

Legal Reconstruction on the Use of Philanthropic Funds in Supporting State Defense Financing

**Asral Efendi¹, M. Adnan Madjid², Irdam Ahmad³,
Tahan Samuel Lumban Toruan⁴**

Universitas Pertahanan Republik Indonesia

Email: asral.efendi@idu.ac.id

Keywords:
Grants;
Philanthropic
Funds;
State
Defense
Financing.

Abstract: *The collection of public philanthropic funds, especially in financing the national defense sector, has not been clearly regulated, but in the Indonesian context it has considerable potential so that it requires regulations to regulate it. The purpose of this research is to find out how the financing of state defense is in the regulations that govern it currently in Law number 3 of 2002 concerning National Defense, Law number 34 of 2004 concerning the TNI, Law number 23 of 2019 concerning Management of National Resources for Defense. Next, make several alternative suggestions so that philanthropic funds can be used to finance the national defense sector within the framework of Law number 17 of 2003 concerning State Finance and Law Number 1 of 2004 concerning the State Treasury. The research method in this study is normative juridical with a statutory and comparative law approach. With the results there is an opportunity to use community philanthropic funds to participate in financing the national defense sector with a grant mechanism that is still in the APBN mechanism. By looking at the large potential of community philanthropic funds, an ideal concept is proposed that regulates operationally and institutionally.*

DOI:
10.19109/nurani.v%vi
%i.14462

Introduction

National defense aims to maintain and protect state sovereignty, territorial integrity of the Unitary State of the Republic of Indonesia, and the safety of the entire nation from all forms of threats. The national defense budget has increased every year, but it is not enough to create a strong national defense system. In 2020 the national defense budget is 122 trillion, in 2021 it is 137 trillion. In the state defense budget there is an increase in spending caused by the co-19 pandemic (The International Institute for Strategic Studies, 2021).

The budget is a crucial component in bolstering the military because it has a significant impact on how a nation's military sector develops

(Darmawan et al., 2020). Given that the majority of the TNI's defense equipment is currently in a deteriorated state, cutting back on defense equipment spending poses a threat to combat readiness and upkeep (Agus Setiaji, 2020). To safeguard national interests, territorial integrity, national sovereignty, and national security, national defense is still regarded as being insufficient. The COVID-19 pandemic is one of many global health issues that are now being addressed by the state budget. To combat the economic impact, the Indonesian government continues to work to enact sensible budgetary measures (Fiscal, 2020).

Based on the source, sources of defense expenditure financing are divided into Pure Rupiah, Non-Tax State Revenue (PNBP), Grants, Foreign Loans (PLN), and Domestic Loans (PDN) as stipulated by Article 21 of the Minister of Defense Regulation Number 28 of 2016 concerning the National Defense Program and Budget (Ministry of Defense, 2016). Defense financing is needed to finance defense spending that requires financial funds, both from the government budget which is called equity (equity financing), as well as from loans (debt financing), all of which will become a burden on the state (government balance sheet) (Purnomo Yusgiantoro, 2014).

Philanthropy means love (generosity) to others (Departemen Pendidikan dan Kebudayaan, 1989). The term philanthropy comes from the language philanthropia or in Greek philo and anthros which means human love. Philanthropy is a form of caring for a person or group of people for other people based on love for fellow human beings (Latief, 2010). More broadly, the root word for philanthropy comes from "loving people" so that it is widely practiced by cultural entities and religious communities in parts of the world since ancient times, even before Islam, because the discourse on social justice has developed (Raharjo, 2003).

Almost everywhere, individual giving outweighs institutional giving. New methods of giving are now possible thanks to advances in technology: giving online, giving via SMS, crowdfunding, and more. The program lays the foundation for growing giving from the Charities Aid Foundation estimates that by 2030 the world's middle class will reach 2.4 billion. If they contributed just 0.5% of their expenses (which is the equivalent of what people in South Korea contribute and a third of what they donate in the US), that could be as high as USD 319 billion that could be donated to civil society organizations each year (Bellegy, 2018).

