), 47.} Indonesia can take advantage from PPKT while still maintaining its national sovereignty by maximizing defense and security, without requiring reclamation activities as conducted by the Chinese Government which overrides international law and sparked...
territorial disputes with member countries of the Association of Southeast Asian Nations (ASEAN). This is in line with the Global Maritime Fulcrum (Poros Maritim Dunia, abbreviated as PMD) concept of the President of the Republic of Indonesia, Mr. Joko Widodo. Through the idea of PMD, Indonesia can actually take advantage of its greatest power and become a world power in the maritime sector. Indonesia's dreams and aspirations as a world power in the maritime sector require an adequate investment in infrastructure through stable and good economic growth that the PMD idea does not focus on maritime wealth, but includes maximizing national defense in national waters.

Several writings have discussed about the concept of Indonesia’s PPKT development. First, the discussion focuses on the structure of economic improvement has become the main focus of PPKT development which is oriented towards expanding employment, alleviating poverty, and increasing the growth of business. Second, PPKT development which is viewed from the selection of an island as a PPKT development area through the use of a technology system through spatial and/or geographic aspects. Third, investment aspects as priority for PPKT development through accelerating investment, especially through maritime potential. Fourth, the tourism sector is a focus of the government through the development tourism which is included in the National Medium Term Development Plan agenda. Some have noted that the potential of tourism, culture, and customs in the PPKT community is a priority for the development of PPKT. Among these publications, it appears that none has focused in observing the interrelations potential between the PPKT and sectors that may bring mutual benefits.

This paper argues that the various focus of the government in the economic, investment, tourism and even technology sectors will be

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12 Ibid, 76.
maximally implemented by the government and other stakeholders through the development of defense and security, including the development of PPKT by referring to the Minimum Essential Force (MEF). This article systematically examines Indonesia’s national defense and security policies through the development of PPKT in supporting economic, investment and tourism potential to increase national sovereignty. The first part will examine the issue of Indonesia’s maritime sovereignty based on national territorial data. The second part will examine Indonesia's maritime defense strategy and examine the aspects of the utilization of PPKT through defense and security in supporting economic, investment and tourism potential. The third part will discuss about the development of PPKT as a strategy to increase national sovereignty through case studies of PPKT development, threats that arise against sovereignty in the PPKT area, and maritime border agreements in the national border area as a measure of international legality. The last section will be completed with conclusions to conclude the discussion of this article.

2. RESULT AND ANALYSIS

2.1. Territorial Waters and State Sovereignty of Indonesia

The territory of Indonesia is an element of the country which covers archipelagic waters, inland waters, territorial seas, and land.17 The territory of the country has an aspect of a close relationship to sovereignty. Sovereignty has the same milestone as the history of the birth of sovereignty in modern international law. Indonesian waters become a major force in the maritime sector that can be combined with state sovereignty and articulated as maritime territory. The ASEAN countries, which are directly adjacent to national waters, safeguards the maritime region of Southeast Asia is dominated by fishing boat piracy, illegal fishing, and terrorism, which are a concern for ASEAN as an organization of the Southeast Asian nations’ union.18

As a sovereign country, Indonesia has sovereign rights in its jurisdiction, as well as international law and applicable laws and regulations. As the Law on State Territory has stipulated in detail the national territorial waters which include Indonesian national jurisdiction including the EEZ, the continental shelf, and additional zones. Reaffirmed through the United Nations Convention on the Law of the Sea 1982 (UNCLOS 1982), the continental shelf extends along the land area to the edge of the outer boundary and reaches 200 nautical miles measured from the baseline of the territorial sea and the outer edge does not extend.19 Sovereignty over archipelagic states is established through UNCLOS 1982 that archipelagic states are countries that as a whole consist of one to more

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17 Law No. 43 of 2008 concerning the Territory of the State, Art. 1.
islands which include other islands, and that archipelagic state through its sovereignty covers up to the PPKT.\textsuperscript{20}

As UNCLOS 1982 stipulates, the maritime zone covering the territorial sea, EEZ, archipelagic waters, and the continental shelf is under the jurisdiction of the state.\textsuperscript{21} The provisions on the continental shelf are strengthened through the Law on the Continental Shelf which confirms that the national continental shelf has an area depth of up to 200 meters.\textsuperscript{22} Sovereignty is closely related to the territory, through the population and capacity that is subject to state power becomes an obstacle if state sovereignty is not maintained.\textsuperscript{23} As in UNCLOS 1982, sovereignty includes air space and the seabed and the layers beneath it.\textsuperscript{24}

