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DEFEND ID as an Instrument of Indonesian Defense Diplomacy: A Case Study of Industrial Cooperation and Capacity Building in Indonesia-France Relations

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Abstract

This study analyzes the function of DEFEND ID as an instrument of Indonesian defense diplomacy through a case study of defense industrial cooperation between Indonesia and France. Against the backdrop of Indonesia's defense modernization agenda and the increasingly complex strategic environment in the Indo-Pacific, this study examines how DEFEND ID operates as a state-owned defense industry holding and a strategic platform for advancing the national defense agenda. Drawing on the theoretical perspectives of neorealism, defense diplomacy, and capacity building, the study explores the relationship between defense industrial cooperation and the enhancement of national defense capabilities. The findings show that collaboration between DEFEND ID entities and major French defense companies has moved beyond conventional defense procurement to include broader industrial partnerships, technology transfer, technical training, and knowledge sharing. These mechanisms position DEFEND ID as a bridge between Indonesia's foreign policy objectives and the development of its domestic defense industry. From a neorealist perspective, this cooperation reflects Indonesia's effort to strengthen

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national capabilities and reduce strategic dependence in an increasingly competitive security environment. Defense diplomacy functions as a channel for translating strategic partnerships into concrete outcomes, while capacity building emerges through technological development, human resource strengthening, and industrial enhancement. This study concludes that DEFEND ID plays a critical role in connecting international defense cooperation with Indonesia's long-term objectives of defense modernization, strategic autonomy, and defense industrial self-reliance.

Keywords: DEFEND ID; Defense Diplomacy; Defense Industrial Cooperation; Capacity Building; Indonesia–France Relations

INTRODUCTION

In recent years, global strategic competition has increasingly focused on the Indo-Pacific as one of its key arenas. The changing regional security dynamics are shaped to a large extent by the increasing engagement of global powers through platforms such as QUAD, AUKUS and the tensions in the South China Sea (Medcalf, 2020). This situation has prompted many nations in the region, such as Indonesia, to increase their defense capacity and strategic stability. As the biggest archipelagic nation in Southeast Asia, Indonesia faces many complicated security issues. For instance, Indonesia needs to protect its large waters, assert sovereignty and counter traditional as well as non-traditional threats. Defense modernization has emerged to be an important issue in this regard for Indonesia. Apart from needing sophisticated defense hardware, Indonesia also needs a proper defense system that can help with achieving effective interoperability between the various military arms. This issue also relates directly to the emergence of Network Centric Warfare (NCW) (Anand et al., 2011).

Even despite the above strategic needs, there are still certain limitations facing Indonesia from within the country in developing its defense industry. There have been problems with the capabilities of the defense industry concerning technology, research, and development as well as industrial coordination. In most instances, Indonesia is still reliant on defense technologies and imported defense equipment in meeting the modernization aims (Laksmana, 2012). Some of the strategies adopted by Indonesia in solving these issues include defense diplomacy. Through defense diplomacy, states can be able to create strategic partnerships, enhance their military and industry cooperation as well as build capacity

through peaceful and cooperative measures (Cottey & Forster, 2004). With regard to Indonesia, defense diplomacy includes more than governmental cooperation, but also includes cooperation between defense industries. By enhancing cooperation between defense industries, Indonesia seeks to get benefit from technology transfer, industrial development, human resource development, and strategic partnership (Sari, 2023).

Indonesia and France also exhibit this trend. In recent years, there has been an expansion of defense collaboration between the two countries in terms of procurement, industrial collaboration, and technology collaboration. Some of the French companies operating in the field of defense such as Thales, Naval Group, Dassault Aviation, and Nexter have established cooperation with their counterparts in Indonesia in the areas of radar system, naval defense, aviation, and artillery systems. Domestically, the formation of DEFEND ID as the holding company of Indonesian defense industries represents a milestone in restructuring the national defense industries. This involves the consolidation of leading state-owned defense companies of Indonesia such as PT Len Industri, PT PAL Indonesia, PT Dirgantara Indonesia, and PT Pindad.

In this regard, DEFEND ID is not only an industry but also a strategic tool which integrate Indonesia's defense diplomacy activities. With the help of cooperation between Indonesian and foreign defense industries, especially from France, DEFEND ID is involved in capacity building processes such as technology transfer, industry strengthening, and human resources development. Thus, the formation of DEFEND ID is very significant for Indonesia since it is part of the country's effort to pursue defense modernization. From this perspective, the primary goal of this study is to examine the contribution of DEFEND ID as a strategic tool for Indonesia's defense diplomacy. This will be achieved through examining the significance of the defense industrial cooperation between Indonesia and France within the scope of DEFEND ID.

Neorealism by Kenneth Waltz, states that international relations are underlined by the anarchical nature of the system since there is no superior power in relation to states. As a consequence, states' primary preoccupation becomes survival and safeguarding national interests. Under these circumstances, states are compelled to continuously enhance their capacities in terms of security in order not to become vulnerable in the international community. The power and capability of states greatly affect the actions they undertake. Consequently, states attempt to engage in activities that enhance national power and decrease

reliance on other parties. Such efforts may be seen in the field of defense when dealing with military modernization and defense cooperation (Waltz, 1979).