The generosity and volunteerism of the Indonesian people is recognized internationally. The World Giving Index (WGI) report published by CAF (*Charities Aid Foundation*) in 2020 shows that more than 8 out of 10 Indonesians donate money, while the level of volunteering in Indonesia is three times higher than the world average (Charities Aid Foundation, 2021).

The existing source of state funding is only through state revenue fiscal policy tools, and traditional state financing that has not been maximized. Current state defense financing restrictions only take into account tangible assets (assets that are only physically apparent). However, the nation of Indonesia's intangible assets, which contain considerable social capital, are not taken into consideration. Gotong royong culture is ingrained in the features of the Indonesian people. In many parts of Indonesia, the

practice of gotong royong has been around for a while (Irfan, 2016), and volunteerism has a long history (Hartnell, 2020). The spirit of patriotism, in which the people work together and rise together to participate in safeguarding the country's sovereignty, is a potential for sizable philanthropic funding if the government can manage it properly.

On the other hand, the phenomenon of the absence of clear policy governance and mechanisms related to individuals or corporations that contribute to the interests of national defense, while the law states that it must be the state budget. Many individuals or corporations have donated to categories including state defense financing but there are concerns that this will interfere with the professionalism of institutions that are not in line with the Law on National Defense and the Law on the TNI. Starting from the above, it is necessary to study the arrangements for financing national defense in the current laws and regulations, and legal reconstruction to open up opportunities for the use of philanthropic funds to support national defense within a transparent and accountable framework.

The authors are interested in undertaking study on the control of state defense financing based on the description provided above. The primary concern in this study is how to regulate state military funding under the existing laws and rules. And, how does the legal framework relate to using charitable donations to support national defense spending. The purpose of the study is to determine how the idea of state defense financing is implemented in the laws that govern it at the moment, including Law Number 3 of 2002 Concerning National Defense, Law Number 34 of 2004 Concerning the TNI, and Law Number 23 of 2019 Concerning Management of National Resources for Defense. Of course, Law No. 17 of 2003 must be consulted before using philanthropic donations to support defense spending.

Research Method

Legal research was created by (Marzuki, 2008) as a method for locating laws, legal doctrines, and legal principles to address legal difficulties. This research uses normative juridical law research and comparative legal approach. What is meant by juridical research is to look at legal aspects based on statutory regulations, while normative research is research in the field of law to get legal rules, as well as legal doctrines to answer existing legal issues.(Marzuki, 2005), and carried out by searching for laws pertaining to the topics mentioned by looking through library resources or secondary data as the primary source of information (Mamudji, 2006). The researcher chooses normative juridical research because the writer tries to carry out a juridical analysis of the use of philanthropic funds in supporting national defense financing. Researchers will examine the formulation of the problem with the norms and rules of law that apply, explain it in detail then provide legal solutions to the research carried out. This is carried out referring to and based on legal norms contained in existing laws and regulations, as well as reviewing legal provisions that are norms and materials derived from literature.

The second method is a comparative legal approach to answer the second problem formulation regarding the ideal concept of using

philanthropic funds in supporting national defense financing by referring to defense financing policies in other countries by collecting data through journals and regulations in other countries, in this case researchers took up the implementation of the use of philanthropic funds in Ukraine.

Discussion and Results

State Defense Financing in review of Legislation

a. State Defense Financing in a Review of Law Number 3 of 2002 concerning National Defense and Law Number 34 of 2004 concerning the Indonesian National Armed Forces.