As UNCLOS 1982 stipulates in detail the width of the territorial sea, the width of the sea cannot exceed 12 nautical miles based on measurements through baselines.\textsuperscript{25} An additional zone has been set up for 24 miles calculated from the baseline over the width of the territorial sea.\textsuperscript{26} In addition to the additional zone, the EEZ is set to be no more than 200 nautical miles calculated from baselines over the width of the territorial sea.\textsuperscript{27} The continental shelf is also stipulated not to exceed 350 nautical miles from the baseline, without exceeding 100 nautical miles based on the depth boundary line of 2,500, the coastal state is obliged to establish a limit to the outer line of the continental shelf beyond 200 nautical miles above the base line.\textsuperscript{28} UNCLOS 1982 regulates in detail the settlement of disputes for member states in Section 15 of the convention.\textsuperscript{29} A strong vision is needed for Indonesia to build an ideal border area in the future.\textsuperscript{30}

2.2. Utilization of PPKT as a National Defense and Security Strategy in Maximizing Economic, Investment, and Tourism

The development of the international world in the defense industry sector has become a particular concern. Indonesian diplomacy carries out various concepts of Maritime Defense Diplomacy which aim to strengthen security stability and achieve the objectives of defense diplomacy through

\textsuperscript{22} Law No. 1 of 1973 concerning the Continental Shelf, Art. 1.
\textsuperscript{25} \textit{Ibid}, Art. 3.
\textsuperscript{26} \textit{Ibid}, Art. 33.
\textsuperscript{27} \textit{Ibid}, Art. 57.
\textsuperscript{28} \textit{Ibid}, Art. 76.
\textsuperscript{30} Humphrey Wangke, \textit{Kerjasama Indonesia-Malaysia Dalam Pengelolaan Perbatasan di Kalimantan} (Jakarta: Yayasan Pustaka Obor Indonesia, 2017), 61.
the optimization of the three instruments, namely; law, diplomacy, and military. The concept of strategy through diplomacy is considered to have good effectiveness, considering that the problem of disputes over sovereign territory is a "crime" for maritime security due to different interpretations of the UNCLOS 1982. Given the idea of PMD which was instructed by President Joko Widodo, it is a vision for the country to build Indonesia's maritime wealth through national maritime defense to achieve prosperity, dignity, and unity. Indonesia's strategy in maximizing PPKT development can be reviewed based on several supporting strategies, including the following:

2.2.1. Strengthening International Maritime Cooperation

Strengthening diplomatic relations in the field of defense and security through maritime policies is the key for a country in maximizing national defense and security. An example is the collaboration between Indonesia and India through the Regional Comprehensive Economic Partnership in 2019 which is a strategic partner in the region and globally through the Joint Task Force to maximize two main components, namely the development of connectivity and cooperation between the Aceh and Andaman-Nicobar regions. Maritime cooperation has been carried out by Indonesia in maximizing the international geopolitical vision related to the idea of the World Maritime Axis through the Indian Ocean Rim Association (IORA), the ASEAN Maritime Forum (AMF), and the Expanded ASEAN Maritime Forum (EAMF). Through comprehensive international maritime cooperation, it is hoped that it can deepen the integration and stimulation of the national economy towards economic growth in supporting the utilization and development of national PPKT.

2.2.2. Maximizing National Defense and Security

31 Kementerian Luar Negeri Republik Indonesia, “Diplomasi Pertahanan Maritim: Strategi, Tanggung Jawab, dan Prospek,” https://kemlu.go.id/download/L3NpdGVzL3B1c2F0L0RvY3VtZW50cy9LbGx5LWJsb2dhaWxlc3RyZXN0cy5odG1sLWVyb29kLXNldF93QGg=.
Indonesia as a maritime country has a high chance of experiencing violations against its territorial waters or sovereignty given Indonesia’s strategic position. Transnational crime will be a big challenge for the Indonesian Government to be overcame through the military enhancement of the Indonesian National Army (Tentara Nasional Indonesia, abbreviated as TNI), the National Marine Security Agency, and the Ministry of Maritime Affairs and Fisheries, as well as the National Agency for Border Management (BNPP). Utilization of state defense in national marine security is maximally integrated through supervision of international sea lanes that have the potential to cause violations of national waters. Therefore, the integration of human resources through the placement of apparatus to maintain the existence of state defense in the PPKT area is a form of implementation of the PPKT management.