According to neorealism, defense cooperation serves not only to create friendly ties but also to serve as a strategic tool to strengthen military capacity, utilize technology, and boost defense capabilities. Defense cooperation, from this point of view, is also seen as a way for a country to gain more self-sufficiency through defense cooperation while adapting to any changes in the security dynamics of the region. The case of Indonesia is no different in that regard since the changing dynamics of the Indo-Pacific region has prompted Indonesia's government to enhance its efforts in defense modernization and strengthening its defense capacity. Indonesia's efforts to cooperate in this field, in particular its cooperation with France, could be seen as Indonesia's strategy to strengthen its military technology and industrial capacity (Jamilah & Sari, 2024; Saleo et al., 2025).

The theory of defense diplomacy proposed by Cottey and Forster (2004) illustrates that defense diplomacy is a form of diplomacy which has gone through a series of transformations from classical forms of diplomacy and security cooperation. The definition of defense diplomacy describes the peaceful application of defense and military institutions to pursue the goals of the country's foreign policy. Defense diplomacy is the point where foreign and defense policies meet. Through defense diplomacy, countries are able to develop cooperation in the areas of military training, defense technology, exercises, arms purchases, and defense industries (Cottey & Forster, 2004).

Cottey and Forster (2004) further emphasise the slow integration of non-state actors, particularly the defense industries, in defense diplomacy. Today, defense companies are not just economic actors in defense cooperation. They also help to build broader strategic relations between countries through technology partnerships, industrial collaboration and defense production cooperation. In this context, defense industrial co-operation is an important factor in defense diplomacy. The cooperation between Indonesia and France is a good example of the evolution of diplomatic relations through cooperation between state institutions and defense industries. The participation of DEFEND ID and French defense companies (Thales, Naval Group, Dassault Aviation, and Nexter) is indicative of the growing role of the defense industry in the support of diplomatic and strategic objectives. Accordingly, defense diplomacy is significant to explain how Indonesia utilises industrial cooperation not only to fulfil the defense procurement needs but also to bolster long-term

strategic relations, improve defense capability and support the development of the national defense industry (Dassault Aviation, 2022; Naval Group, 2024; Thales, 2024)

Capacity building constitutes a key dimension of defense diplomacy in the defense sector. According to Gadisya, Swastanto, and Inkiriwang (2024), defense diplomacy serves as a mechanism for strengthening national defense capacity through structured cooperation, education and training exchanges, and institutional development. In this perspective, capacity building extends beyond material acquisition and encompasses the development of institutional competence, human resources, and technological mastery necessary for sustainable defense capability development.

Capacity building in the defense industry sector includes technology transfer, technical training, industrial cooperation and the enhancement of domestic production capacity. The goal is to increase military capability and to build long-term national independence in defense production and mastery of defense technology. It is expected that this process will slowly reduce dependence on foreign suppliers while simultaneously strengthening domestic industrial capability (Syawfi, 2009). Capacity building in the context of Indonesia-France defense relations can be observed in various forms of cooperation for military modernization regarding DEFEND ID and French defense companies. Cooperation in areas such as radar systems, naval defense technology, aerospace and artillery systems reflects efforts to improve Indonesia's technological capability, industrial integration and defense human resources. Technology transfer, joint production, technical training and industrial cooperation become important components in strengthening the national defense industry of Indonesia. Thus, the cooperation between Indonesia and France is not only on the defense procurement activities. It is also a strategic effort to increase the defense capacity of Indonesia through industrial development, technological development and the improvement of national defense capabilities. In this regard, DEFEND ID is an important medium that connects the objectives of defense diplomacy with the overall process of building the national defense capacity (Gindarsah, 2015).

This study aims to analyze the role of DEFEND ID as an instrument of Indonesia's defense diplomacy through defense industrial cooperation with France, with particular emphasis on industrial collaboration and capacity building. Specifically, this research examines how cooperation between DEFEND ID and French defense companies contributes to technology transfer, industrial capability enhancement, human resource

development, and the strengthening of Indonesia's defense autonomy within the framework of defense diplomacy. Although previous studies have extensively discussed Indonesia's defense modernization, defense diplomacy, and bilateral defense cooperation, limited attention has been given to the strategic role of DEFEND ID as an integrated defense industry holding in connecting industrial cooperation with broader diplomatic objectives. By employing a qualitative case study approach, this research seeks to fill this gap by providing a comprehensive understanding of how DEFEND ID functions not merely as a defense industry consortium, but also as a strategic instrument that supports Indonesia's long-term defense modernization, strengthens national defense capacity, and reinforces strategic partnerships through defense diplomacy in the Indo-Pacific context.

METHODS

This study employs a qualitative research approach using a case study method. A qualitative approach was selected because the research seeks to understand the strategic role of DEFEND ID as an instrument of Indonesia's defense diplomacy within the context of defense industrial cooperation with France. Rather than measuring causal relationships quantitatively, this study explores how industrial collaboration contributes to Indonesia's defense modernization and national capacity building. The case study approach enables an in-depth examination of institutional interactions, defense diplomacy practices, and capacity-building processes within a real-world context.