Several articles in RI Law Number 34 of 2004 concerning the TNI also contain explanations regarding how national defense funding must be funded through the APBN, namely:

- a. Every TNI soldier has the right to receive a decent income and is fully funded from the state defense budget sourced from the State Budget (Article 49);
- b. The TNI is financed from the state defense budget sourced from the APBN (Article 66 Paragraph 1);
- c. The TNI Commander in terms of fulfilling budget support, submits to the Minister of Defense, to be financed entirely from funds sourced from the APBN (Article 67 Paragraph 1);
- d. The Commander of the Indonesian Armed Forces, in fulfilling urgent military operational budget support, submits a budget to the Minister of Defense to be financed from a contingency budget from the State Budget (Article 67 Paragraph 2), with the approval of the DPR (Article 67 Paragraph 3).

The concept of state defense financing, when viewed from the legislation above, states that the purpose of state defense financing is not only related to the defense budget in the Ministry of Defence. However, all funding related to building, maintaining, developing and using the TNI and other defense components, such as financing reserve components and supporting components. On the other hand, state defense financing in terms of managing national resources for national defense can use funding from non-APBN sources (Republic of Indonesia, 2019).

The National Defense System is a comprehensive defense strategy that involves all citizens, territories, and other national resources. It is designed to uphold state sovereignty and preserve territorial integrity. It is prepared early by the government and implemented in a comprehensive, integrated, directed, sustainable, and sustainable way. Republic of Indonesia, and safeguard the security of the entire country from any dangers (Article 1 Paragraph 6). Reserve Components (Komcad) and Supporting Components are additional defense components.

Figure 1



Source: State Defense Posture, Ministry of Defence, 2015

Based on Article 11 paragraph (2) of Law Number 34 of 2004 concerning the TNI, it is stated that the TNI's posture as referred to in paragraph (1) is built and prepared in accordance with the national defense policy. The posture of the TNI is a manifestation of the appearance of the TNI which can be seen from the strength, ability and degree of strength possessed by the TNI. On this basis, funding related to the TNI's posture as the main component of national defense, such as defense equipment and the like, must use the state budget. Apart from that, Article 10 paragraph (1) of Law no. 23 of 2014 concerning Regional Government states that the defense sector is an absolute central government affair in the explanation of the article stating what is meant by 'defense affairs' for example establishing and forming an armed force, declaring peace and war, (Reza, 2019). Funding for the national defense sector originating from outside the APBN can pose a problem considering that the use of the budget is potentially difficult to control and does not rule out the possibility of budget abuse practices. But on the other hand, this funding actually opens up opportunities for interested parties to take advantage of the strength of the national defense component by participating in providing funding, for example, private companies to protect their business interests, participating in the success of state defense education, with the intention that citizens in their business areas can protect its business interests (Saputra, 2020).

b. State Defense Financing in Review of Law Number 23 of 2019 concerning Management of National Resources for National Defense.

According to Republic of Indonesia Law Number 23 of 2019 about Management of National Resources for National Defense (PSDN), the APBN, APBD, and other legal and non-binding financial sources can provide the PSDN with the necessary resources for national defense (Article 75). According to the summary of this article, sources of funding or financing for defense purposes, including the administration of national resources, can also come from the APBD and/or other funding sources that are legitimate and have no legal or enforceable obligations. The goals of managing national resources for national defense must be followed, as stated in article 3 of the law. The universality principle is one of the guiding concepts used in the administration of national resources.

All territory, all national resources, and all individuals are involved in defense due to its universal nature, which the government prepares early. The principles that underpin national defense activities include interoperability, integration, totality, togetherness, belief in one's own strength, mutual collaboration, never giving up, and awareness of one's rights and responsibilities as a citizen. The unified style of thinking and doing of Indonesian individuals to participate in national security initiatives is a manifestation of universality. According to the legal requirements, every citizen is required to assist in maintaining the state's security. To combat all threats, universal defense involves both military and non-military defense in a coordinated, integrated, and synergistic way (Kementerian Pertahanan, 2014).