2.2.3. Economic and Investment Acceleration

Through the economic aspect, a country maximizes strategic plans in the maritime sector such as the development of adequate marine transportation as an economic pathway to accelerate the rate of economic growth in Indonesia’s coastal areas; the utilization of maritime potential to become the economic center of world trade; and the succession of the “sea highway” plan to maximize shipping connectivity for the nation’s economic growth. PPKT management cannot be managed by the government alone, it takes an effective aspect through cooperation, either through State-Owned Enterprises or Private Business Entities in the form of investment. Through the establishment of the Ministry of Investment as an agency that plays a role in maximizing economic and investment acceleration, it will be a new challenge for the government to maximize local and foreign investment. The development of PPKT is of great benefit in terms of increasing the economic and investment to maximize tourism potential in PPKT which is an advantage for residents.

The international community recognizes that international territorial boundary tensions and adjustments are needed between coastal and non-coastal states under the UNCLOS 1982. This is because marine resources in each country have borders between other countries, sovereignty claims will be made regardless of the EEZ restrictions and the boundaries of a country’s continental shelf. National defense capability is carried out by strengthening the naval fleet that can be classified such as warships,

submarines, maritime area guarding activities through routine regional patrols.  

The structure of Indonesia’s maritime defense strategy covers various complementary aspects including defense and security, international relations through diplomacy, economy through trade, investment, tourism, and the effectiveness of PMD ideas. Through the effectiveness of PMD, the marine sector will play a centric role in the entire national archipelago and open up large investment opportunities for foreign and domestic investors to invest in the maritime sector and provide benefits in maximizing PPKT.  

2.3. Defense and Security Development of PPKT as a Strategy to Increase the Sovereignty of Indonesia

Indonesia has a strategic area and is directly adjacent to various neighboring countries. Indonesia has a national distribution of PPKT totaling 111 islands. Amongst those islands, there are at least 12 islands that have special attention related to security and defense in terms of the coordinates of the two islands. There are several islands that have concerns over their border areas, including Dana Island, Batek Island, Brass Island, Fanildo Island, Fan Island, Marampit Island, Marore Island, Miangas Island, Sekatung Island, Nipa Island, Beerhala Island, and Rondo Island. In this case, the PPKT development strategy requires the front line to safeguard and defend the sovereignty and integrity of the country.

The legal airspace issue included the management of Flight Information Region (FIR) on Natuna Island, Riau Archipelago Province by Singapore. Geographically, the Riau Archipelago has a position that is close and adjacent to neighboring countries. FIR is an airspace of defined dimensions within which flight information service and alerting service are provided. The islands of Natuna Regency are the outermost islands of the national strategic, especially the boundaries adjacent to the South China Sea (SCS) and several neighboring countries, namely Vietnam and Cambodia. The security of Natuna Island is integrated by law enforcement units, namely the TNI and the Indonesian National Police (Kepolisian Negara Republik Indonesia, abbreviated as POLRI) in maximizing national defense based on securing the maritime and coastal areas of the archipelago.

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45 Annex 2 to the Convention on International Civil Aviation.
Natuna Island, which is part of the Riau Archipelago, has FIR as an air traffic information service which is controlled by Singapore. This is contrary to the concept of sovereignty as a state’s highest power, where applicable spaces are limited by the boundaries of the country’s territory.\(^{46}\) As Singapore controls FIR over Indonesian airspace, the Indonesian Government is concerned about the intervention of Indonesia’s exclusive rights to regulate and control its airspace. Sovereignty is an exclusive right for every country over its airspace and territorial territory.\(^{47}\) The management of Indonesia’s FIR given to Singapore not only has a positive impact on the fulfillment of international flight safety, but also in Indonesian airspace.\(^{48}\)

Beside Natuna Island, there is another legal issue related to management of strategic project for the development of the outer islands, namely the Nipa Tank Storage Terminal, which is a defense-based economic area on Nipa Island, Riau Archipelago.\(^{49}\) The government’s focus on the utilization of the Nipa Island area as a conservation area is in line with the purpose of using PPKT, namely environmental preservation based on statutory regulations regarding the utilization of PPKT.\(^{50}\) Nipa Island is an example of defense development on the outer islands of Indonesia and worries will disappear because of the reclamation project by Singapore.\(^{51}\)

Apart from Singapore, a growing maritime issue is a border issue of the outmost island in Eastern Indonesia, which is adjacent to Australia. As Australia’s territory is located 200 nautical miles from the Indonesian border, particularly between Christmas Island and Java Island, Ashmore Island and Roti Island and across the Torres Strait which is adjoining Indonesian territory.\(^{52}\) The maritime boundary between Australia and Indonesia is the longest maritime boundary area in the world and Indonesia is a major strategic partner in the Indo-Pacific region, thus a maritime strategy is needed to avoid maritime border territorial disputes.\(^{53}\)