The research adopts a single-case study design focusing on Indonesia-France defense industrial cooperation through DEFEND ID. This case was selected because it represents one of Indonesia's most significant strategic defense partnerships in recent years, encompassing procurement, technology transfer, industrial collaboration, and defense capability development. The study investigates how DEFEND ID functions as a strategic instrument that bridges Indonesia's defense diplomacy objectives with industrial cooperation involving major French defense companies, including Thales, Naval Group, Dassault Aviation, and Nexter.

The research framework is guided by three theoretical perspectives. Neorealism is used to explain Indonesia's strategic motivation in strengthening national defense capabilities within the evolving Indo-Pacific security environment. Defense diplomacy theory provides

the analytical framework for understanding industrial cooperation as an instrument of foreign and defense policy, while the concept of capacity building is employed to examine the development of technological capability, industrial competence, and human resources resulting from bilateral cooperation.

This study relies on documentary sources as the primary units of analysis rather than human participants. The documents were selected through purposive sampling based on their relevance, credibility, and direct relationship to Indonesia-France defense industrial cooperation. The data sources include:

- official publications and annual reports of DEFEND ID and its member companies;
- official documents from the Indonesian Ministry of Defense and the French Ministry of Armed Forces;
- cooperation agreements, memoranda of understanding, and official press releases concerning Indonesia-France defense cooperation;
- official publications from French defense companies, including Thales, Naval Group, Dassault Aviation, and KNDS (formerly Nexter);
- peer-reviewed journal articles, policy papers, defense white papers, and reports published by reputable defense research institutions.

Purposive sampling was employed to ensure that only documents providing substantive information on defense diplomacy, industrial cooperation, technology transfer, and capacity building were included in the analysis.

The primary research instrument was a document analysis protocol developed to systematically collect and classify information relevant to the research objectives. The protocol focused on four analytical dimensions:

- defense diplomacy initiatives;
- defense industrial cooperation;
- technology transfer and industrial development;
- capacity-building activities.

Data were collected through document analysis from multiple sources, including government publications, corporate reports, academic literature, official press releases, and defense policy documents published between 2020 and 2025. Multiple data sources were

employed to enhance the credibility of the findings through data triangulation. The credibility and trustworthiness of the analysis were further strengthened by cross-checking information from official government documents, corporate publications, and peer-reviewed academic literature.

The collected data were analyzed using the interactive model proposed by Miles, Huberman, and Saldaña (2014), which consists of four interconnected stages: data collection, data condensation, data display, and conclusion drawing and verification.

The analysis began with organizing and reducing the collected documents according to the research themes. Relevant information was then coded based on predetermined categories derived from the theoretical framework, including defense diplomacy, industrial cooperation, technology transfer, institutional collaboration, and capacity building. Subsequently, the coded data were organized into thematic matrices to facilitate pattern identification and comparison across different sources.

The final stage involved interpreting the findings by integrating empirical evidence with the theoretical perspectives of neorealism, defense diplomacy, and capacity building. Throughout the analysis process, data triangulation was applied by comparing evidence from government documents, corporate reports, and scholarly publications to ensure consistency and enhance the validity of the research findings.

RESULTS

DEFEND ID in Indonesia's Defense Ecosystem

On April 20, 2022, DEFEND ID was officially launched as Indonesia's state-owned defense industry holding under the leadership of PT Len Industri (Persero). The formation of DEFEND ID is a major transformation of the Indonesian defense industrial structure. Before the establishment of the holding, state-owned defense companies typically operated in their respective sectors with limited industrial integration and coordination. Such a situation often led to a fragmentation of production, technological development and integration of the defense system. The Indonesian government through DEFEND ID aimed to build a more integrated national defense industrial ecosystem that was able to support defense modernization and strengthen national defense independence (Sekretariat Kabinet Republik Indonesia, 2022).

The holding consists of five major state-owned defense companies, namely PT Len Industri as the lead integrator, PT PAL Indonesia in the naval sector, PT Dirgantara Indonesia (PT DI) in the aerospace sector, PT Pindad in the land defense sector, and PT Dahana in the explosives sector. The transfer of shares to form this holding had previously received approval from President Joko Widodo in January 2022 through the issuance of Government Regulation (PP) No. 5/2022 on the Addition of State Capital Participation into PT Len Industri (Persero). This regulation was further reinforced by the Minister of Finance Decree (KMK) No. 40/KMK.06/2022, signed by Minister Sri Mulyani on February 14, 2022, which stipulated the valuation of the state capital participation in PT Len Industri (Persero) (Bramasta & Haryanto, 2022).

Each company has its own specialty but they are part of a coordinated industrial system. PT Len Industri is the leading integrator that is in charge of the connection and integration of defense systems in the different military domains. PT PAL Indonesia specializes in naval platforms and shipbuilding, PT DI specializes in aerospace manufacturing and aircraft systems, PT Pindad specializes in land defense equipment and weapon systems, while PT Dahana supports the ecosystem with explosives and ammunition related capabilities. DEFEND ID has a broader and more strategic role compared to other defense companies in Indonesia, because it is not a single defense manufacturer, but an integrated holding (DEFEND ID, 2023).