A National Defense Supporting Component made up of Citizens, Natural Resources, Artificial Resources, and National Facilities and Infrastructure exists in accordance with this law. According to the overarching National Defence policy, ministries and agencies are responsible for structuring and coaching operations that are part of the management of the Supporting Components. The National Defense governance structure, which is democratic, equitable, protects human rights, and complies with statutory rules, governs the Supporting Components. In this perspective, PSDN is managing resources for very broad defense, while in the State Defense Law the assumption is that financing is only for the main components. Whereas for the funding of the main components that are clear, they must be financed by the APBN, be it Pure Rupiah, Foreign Loans, as well as Domestic Loans and other sources in the APBN mechanism. In addition to the things above, the perspective is different, including the state defense program, because Sishankamrata is based on defending the country, so all components do that so that the funding must be encouraged, all can play a role. For example, coaching for defending the state for funding students is carried out by the educational institutions themselves, BUMN/Private Companies also do the same, not to mention what is done by the Regional Government. The supporting components of state defense are basically numerous, so that they cannot be fully managed using the limited state budget. so that all components do that so that the funding must be encouraged all can play a role. For example, coaching for defending the state

for funding students is carried out by the educational institutions themselves, BUMN/Private Companies also do the same, not to mention what is done by the Regional Government. The supporting components of state defense are basically numerous, so that they cannot be fully managed using the limited state budget. so that all components do that so that the funding must be encouraged all can play a role. For example, coaching for defending the state for funding students is carried out by the educational institutions themselves, BUMN/Private Companies also do the same, not to mention what is done by the Regional Government. The supporting components of state defense are basically numerous, so that they cannot be fully managed using the limited state budget.

Legal reconstruction of the use of philanthropic funds in supporting state defense financing.

a. Implementation of the use of Philanthropic Funds for the defense sector in other countries

Defense funding using philanthropic funds, especially through the crowdfunding mechanism, has been used by countries that are at war. One of them is Ukraine, which wasn't a full part of the global security system and depended on its own strength prior to the hybrid war fought by Russia. At the same time, the minimum force strategy is used to finance defense spending, which is typically negligible and falls below 1% of GDP. The efficacy, combat readiness, and combat readiness of the Ukrainian Armed Forces are all badly impacted by this insufficient amount of funding. Defense spending of less than 1% of GDP annually, according to international experience, results in a total loss of defense capabilities (Cheberyako et al., 2020).

The state budget serves as the primary financing source for defense in Ukraine, and the necessary spending quantities are governed by Ukrainian legislation (State Budget of Ukraine for the year). In this situation, defense spending must equal at least 3% of the projected GDP in compliance with the legislation (Article 2 of the Ukrainian Law on Defense of Ukraine). Additionally, since 2014, a new source has emerged in the form of philanthropic contributions made by both natural persons and legal corporations (Ukrainian Law On Amendments to Certain Legislative Acts of Ukraine to Strengthen Material and Financial Support of State Defense Capabilities).

Woods (2019) claims that Ukrainian citizens also exploited the defense donation method in their conflict with separatists supported by Russia. Private defense charities are able to raise enough money through donations to provide necessary military funds and equipment in regions where the Ukrainian government would otherwise find it challenging. They do this by reducing the size of the population under discussion and concentrating on a special high-return type of military capital. In support of joint defense, private Ukrainian individuals gave more than \$14.4 million between 2014 and 2016 (\$6.6 million directly to the Ministry of Defense and \$7.78 million to private military organizations). Public goods are one category of donated items. Some of them are meant to provide money for the purchase of helmets, body armor, special vehicles, uniform sets, tactical underwear, tactical

headgear, shoes, and other relevant items.

On other occasions, Ukraine voluntarily contributes to defense. A decentralized and openly accessible intelligence network is created via websites that enable information sharing amongst citizens, together with formal battalions run by the Ministry of Defense and self-organized and armed volunteer battalions. Wood added that the scale of voluntary defense provision demonstrated in Ukraine is more than what has previously been recognized in the literature on defense economics. In addition to being a strong replacement for government-provided public defense goods, voluntary provision also offers a practical means of fending off a more powerful foe in the event that resources run low.