Seeing these consequences, Australia is believed to have a strategic interest through a maritime approach based on the history of Australia’s
interests, including the establishment of military bases in the Pacific Islands.\(^{54}\) The position of the Malacca Strait, which is Indonesia’s geographic location between two oceans, namely the Indian Ocean and the Pacific, is the key for Singapore and India to fight China’s developing maritime interests in the Indian Ocean to control the Malacca Strait.\(^ {55}\)

The problem of regional waters has become a crucial issue of national importance, as in 2001 data there have been 61 cases in the field of transnational crime and theft of natural resources in the pacific region, particularly Southeast Asia, which are directly adjacent to Indonesia.\(^ {56}\) The defense and security of infrastructure in the coastal areas of the archipelago are of particular concern to the government, because violations of sovereignty of the national territory.\(^ {57}\) Territorial disputes in the SCS when China does not respect international norms and overrides international law through UNCLOS 1982.\(^ {58}\) Threats that arise against violations of sovereignty that threaten economic development, investment and tourism in the PPKT area are not only against inter-state forces through military fleets, but non-traditional forces can also threaten maritime power and state sovereignty, including piracy, maritime terrorism, and smuggling.\(^ {59}\)

In the international environment, an archipelago country like Indonesia has become a strategic discourse related to the international development because of its strategic position.\(^ {60}\) The security environment in the Asia Pacific region is prone to territorial violations, because it requires an appropriate implementation of UNCLOS 1982 to minimize maritime claims and international maritime crimes.\(^ {61}\) Threats or attacks that arise against violations of sovereignty that threaten economic development, investment, and tourism in the PPKT area are not only against inter-state forces through military fleets, but non-traditional forces can threaten maritime power and state sovereignty.\(^ {62}\)

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\(^{58}\) Tomohisa Takei, *op. cit.*, 48.


\(^{62}\) Kyunghan Lim, *loc.cit.*
For the sake of safeguarding the national maritime area from threats, violations and competition in international waters, there are several border agreements related to the national PPKT area that are oriented towards the Indonesian EEZ, including:

a. **First**, Maritime Border Agreement between Indonesia and Australia, including the Continental Shelf Agreement in 1971 which was ratified by Presidential Decree No. 42 of 1971. This agreement focuses on the Arafuru Sea boundary that connects the southern coast of Papua and the northern coast of Papua. In the southern region of the Arafuru Sea, to be precise in the Tanimbar Islands and south of Timor and Roti Islands, an additional border agreement was implemented in 1972 and was ratified by Presidential Decree No. 66 of 1972. Meanwhile, Java Island especially borders Christmas Island and Ashmore Island, a border agreement has been agreed in 1997 regarding the continental shelf and EEZ between two countries.

b. **Second**, Maritime Boundary Agreement between Indonesia and Philippine in 2011, through which the two countries agreed on the EEZ boundary between them, namely the waters of Sulawesi and the waters of the Philippines. However, there are still some parts of the line that have not reached an agreement on these maritime borders.

c. **Third**, Maritime Agreement between Indonesia and India. Two agreements between the two countries are the Continental Shelf Boundary Agreement which was agreed in 1974 and ratified by Presidential Decree No. 51 of 1974 and the Continental Shelf Agreement in 1977 which was ratified by Presidential Decree No. 26 of 1977. However, Indonesia and India have not reached an agreement regarding the EEZ boundaries of each country.

d. **Fourth**, Maritime Boundary Agreement between Indonesia and Malaysia. This agreement has resulted in an agreement in the Malacca Strait, SCS to Sulawesi waters in East Kalimantan. The agreement reached on the maritime area that includes the continental shelf which was agreed upon in 1969, and the maritime boundary for the Strait of Malacca which was agreed in 1970. However, the EEZ territorial boundary agreement of each country is still in the negotiation stage due to some differences in the interpretation between the EEZ and the respective continental shelf.

e. **Fifth**, Maritime Agreements between Indonesia and Palau. Until now, the two countries have not reached an agreement. Various bilateral and trilateral meetings have been held by the two countries to discuss Indonesia’s EEZ claims which are considered to have an overlap with Palau’s EEZ. Therefore, the two countries

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need to try to minimize different views on the determination of the EEZ boundary line to reach a balanced and fair agreement.