Most defense companies tend to work in one particular platform or sector. DEFEND ID combines multiple strategic industries into one national defense industrial ecosystem. The structure provides greater coordination for defense production, systems integration, technology development and international cooperation. DEFEND ID also has an important role in supporting the international cooperation of the Indonesian defense industry. The holding allows for partnerships between Indonesian defense industries and foreign defense companies through technology transfer, joint production, maintenance cooperation and defense system development. Therefore, DEFEND ID is not just operating as an industrial entity but also as a strategic tool to support Indonesia's defense diplomacy, defense modernization and long-term defense capacity building (Kementerian Pertahanan Republik Indonesia, 2022)

DEFEND ID-France Defense Industrial Cooperation

Cooperation between Indonesia and France in the realm of defense has increased tremendously over the past several years due to partnerships between companies within DEFEND ID and leading French companies in the field of defense. These partnerships cover different fields such as radars, navy vessels, aerospace, command and control, and artillery technology. Apart from buying defense technology, technology transfer and industry partnership form part of these partnerships (Prasetyo, 2024; Saleo et al., 2025; Styawati, Ika Hijria et al., 2023).

One of the most important partnerships is with PT Len Industri and Thales Group. As the lead integrator for DEFEND ID, PT Len has collaborated with Thales for radar systems, air surveillance technology, C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance), and defense system integration. Both companies signed a joint venture agreement in 2024 to improve Indonesia's defense industrial capability through local manufacturing, engineering, and service activities (Thales Group, 2024). The cooperation also includes the establishment of a Center of Excellence for air surveillance systems and opens the door for broader cooperation in the fields of military satellites, electronic warfare, national data links, and combat management systems. This alliance exemplifies Indonesia's efforts to move beyond defense procurement towards deeper technological and industrial engagement.

In the naval arena, PT PAL Indonesia has established strategic cooperation with Naval Group in the Scorpène submarine programme. The partnership gained momentum when the two companies signed a Strategic Partnership Agreement in 2022 and the submarine procurement contract in 2024. Under the deal, two Scorpène Evolved submarines will be built in Indonesia at PT PAL's shipyard as part of a transfer of technology scheme. The cooperation includes technical training, engineering support, production adaptation, and development of local industrial capability. The deal is part of Indonesia's broader aim to expand domestic expertise in building and maintaining submarines and to boost the nation's naval defense industry (Naval Group, 2024).

Indonesia's partnership with France can also be seen in the aerospace industry, with the purchase of the Rafale fighter jets from Dassault Aviation. Though there is no role of PT Dirgantara Indonesia (PT DI) in manufacturing any aircraft in the Rafale deal, there still remain several avenues for Indonesia-France industrial cooperation, as well as for their

aerospace cooperation in the future. Thus, the Rafale deal does not only serve the purpose of military modernization of Indonesia, but also acts as a platform for further industrial cooperation (Teresia, 2026).

Another key partnership is between PT Pindad and KNDS France, formerly Nexter. Indonesia has been using the CAESAR self-propelled artillery systems from French manufacturer Nexter for more than 10 years, positioning the country as one of the main CAESAR operators in Asia. In recent years, cooperation has expanded from procurement to include industrial collaboration, such as technology transfer, manufacturing cooperation, maintenance capability development, and ammunition production. KNDS has also shown its commitment to support of Indonesia's defense industrial base through long-term cooperation with Indonesian defense industries (KNDS, 2026).

Overall, the collaboration between DEFEND ID entities and French defense companies signals a growing shift in Indonesia's defense diplomacy approach. Such relationships increasingly focus on industrial development, technological cooperation, and long-term capacity building for defense, rather than just on military procurement. Consequently, DEFEND ID is more than a defense industrial holding, it is a strategic platform linking Indonesia's defense modernization agenda with international defense cooperation.