Table 1. Arrangements for Philanthropic Funds through Crowdfunding in Ukraine

Resolution	Information
Resolution of the Cabinet of Ministers of Ukraine, of April 19, 2022 No. 472	<ol style="list-style-type: none"> 1. Agree to the Procedure for using the official account for donations in support of Ukraine by "United24" . 2. Specifies that from the special account for raising funds in support of the Armed Forces, the means are used to finance actions related to the rejection of the armed aggression of the Russian Federation against Ukraine, in particular, the purchase of forms, clothing, recovery, first aid in accidents. 3. Procedures for using funds from the account to satisfy health care needs. 4. Procedures for the use of charitable gifts, humanitarian aid, grants and gifts to meet scientific and educational needs; 5. Procedures for using charitable donations, humanitarian aid, grants and gifts to meet the needs of culture, arts, creative industries, protection and preservation of cultural heritage, cultural values, mass media support.
Resolution of the Cabinet of Ministers of Ukraine, of May 3, 2022 No. 516	<p>The Cabinet of Ministers of Ukraine decided:</p> <ol style="list-style-type: none"> 1. Approved The regulations on the single state web portal for the collection of donations in support of Ukraine by "United24" are implemented. 2. Made changes that were implemented in the resolution of the Cabinet of Ministers of Ukraine. 3. Gives an order to the Ministry of Digital Transformation to provide for the creation and commissioning of a single-state web portal for collecting donations in support of Ukraine to "United24".
Resolution of the Cabinet of Ministers of Ukraine, of June 7, 2022 No. 655	Approval of procedures for the use of funds from the account for fulfillment related to physical culture and sports

Source : <https://cis-legislation.com/>

b. Opportunity to use Philanthropic Funds to support State Defense Financing through the APBN Mechanism

State spending is defined by RI Law Number 17 of 2003 concerning State Finance as an obligation of the central government that is deducted from net worth, whereas financing is any revenue that must be repaid and/or expenditure that will be reimbursed, both in the current fiscal year and the year after that.

Article 11 of Law Number 17 of 2003 concerning State Finance contains that APBN consists of revenue budget, expenditure budget, and financing. State revenue includes tax revenue, non-tax revenue, and grants. State spending is functioned for the needs of carrying out central government tasks and implementing financial balances between the central and regional governments.

The APBN structure is based on Law Number 1 of 2004 concerning the State Treasury, as follows:

- APBN consists of revenue budget, expenditure budget, and financing.
- State revenue consists of tax revenue, non-tax revenue, and grants.
- State spending is used for the purposes of carrying out central government tasks and implementing financial balances between the central and regional governments.
- State spending is broken down by organization, function, and type of spending.

Based on Article 40 PP Number 45 of 2013, there are several principles for state revenue including: 1) It must be deposited into the State Treasury; 2) State Revenue received by State Ministries/Institutions may not be used directly to finance expenses except for BLU; 3) Deposit of State Revenue using the State Revenue system. So that the entire income consisting of tax revenue, non-tax state income (PNBP), and grant funds are paid in advance to the state treasury and the expenditure must pass through the administration of state financial management.

Sishankamrata is contained in the Second Amendment, Article 30, paragraphs (1) and (2) of the 1945 Constitution, Chapter XII (State Defense and Security). According to the aforementioned article, each citizen has a responsibility and right to take part in state defense and security initiatives. The TNI and Polri, the state's primary armed forces, and the populace, its auxiliary force, carry out these initiatives through Sishankamrata. The understanding of defending the country as something significant that must be owned by every Indonesian citizen (WNI) as a way of carrying out their rights and obligations in the struggle to defend the country is a key component of Sishankamrata. According to Article 27 Paragraph (3) of the 1945 Constitution, which governs state defense efforts, essentially every person has the right (Kementerian Pertahanan, 2021).