f. **Sixth**, Maritime Border Agreement between Indonesia and Papua New Guinea. This agreement has been reached between parties regarding the determination of certain boundary lines between the two countries, which include the water boundary that focuses on the continental shelf and the delineation of the Cise Dam which focuses on shipping lanes. This agreement was agreed in 1973 and ratified into Law No. 6 of 1973.

g. **Seventh**, Maritime Boundary Agreement between Indonesia and Singapore. This agreement was agreed by each country through the division of a regional agreement, namely the western region that was agreed in 2009 and ratified by Law No. 4 of 2010, and the central region which was agreed and signed in 1973. However, the eastern region has not reached an agreement until now. The eastern region, which is still in the negotiation process of the two countries, includes the Batam and Changi territories as well as the territorial waters of Singapore which adjoin the Singapore Strait.

h. **Eighth**, Maritime Boundary Agreement between Indonesia and Vietnam. This agreement focuses on the determination of the continental shelf of each country and has reached an agreement in 2003 and was ratified into Law No.18 of 2007. However, the arrangements for the EEZ of the two countries are still in the negotiation process due to different views regarding the EEZ boundary lines.

Besides the arrangement or agreement through the Indonesian maritime border agreement, the national PPKT development plan as the basis for national defense has several national laws that regulate the rules of Indonesia's sovereign territory as a foundation and juridical basis in supporting the strategy of utilizing Indonesian PPKT, including:

a. **The 1945 Constitution of the Republic of Indonesia**

   Indonesia as an archipelagic country has separate territories based on national territorial boundaries, as Article 25 A of the 1945 Constitution has detailed the boundaries of Indonesia's national sovereignty, which are characteristic of the archipelago. The constitution is an affirmation of positive national law regarding state sovereignty and regulates national geographical boundaries and the right for Indonesia to utilize the territory of the national state through Law No. 43 of 2008 concerning the Territory of the State. The establishment of Law No. 43 of 2008 marks the constitutionality of the state in determining national jurisdiction with other countries. In line with Article 25A of the 1945 Constitution, in Article 1 of the Law. No. 43 of 2008 concerning State Territory stipulates the territory of the state as an element of the state which is a unitary area of land,

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64 The 1945 Constitution of the Republic of Indonesia, Art. 25 A.
waters, archipelagic waters, and the territorial sea along with the seabed and subsoil.\textsuperscript{65} The regulation of national sovereignty will provide legal certainty over the scope of the state territory which includes the regulation of the national territory including the authority to manage state territory and sovereign rights based on the approach to welfare, security, and environmental sustainability. In terms of maximizing national sovereignty, Article 18A (1) and (2) of the 1945 Constitution stipulates the authority for the central and regional governments to regulate and utilize the potential of PPKT's natural wealth with due observance of the principles of justice and the benefit of natural resources utilization.\textsuperscript{66}

b. Law of the Republic of Indonesia No. 43 of 2008 concerning State Territory

This regulation is Indonesia's constitutional implementation in regulating territorial boundaries, sovereign boundaries, and national sovereign rights. National boundaries include EEZs, continental shelf, and additional zones over which states have sovereign rights and national and international powers. Indonesia's sovereign rights cover the land surface and the land below it to the interior which is not limited to the air space above the land surface.\textsuperscript{67} Thus, the State Territory Law constitutionally stipulates that Indonesia has sovereignty in archipelagic waters, inland waters, and territorial seas and has juridical rights in additional zones with a width not exceeding 24 nautical miles from the baseline, as well as sovereign rights which include continental shelf especially the seabed and subsoil. The authority to manage state territory based on sovereign rights includes determining policies and utilization of state territory, establishing state boundaries in PPKT, and carrying out supervision in sovereign territory and national jurisdiction. Therefore, this regulation optimizes the state's authority in managing and controlling the sea area and accelerating the boundaries of Indonesia's outermost regions including the outer islands.

c. Law of the Republic of Indonesia No. 3 of 2002 concerning National Defense

This regulation is the philosophy of the integrity and security of the Indonesian nation that regulates national defense as state sovereignty, the territory of the Indonesian state, and the safety of the nation from all forms of threats and disturbances. This regulation covers national defense, state defense system, defense administration, and state defense management.\textsuperscript{68} National defense aims to safeguard and protect the country, including the PPKT area, which is Indonesia's sovereign territory. National defense in the PPKT area is maximized

\textsuperscript{65} Law No. 43 of 2008 concerning State Territory, Art. 1.
\textsuperscript{66} The 1945 Constitution of the Republic of Indonesia, Art. 18 (1) & (2).
\textsuperscript{67} Ibid, Art. 5.
\textsuperscript{68} Law No. 2 of 2002 concerning State Defense, Art. 1.
through the fulfillment of the main components and supporting components in the national defense and security.