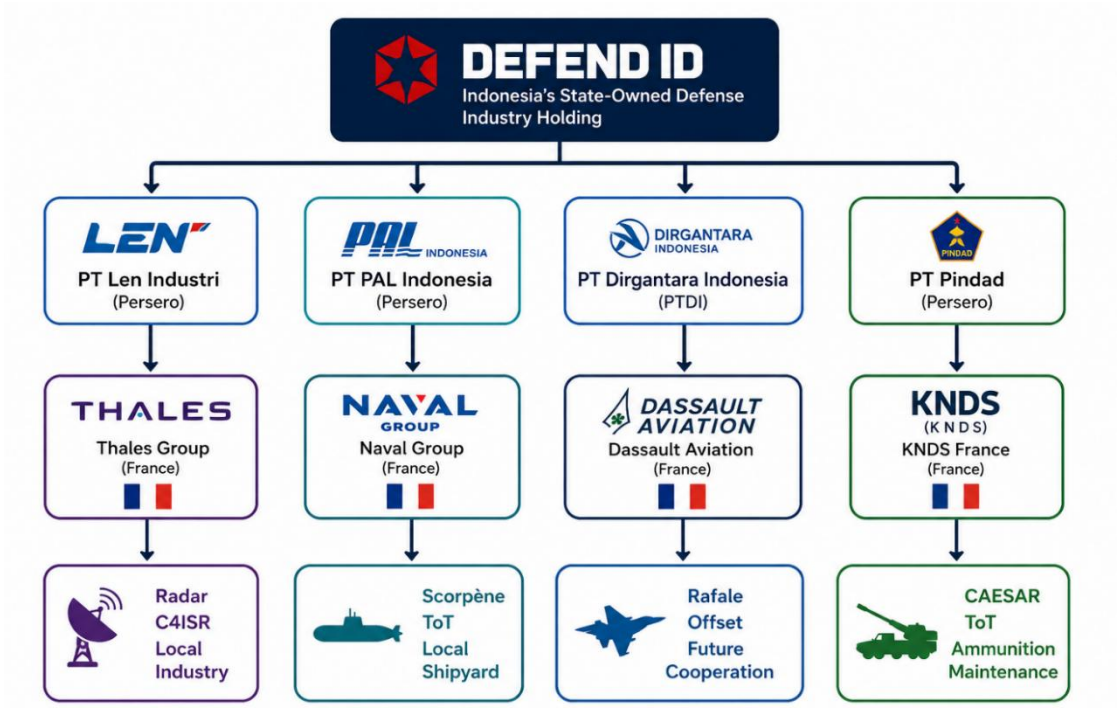


Figure 1. illustrates the organizational structure of Indonesia-France defense industrial cooperation within the DEFEND ID ecosystem

Figure 1 summarizes the institutional network of Indonesia-France defense industrial cooperation under the DEFEND ID framework. The figure highlights that each DEFEND ID entity collaborates with a strategic French defense partner based on its respective industrial domain, thereby creating a coordinated ecosystem of defense capability development. Rather than functioning as isolated procurement projects, these partnerships integrate technology transfer, industrial collaboration, and local capability enhancement across the land, naval, aerospace, and defense electronics sectors. This integrated cooperation supports Indonesia's broader objectives of defense modernization, technological upgrading, and the gradual strengthening of national defense industrial independence.

Forms of Capacity Building

Various types of capacity-building have resulted from the cooperation between Indonesia and France in their defense industries for the benefit of Indonesia's defense modernization initiatives in the long run. The areas of benefit include not only defense acquisition but also technology transfer, human resource development, industrial development, and improving local capability to produce defense equipment. The most prominent benefit has been the transfer of technology using offset, coproduction, and other industrial collaboration programs. Technology transfers have involved Indonesia's defense industry receiving advanced technologies in areas such as radar, air surveillance, command and control systems, military communication equipment, submarines, and artillery (Syawfi, 2009). In the cooperation between PT Len Industri and Thales, there has been local industrial collaboration on air surveillance, defense electronics, and C4ISR technologies, while in the cooperation between PT PAL Indonesia and Naval Group, technology transfer has taken place in submarines' design and construction, integration, maintenance, and engineering processes (Naval Group, 2024; Thales, 2024). This is reflective of Indonesia's defense offset program for fast-tracking technological mastery through licensing, coproduction, and codevelopment (Saleo et al., 2025).

Evidence of capacity building is also found in the development of human resources and technical expertise. Defense cooperation with French companies includes training programs, engineering assistance, industrial exchanges and transfer of knowledge activities that allow Indonesian personnel to be directly involved in production, maintenance and system integration processes. These programs provide Indonesian engineers, technicians and defense industry workers with hands-on experience in the operation and management of

cutting-edge defense technologies. Such cooperation is needed as the development of the defense capacity is not only related to the acquisition of the equipment but also the improvement of the institutional competence and technological expertise (Syawfi, 2009).

One of the critical achievements is that the cooperation has helped enhance the domestic defense industrial capacity of Indonesia. This can be attributed to the involvement of French cooperation with Indonesia, which has facilitated more local involvements in the country's defense production activities and the ability of Indonesian firms to participate in international defense production activities. As illustrated by the example of the Scorpène submarine program, local construction activities have been taking place at PT PAL shipyards. Similarly, the Thales-PT Len joint project has facilitated the development of indigenous capabilities in defense electronics and surveillance systems (Naval Group, 2024; Thales Group, 2024).

The acquisition of the Rafale also opens opportunities for industrial offsets, development of maintenance capabilities, and future aerospace cooperation involving Indonesian defense industries in the aerospace domain. The study of defense offsets in Indonesia shows that technology transfer and local content requirements are key tools to reduce technological dependence and increase the competitiveness of the national defense industry (Cahyana et al., 2023). These capacity-building efforts are ultimately aligned with Indonesia's effort to develop a more integrated and technologically advanced defense system. The improvement of technological capability, human resources, and domestic industrial capacity also underpins Indonesia's overall goal to realize defense modernization, interoperability, and network-based defense capabilities. Therefore, defense cooperation with France not only as a procurement mechanism but also as a strategic instrument to strengthen Indonesia's defense capacity and industrial independence (Saleo et al., 2025; Waskito et al., 2023; Wulandari et al., 2024).