Meanwhile, the implementation of state defense in the PPKT is carried out through the development of border areas through a state defense and security approach including the determination of priority areas for defense in the PPKT area, increased supervision, guarding, and law enforcement in the PPKT, construction of military infrastructure, strengthening of the functions and authorities of the BNPP, and increasing the acceleration of border negotiations in PPKT areas. Thus, the development of military-based border areas aims to protect and maintain state sovereignty in defending the territory of the state which is a strong defense unit in the face of the threat of territorial violations.


This regulation is the endorsement of the UNCLOS 1982, which regulates the legal regimes of the archipelagic state in detail and has legally become Indonesia's national law. This regulation regulates the designation of territorial seas, additional zones, EEZ, international shipping through the straits, the continental shelf, high seas, sea and island regimes, and other provisions of the law of the sea. The EEZ part of a country requires regular supervision and patrols to maintain its sovereignty and prevent illegal activities. This regulation is very important in determining the basic point of the Indonesian archipelagic baseline. Besides, it is relevant for the national outer islands and coastal areas in measuring and determining the boundaries of national waters.

e. Law of the Republic of Indonesia No. 6 of 1996 concerning Indonesian Waters

This regulation affirms national sovereignty in the territorial waters covering archipelagic waters, inland waters, and territorial seas including land, inland waters, and the seabed beneath them including maritime wealth and territorial sea airspace. This regulation regulates in detail the national territorial waters and islands or parts of land and islands in Indonesia. This regulation is quite important for the Indonesian Government in regulating and supervising the passage of foreign ships which are endangering the national sovereignty, order and security of Indonesia, especially for carrying out prohibited activities in the territorial sea and Indonesian archipelagic waters. Thus, the enforcement of sovereignty and law in Indonesian waters is

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guaranteed, especially the jurisdiction of law enforcement in the territorial sea and the Indonesian archipelago.

f. Government Regulation of the Republic of Indonesia No. 38 of 2002 concerning List of Geographical Coordinates of the Points of the Base Line of the Indonesian Archipelago

The regulations regulate in detail the national geographic conditions, especially the straight baselines of the national archipelago which will connect the outermost points of the national outer islands and regulate in detail the baselines’ length of the islands and waters that are positioned on archipelagic baselines and cannot be separated from the configuration of the archipelago. This regulation regulates national waters connecting the sides of national waters to archipelagic baselines and straight lines connecting national archipelago lines and determining the width of the territorial sea. The function of this regulation is to accelerate the realization of sovereignty through the settlement of national boundaries, the realization of environmental sustainability through the application of the outermost island boundaries as protected areas, and the realization of community welfare through increased maritime services.


73 Ibid, Art. 5.

74 Presidential Regulation No. 78 of 2005 concerning Management of Small Outermost Islands, Art. 1.

75 Ibid, Art. 4.

g. Government Regulation of the Republic of Indonesia No. 62 of 2010 concerning Utilization of Small Outermost Islands

This regulation directly affirms that the utilization of PPKT is an activity of exploiting the potential resources of the PPKT and the surrounding waters with the condition that the utilization is no more than 12 nautical miles from the coastline with one main objective of protecting and maintaining national sovereignty. Based on this regulation, allowing the utilization of Indonesian PPKT can be utilized on three bases, namely community welfare, environmental preservation, and defense and security. This regulation maximizes the role and function of the utilization of the outermost islands as the basis for developing sovereignty through optimal and integrated management of coastal areas.

h. Presidential Regulation of the Republic of Indonesia No. 78 of 2005 concerning Management of Small Outermost Islands

This regulation confirms that the management of PPKT is an integrated activity in developing and utilizing PPKT with one main objective, namely maintaining national sovereignty. It was reiterated that the management of PPKT covers security and defense. The management of Indonesia’s PPKT will be coordinated through the
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PPKT Management Team which will coordinate and be accountable to the President chaired by the Coordinating Minister for Political, Legal and Security Affairs and the ranks of the relevant Ministries and the TNI, POLRI and State Intelligence Agency.\(^{76}\) The 2015-2019 BNPP Strategic Plan establishes various BNPP strategies and policies including the management of western borders, maritime and air borders, cross-border management and utilization, land border area development, and maritime border area development.\(^{77}\) The strategic plan will be complemented by establishing policies, programs, regulations, control, monitoring, evaluation, reporting, and law enforcement related to the BNPP strategic plan.\(^{78}\)

The importance of the above regulations is to maximize compliance with the legal basis for the determination and management of the outer islands of Indonesia. The legal aspect is the main basis for how state boundaries are formed. The management of the outermost islands is maximized through the integration of the functions and roles of regulations to policy makers in carrying out the management of the outermost islands.