DISCUSSION

DEFEND ID as an Integrator of Defense Diplomacy in a Neorealist Perspective

From the neorealist perspective, the international system is anarchic, that is, there is no authority above the states. States are thus interested in survival, security, and the acquisition of capabilities to maintain their position within the international system. Therefore, states are always looking for strategies that can enhance national power and

reduce vulnerabilities created by external dependence. Indonesia's need to build up its defense capability is driven by the intensifying strategic competition in the Indo-Pacific. Indonesia is enhancing its military readiness and defense industrial base in the face of broader regional military modernization efforts, an increasing presence of major powers, and changing security challenges. In such an environment, defense cooperation is a rational strategy for increasing national capability and adapting to changes in the regional balance of power (Waltz, 1979).

Indonesia's cooperation with France in its defense industry is also consistent with this rationale. Instead of depending solely on the acquisition of arms from other nations, the country places more importance on industrial cooperation, technology transfers, and industrial participation. Neorealist theory dictates that this course of action indicates Indonesia's intention to enhance its capabilities without depending heavily on other countries for its armaments in the future. Through technology transfers, production, industrial offsets, and joint ventures, Indonesia stands to gain increased technological and military-industrial capabilities (Ardiansyah et al., 2025)

The formation of DEFEND ID can be viewed within this strategic framework. The creation of a defense industry holding was not just an economic or administrative policy. Rather, it is a state-led effort to consolidate national defense resources and enhance Indonesia's ability to compete in a rapidly transforming strategic environment. The government aims to create an integrated ecosystem for PT Len Industri, PT PAL Indonesia, PT Dirgantara Indonesia, PT Pindad and PT Dahana to improve industrial coordination, technological development and defense production efficiency(Kementerian Pertahanan Republik Indonesia, 2022).

In this respect, DEFEND ID is a strategic state instrument and not merely a collection of defense companies. The holding becomes a tool that allows the Indonesian state to coordinate the development of the defense industry according to national security goals in a broad sense. This is reflected in the fact that DEFEND ID is involved in important defense cooperation programs with French companies such as Thales Group, Naval Group, Dassault Aviation, and KNDS. Through these partnerships, DEFEND ID supports technology transfer, industrial collaboration, system integration, and involvement in domestic production, which directly supports the development of Indonesia's defense capability (Dassault Aviation, 2022; Naval Group, 2024; PT Pindad, 2024; Thales, 2024).

DEFEND ID's strategic importance in the Indonesian defense modernization agenda is underscored by PT Len Industri's role as the lead integrator. Furthermore, contemporary military power is not simply a function of the number of defense platforms a state possesses, but also the ability to integrate information systems, surveillance assets, communication networks and command structures into a coherent operational architecture. Working with Thales on radar systems, C4ISR architecture and defense electronics, Indonesia can tap into capabilities that support the development of more integrated and network-centric defense operations. Furthermore, the partnership between PT PAL Indonesia and Naval Group is indicative of Indonesia's drive to obtain not only the submarine platform but also the industrial and technological capabilities linked to submarine construction and maintenance. Likewise, cooperation between PT Pindad and KNDS adds to Indonesia's experience in the artillery systems and defense manufacturing. These initiatives show that Indonesia wants to shift defense procurement into a broader process of capability building (Naval Group, 2024; PT Pindad, 2024; Thales, 2024).

This pattern is consistent with Waltz's argument that states pursue strategies that aim to increase their relative capabilities within the international system. Indonesia still cooperates with foreign partners, but the main goal is not in obtaining military equipment. The broader goal is to improve national defense capacity, technological mastery, and defense industrial independence. Therefore, cooperation with France can be considered a strategic approach to enhance Indonesia's long-term security and resilience in a more competitive regional environment. This view implies that DEFEND ID is an institutional mechanism to translate defense diplomacy into concrete capability development in Indonesia. It is not only an industrial actor but also an instrument of state strategy, supporting defense modernization, industrial strengthening, and the search for greater strategic autonomy. Thus, the DEFEND ID program has a substantial role in Indonesia's broader efforts to strengthen the country's national power and reduce structural dependence in the defense sector (Waltz, 1979).

DEFEND ID as an Instrument of Indonesia's Defense Diplomacy

The cooperation between Indonesia and France is a reflection of the dynamism of defense diplomacy in the contemporary security environment. Cottey and Forster (2004) argue that defense diplomacy extends beyond traditional military links or government to government (G-to-G) activities. Rather it is about the peaceful use of defense-related resources, institutions and cooperation mechanisms in support of broader foreign policy and

security goals. In this context defense diplomacy increasingly involves defense industries as key actors in strategic cooperation. This is evidenced by the evolution of the Indonesia-France defense partnership. While formal state-level agreements and defense policy coordination support cooperation, it is primarily implemented through industrial cooperation between DEFEND ID and French defense companies. Thus, contemporary defense diplomacy functions not only via diplomatic channels among governments, but also through the agencies of state-industry and industry-industry cooperation (Cottey & Forster, 2004).

The state-industry dimension is exemplified through the Indonesian government using DEFEND ID as an operational platform for the attainment of defense cooperation objectives. DEFEND ID includes state-owned defense companies, but its activities are aligned with national defense and foreign policy priorities. The collaboration between PT Len Industri, PT PAL Indonesia, PT Dirgantara Indonesia and PT Pindad is not only business. Rather, these partnerships are linked to broader state objectives such as defense modernization, technological development, industrial strengthening and enhancing strategic autonomy. This is in line with Cottey and Forster's argument that defense diplomacy is a point of convergence between defense policy and foreign policy (Cottey & Forster, 2004).