Through a total of 111 PPKTs in Indonesia which can be utilized for national interests in the fields of economy, national defense and security, it is necessary to study several supporting aspects including law, economy, and national defense and security. The following is an assessment that is needed by Indonesia on the utilization and development of national PPKT to increase national sovereignty:

### 2.3.1. Legal Aspect

Legal issues in PPKT are the main focus of the government in liberating the condition of the people who are trapped in the inhibition of the use of PPKT. Therefore, legal issues in PPKT have an influence on the effectiveness of PPKT management in developing coastal areas, increasing security and the ability to guard border areas. The following are the legal problems in the PPKT area:\(^{79}\)

1. Conflicts over coastal area management permits and PPKT related to management permits and concession permits as referred to in Law No. 1 of 2014 concerning Amendments to Law No. 27 of 2007; where it is difficult for the PPKT community and entrepreneurs to obtain business permits because the permit processing is carried out by two different institutions which allows disruption of the bureaucracy and corruption. Thus, law

\(^{76}\) Ibid, Art. 6.

\(^{77}\) Regulation of the Head of the National Agency for Border Management No. 2 of 2015 concerning Strategic Plan of the National Border Management Agency Year 2015-2019, Art. 1-6.

\(^{78}\) Ibid.

\(^{79}\) Ibid, 30.
enforcement is needed in maximizing regional management permits, eliminating corrupt practices, and facilitating licensing bureaucracy.

2. Coastal areas and small islands (wilayah pesisir dan pulau-pulau kecil, abbreviated as WP3K) management conflicts regarding spatial planning and zoning plans for PPKT areas as stipulated in the Law No. 26 of 2007 concerning Spatial Planning by Law No. 1 of 2014 concerning Amendments to Law No. 27 of 2007, where the conflict happens over the different management of sea and land areas, so that two different regional regulations overlap. Thus, there is a need for synchronization and harmonization of legal arrangements in the division of authority for effective PPKT management;

3. Conflicts over the legal vacuum of PPKT management, where there are two regulations granting authority, namely the Law No. 23 of 2014 and Law No. 1 of 2014 which has a focus on granting authority to the provincial government, causing the public to be restless about the management of PPKT which results in legal uncertainty without the role of local government. Therefore, the provincial government needs to give authority to the PPKT community based on the management of the zoning plan for the use of coastal areas; and

4. Conflicts involving indigenous peoples whose existence is disturbed due to the absence of regulations for the empowerment of indigenous peoples in the PPKT area. Conflicts in legal services and business licenses, such as obstruction of location permits and management of PPKT areas.

2.3.2 Defense and Security Aspect

This aspect focuses on several special studies that must be considered by the Government of Indonesia in terms of the utilization of national PPKT. It includes the development and improvement of security facilities and infrastructure, defense and border law enforcement, the placement of security apparatus in border areas supported by adequate personnel needs, the increase of security and defense personnel’s ability, as well as the implementation of routine patrols in areas or points that are prone to territorial violations, to maximally handle transnational crime.80

Indonesia’s policy in overcoming various violations of sovereignty is not sufficient in increasing security and guarding the territory, but other supporting aspects of defense are needed, namely the development of the MEF increasing the budget for defense and security, including the local military industry.81 This statement correlates with the fact that the MEF has

80 Regulation of the Head of the National Agency for Border Management No. 2 of 2015 concerning Strategic Plan of the National Border Management Agency Year 2015-2019, Annex.
a focus on developing defense through the modernization of the defense and security industry with the aim of increasing the potential of the national military.

Indonesia is still a country that has a low national defense budget as a maritime country compared to other countries in the ASEAN. Through the focus on the security of the PPKT area, Indonesia can increase its local and international investment in the defense sector by maximizing the potential of domestic defense equipment as a producer, consumer and regulator. Thus, Indonesia can complement the potential investment in PPKT development in the defense and security sector to complement other PPKT potentials, by which national defense can become a “lead integrator” in the field of global maritime.