At the same time, the cooperation also highlights the growing importance of industry-industry relations in defense diplomacy. The partnerships of PT Len Industri with Thales, PT PAL Indonesia with Naval Group, and PT Pindad with KNDS, illustrate the growing role of defense companies as a conduit for strategic state-to-state engagement. These partnerships extend the scope of cooperation beyond procurement activities to cover technology transfer, industrial integration, engineering collaboration, training programs and joint development initiatives. This makes defense industries active players in the diplomatic process that underpins long-term strategic relations (PT Pindad, 2024; Thales, 2024).

This development is evidenced clearly by the joint venture agreement between PT Len Industri and Thales. The cooperation aims at not only supplying defense equipment but also developing local industrial capability, engineering cooperation, and defense technology in Indonesia (Thales Group, 2024). Also, the cooperation in submarine manufacturing between PT PAL Indonesia and Naval Group involves the mechanisms of local production, industrial participation, and technology transfer, which contribute directly to the growth of the Indonesian defense industry (Naval Group, 2024). Such forms of cooperation indicate

that defense diplomacy is becoming more capability-development oriented and not just arms acquisition.

In this framework, DEFEND ID is an instrument of implementation of Indonesian defense diplomacy. The holding serves as a bridge that translates diplomatic agreements and strategic partnerships into concrete industrial cooperation projects. DEFEND ID also institutionalizes the defense diplomacy into the national defense industry ecosystem, allowing Indonesia to link foreign partnerships to domestic defense development goals. Furthermore, the involvement of DEFEND ID will also increase Indonesia's bargaining power in international defense cooperation. Indonesia can be an industrial partner through production cooperation, technology transfer arrangements, and local industrial involvement, rather than just a defense equipment buyer. This is in line with the wider goal of building a more sustainable and independent defense industry, while also retaining strategic partnerships with overseas defense producers (Waltz, 1979).

This is why the defense partnership between Indonesia and France demonstrates the way defense diplomacy has moved on from traditional state-to-state relations. The growing involvement of defense industries is one clear indicator of the development of more complex patterns of cooperation that combine diplomatic, industrial, technological and strategic interests. DEFEND ID is a key player in this process, a state-linked industrial actor, that connects the goals of Indonesian defense diplomacy with the tangible achievements of industrial and technological cooperation.

Capacity Building Outcomes of Indonesia-France Defense Industrial Cooperation

The defense industrial cooperation between Indonesia and France demonstrates that defense diplomacy can serve as an effective mechanism for capacity building. According to Gadisya, Swastanto, and Inkiriwang (2024), capacity building in the defense sector extends beyond the acquisition of military equipment and includes the development of technological capabilities, human resources, institutional competence, and industrial capacity. Viewed from this perspective, the cooperation between DEFEND ID entities and French defense companies represents a broader effort to strengthen Indonesia's long-term defense capability.

The first dimension of capacity building is reflected in the improvement of technological capability. Through the cooperation with Thales, Naval Group, Dassault Aviation and KNDS, Indonesia can get access to the more advanced and newer technologies

in radar systems, C4ISR architecture, air surveillance, submarine construction and artillery systems. Defense procurement remains an important element of the partnership; however, the inclusion of technology transfer arrangements, local industrial participation and joint development initiatives allows Indonesia to steadily improve its technological mastery. This is particularly important because technological capability is one of the key foundations of modern military effectiveness and defense industrial competitiveness (Gadisya et al., 2024).

The second dimension focuses on the creation of human resources. There have been different types of cooperation programs established between the Indonesian and French defense industries, such as training, engineering support, industry interaction, and knowledge transfer efforts. Such programs enable Indonesian engineers, technicians, and defense industry workers to have firsthand knowledge about handling advanced defense technology systems. As emphasized by Gadisya et al. (2024), sustainable defense capacity cannot be achieved solely through equipment acquisition; it also requires the development of human capital capable of managing and utilizing increasingly sophisticated technologies.

The third dimension is the strengthening of the domestic defense industry capability. Indonesia's desire to increase local participation in defense manufacturing, rather than merely being a passive recipient of foreign technology, is reflected in the establishment of the Thales-PT Len joint venture and local construction arrangement for the Scorpène submarine program. The arrangements will allow Indonesian defense companies to obtain industrial know-how, improve production standards, and enhance their systems integration capabilities. Therefore, capacity building is not only at the individual level but also at the organizational and industrial levels (Syawfi, 2009).

More importantly, these developments are part of Indonesia's broader goal to achieve defense self-reliance. In an increasingly complex and technology-intensive defense environment, full independence in defense production is not feasible. But accumulation of technological know-how, skilled human resources and industrial capability reduces Indonesia's dependence on outside suppliers, and increases its ability to sustain and develop its own defense systems. This outcome is consistent with the strategic objective of building national resilience through the development of domestic defense capacity (Syawfi, 2009). The cooperation also supports Indonesia's efforts to build a more integrated defense system. As modern military operations become more and more dependent on the interoperability of communication networks and information sharing capabilities, the ability to integrate

different defense platforms becomes as critical as the platforms themselves. The cooperation between PT Len Industri and Thales in the fields of C4ISR systems, surveillance technologies and defense electronics is a direct response to this objective. Thus, capacity building through defense cooperation does not only strengthen individual defense sectors, but also contributes to the development of a more integrated and network-based defense architecture (Thales Group, 2024).

Overall, the Indonesia-France defense partnership is an example of how defense diplomacy can produce concrete capacity-building results. The cooperation supports Indonesia's long-term ambition of developing a modern, capable, and increasingly independent defense sector through technology transfer, human resource development, industrial strengthening, and system integration. In this process, DEFEND ID serves as a critical institutional platform that translates international defense cooperation into sustainable national capacity development.

Linking Neorealism, Defense Diplomacy, and Capacity Building: The Role of DEFEND ID

Findings and analysis have provided evidence on the connection that exists between the strategic objectives of Indonesia, its practice of defense diplomacy and capacity building initiatives. This connection is made in a way that neorealism acts as the explanation while defense diplomacy acts as the mechanism, DEFEND ID acts as the instrument while capacity building acts as the result. Under the neorealist approach, the international system in which Indonesia finds itself is one characterized by anarchy in the sense that the nation is tasked with ensuring its security and survival (Waltz, 1979). In light of the changing security environment of the Indo-Pacific region, Indonesia seeks to enhance its defensive capabilities through modernization and minimizing vulnerabilities associated with technology dependence from other countries.

To achieve these objectives, Indonesia employs defense diplomacy as a policy tool. According to Cottey and Forster (2004), defense diplomacy is a means for states to pursue security interests through cooperative defense-related activities involving defense institutions, military organizations and defense industries. In the case of Indonesia and France, defense diplomacy is not limited to government-to-government engagement, but also includes state-industry and industry-industry cooperation. This enables strategic

partnerships to provide political and military as well as technological and industrial dividends. Within this framework, DEFEND ID is the operational vehicle through which defense diplomacy is carried out. The holding turns bilateral agreements and strategic partnerships into concrete forms of industrial cooperation involving technology transfer, joint ventures, local production, technical training and industrial collaboration. DEFEND ID as a state-owned defense industry holding has a unique position between national policy imperatives and industrial execution, enabling Indonesia to harmonize international cooperation with national defense development priorities (Kementerian Pertahanan Republik Indonesia, 2022).

This process is reflected in various forms of capacity building. The collaboration with the French defense companies has helped to develop technological capabilities, human resources and domestic industrial capacity. More importantly, these programs help support Indonesia's long-term goal of developing a more integrated defense ecosystem that can support interoperability, system integration, and network-centric defense operations. In line with Gadisya, Swastanto, and Inkiriwang (2024), capacity building is thus not only a by-product of cooperation but also a strategic goal to increase national resilience and defense capability. Overall, Indonesia's defense partnership with France is a demonstration of how defense diplomacy can be used to advance national interests under the assumptions of neorealism. The mechanism is defense diplomacy; the instrument for implementation is DEFEND ID; the strategic outcome is capacity building. This process enables Indonesia to leverage international defense cooperation as a vehicle to advance defense modernization, enhance industrial capability and promote greater defense self-reliance.

CONCLUSION

This research finds that DEFEND ID has transformed from a holding in the defense industry to become a strategic instrument of Indonesia's defense diplomacy. The establishment of DEFEND ID is a manifestation of the government's initiative to create a unified ecosystem among the national defense industries that can support defense modernization, industrial development, and long-term national security goals. This analysis shows that Indonesia's defense cooperation with France is not merely about military procurement. Collaboration has also increased through cooperation between PT Len Industri, PT PAL Indonesia, PT Dirgantara Indonesia, and PT Pindad with leading defense

companies in France, including technology transfer, industrial cooperation, local production, technical training, and sharing of knowledge. These initiatives are allowing Indonesia to access advanced defense technologies while building the capacity of its domestic defense industry.

Neorealism perspective sees such cooperation as Indonesia's attempt to strengthen national capabilities and reduce strategic vulnerabilities in an increasingly competitive security environment. Defense diplomacy is the way to achieve these objectives, and DEFEND ID is the institutional tool to translate strategic partnerships into concrete industrial and technological cooperation. In addition, the results show that defense industrial cooperation has become an effective platform for capacity building. The cooperation supports technological development, human resources development, and the enhancement of domestic industrial capabilities. These results encourage the building of a more integrated defense ecosystem and increase Indonesia's capability to manage, maintain, and develop modern defense systems.

In the end, the Indonesian-French defense industrial cooperation case reflects the possibility that the defense industrial cooperation can serve several strategic purposes at once. It is an integrated form of defense diplomacy, a capacity-building mechanism, and a long-term strategy for advancing Indonesia's defense modernization and defense self-reliance. In this process, DEFEND ID has a central role in linking international cooperation as integrator with the broader goal of enhancing Indonesia's national defense capability.

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