2.3.3. Economic and Investment Aspects

The economic condition of the PPKT community is different from that of the people in the main city. First, the condition of PPKT in several islands close to Kalimantan which are directly adjacent to neighboring countries such as Malaysia, has indicated changes in economic fluctuations, especially the difference in the exchange rate between the rupiah and the ringgit, causing the opportunity to buy and sell illegal goods between borders due to the lack of supply of basic commodities to the community. Second, in addition to the limited supply of basic community needs, the lack of accessibility for people to enter and leave the PPKT area in Eastern Indonesia is a major factor hampering the community’s economy. Third, it is difficult for the PPKT community to get their needs in the national border area, thus forcing people to cross to neighboring countries to get their needs because the production of their needs is better than local production.

The economic conditions of the PPKT community have resulted in the welfare of the people in PPKT being affected. First, the level of welfare of the PPKT community depends on the general habits of the local community especially their traditional rights, especially the utilization of fishery potential in complementing basic needs. Second, the employment of the PPKT community is very limited which causes problems of equity and fairness.

inequality including the low quality of welfare in the fields of health, education, and the environment.\textsuperscript{86}

The effectiveness of PPKT development is integrated through the principle of proportionality of government responsibility in carrying out regional development authority. The concept of the division of government responsibilities towards PPKT areas will be implemented based on proportionality as follows:

1. The division of responsibility for managing PPKT is carried out through the integration of regional management by the central and regional governments in maximizing synergies between institutions based on integration activities through WP3K.\textsuperscript{87} The local government will use the funds for the utilization of the PPKT area including conservation, education, marine resources, tourism, and defense and security.\textsuperscript{88}

2. The local government will finance the provision of services, development, and functions through the specified source of funds. The use of local government authority in implementing management and development must pay attention to public aspects, especially on sustainable development and community empowerment;

3. Reporting on the progress of PPKT development and management carried out by local governments is carried out through a fair and harmonious distribution of government financial expenditures based on an integrated regional management system; and

4. Local government tax levies are adjusted to the conditions and expenditures of funds for the community in the development of PPKT by considering the principles of justice and harmony in the life of the PPKT community.

Referring to the concept of division of responsibilities above, the relationship between the central and regional governments and the community will be integrated through the distribution of utilization and management of areas. Therefore, the role of the central government is centrically focused on granting PPKT area permits and authority to local governments in the utilization of areas based on the zoning system and plan by considering cross-ministerial/institutional synergies.

The three aspects that will complement PPKT development can be utilized by the government through evaluation and cooperation between institutions in supporting the utilization of PPKT. Through planning for the policy of utilizing PPKT in national border areas, it will provide integrity and resilience to Indonesian sovereignty. Of course, border disputes must be


\textsuperscript{87} Law No. 27 of 2007 concerning Management of Coastal Areas and Small Islands, Art. 6.

\textsuperscript{88} Law No. 1 of 2014 concerning Amendment to Law No. 27 of 2007 concerning Management of Coastal Areas dan Small Islands, Art. 23.
resolved quickly and effectively to prevent continuation of national border disputes.

3. CONCLUSION

Indonesia’s strategic position creates an area that has the outermost islands in the national border area. The responsibility of the state in maximizing the potential of Indonesia’s outermost region from a legal perspective is to maximize the determination of maritime boundaries in maintaining state sovereignty based on international law and national law. The development of the outermost islands is a holistic focus of the Indonesian Government in increasing the economic potential, investment and tourism as well as ensuring the sovereignty of the country by increasing national defense. In general, PPKT conditions include limited activities for utilizing area potential, lack of development of biological ecosystems, limited accessibility, and low security activities, namely defense and security.

The development of Indonesian PPKT requires various aspects in various sectors to maximize development, including legal and defense and security aspects that complement the economic sector including investment and tourism potential. State defense and security as a PPKT development strategy has four main focuses, including law enforcement, development of defense forces, increasement of defense and security budgets, and maximization of defense and security industry. Law enforcement focuses on accelerating the settlement of Indonesia’s maritime boundaries with various countries, placing military facilities and infrastructure, as well as law enforcement against violations of state sovereignty.

As a sovereign country, the concept of strategy through diplomacy is considered to have good effectiveness, considering that the issue of sovereignty territorial disputes is a “crime” for maritime security due to different interpretations of UNCLOS 1982. Indonesia’s strategy in maximizing the development of PPKT can be reviewed based on several supporting strategies, including strengthening maritime cooperation that provides a strategic role in facing global competition through diplomacy between countries, strengthening diplomatic relations in the field of defense and security through maritime policy, maximizing national defense and security through the strengthening of outer islands, as well as controlling sea boundaries by strengthening and securing national jurisdiction. Thus, the effectiveness of various sectors as the focus of state defense and security to maximize the development of PPKT, makes the Indonesian PPKT area strategic and proportional.

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