Refer to Law Number 9 of 1961 Concerning Collection of Money or Goods for current laws on charitable donations collected through the community. According to Article 2 of Law Number 9 of 1961 regarding the collection of money and goods, prior approval from the appropriate authorities is necessary in order to carry out the collection of money. Only donations for the advancement of social, mental/religious/spiritual, physical,

and cultural wellbeing are subject to legal regulation. There are no explanations and laws governing donations for national defense. This causes donations to purchase defense equipment threatened not to be realized. because based on existing regulations, the purchase of defense equipment must use the state budget.

The Law Number 11 of 2020 Concerning Job Creation, on the other hand, allows privately owned businesses to participate in the main equipment or defense equipment industry, giving them the chance to finance Indonesia's defense industry, the major integrator (lead integrator that produces the main weapon system equipment). or include all primary elements, secondary elements, and raw materials into primary tools (Article 74).

Based on the description above, the researcher views that from a review review of the implementation of regulations in other countries, as well as the treatment of donations or grants that have been received by the Ministry of Defense, the grant mechanism is an appropriate means of using philanthropic funds to support national defense financing, because it is still within the framework of state budget mechanism.

Grants are Government revenues in the form of money/goods or services from governments of friendly countries, international organizations, state/regional companies, communities and social organizations that are not mandatory and non-binding and not continuous. Grants are used to support national development, natural disaster management, and humanitarian assistance. Grants can be in the form of cash, money to finance activities, goods/services, or securities. Grants consist of planned grants and direct grants. Planned grants are grants made through a planning mechanism and communication or agreement has been made between the two countries so that these grants are recorded in the state budget. Meanwhile, direct grants are grants that are given directly by donors to executing agencies (K/Ls that receive grants without going through the state general treasury). Usually provided in the form of non-cash goods/services. This is usually done during disaster management and humanitarian assistance.

Grants can be interpreted as any Central Government receipts in the form of money, goods, services and/or securities obtained from grantors who do not need to be repaid, originating from within the country or abroad. Grants are Government revenues in the form of money/goods or services from governments of friendly countries, international organizations, state/regional companies, communities and social organizations that are not mandatory and non-binding and not continuous. Grants are used to support national development, natural disaster management, and humanitarian assistance. Grants can be in the form of cash, money to finance activities, goods/services, or securities. Grants consist of planned grants and direct grants. Planned grants are grants made through a planning mechanism and communication or agreement has been made between the two countries so that these grants are recorded in the APBN. Meanwhile, direct grants are grants that are given directly by donors to executing agencies (K/Ls that receive grants without going through the state general treasury). Usually

provided in the form of non-cash goods/services. This is usually done during disaster management and humanitarian assistance(DJPPR, 2021).

Grants are defined as any state revenues in the form of foreign exchange, foreign exchange converted into rupiah, goods, services, and/or securities obtained from Grant givers who do not need to be repaid, originating from within the country or abroad, according to Article 1 Point 2 of Government Regulation Number 10 of 2011 concerning Procedures for Procuring of Foreign Loans and Acceptance of Grants.

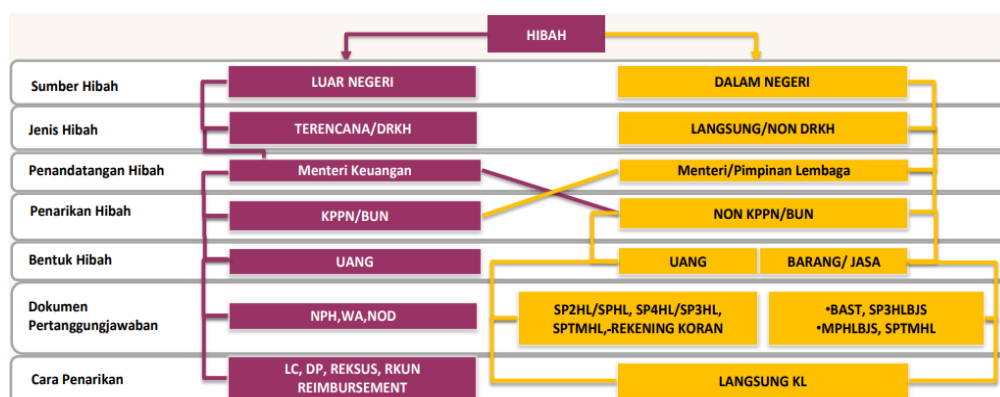
There are several provisions related to the form of Grants received by the Government as follows:

1. Cash grants are deposited directly as part of APBN income into the State General Treasury Account or another account chosen by the Minister.
2. The budget implementation document contains grants in the form of cash to finance activities. The government can also obtain grants in the form of cash to finance operations through trust funds.
3. Grants in the form of goods/services are valued in Rupiah at the time of handover of goods/services to be recorded in the Central Government Financial Statements.
4. Grants in the form of securities are valued in Rupiah based on the nominal value agreed at the time of handover by the Grantor and the Government to be recorded in the Central Government Financial Statements.

By type, grants consist of planned grants and/or direct grants. Planned grants are grants implemented through a planning mechanism, while direct grants are grants implemented not through a planning mechanism.

Based on the source, grants can be sourced from within the country and abroad. Grants sourced from within the country can come from domestic financial institutions, domestic non-financial institutions, local governments, foreign companies domiciled and conducting activities in the territory of the Republic of Indonesia, other institutions, and individuals. Grants sourced from abroad can come from foreign countries, institutions under the United Nations (UN), multilateral institutions, foreign financial institutions, foreign non-financial institutions, national financial institutions that are domiciled and carry out business activities outside the territory of the Republic of Indonesia , and individuals. The scope of the grant is as follows:

Figure 2. Scope of Grants



Source: Central Government Grant Management Profile 2021 DJPPR

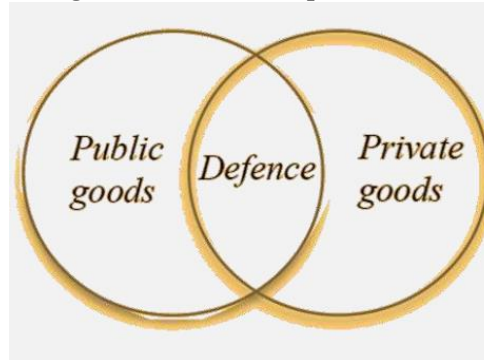
Grants can be realized at ministries or institutions in Indonesia. For defense purposes, grants are realized through the Ministry of Defence. Based on Table 2 below, the realization of grants for the Ministry of Defense in 2021 is 1.03 T or 4% of the total grants realized. The Ministry of Defense is the fifth highest grant recipient under the Ministry of Health, Police, Ministry of Religion and Ministry of PUPR. Realized grants consist of cash and goods of 0.54 T and 0.48 T. All grants to the Ministry of Defense use a withdrawal mechanism not through BUN/BUN Authorities(DJPPR, 2022).

Table 2. Details of Grants by Mechanism, Source, and Form

NO	KEMENTERIAN NEGARA/LEMBAGA	MELALUI BUN		TIDAK MELALUI BUN		TOTAL
		KAS	KAS	JASA	BARANG	
1	KEMENKES	-	762.206.260.537	730.256.322.421	13.864.657.562.625	15.357.120.145.583
2	POLRI	-	1.018.563.307.072	225.000.000	837.982.660.219	1.856.770.967.291
3	KEMENAG	-	724.782.625.606	-	317.132.071.263	1.041.914.696.869
4	KEMENPUPR	431.381.950.962	-	456.279.867.096	148.283.181.662	1.035.944.999.720
5	KEMENHAN	-	545.325.815.551	-	484.081.947.375	1.029.407.762.926
6	KEMENHUB	-	24.959.664.269	-	764.664.716.811	789.624.381.080
7	BAPPENAS	53.015.560.000	18.415.425.011	644.001.277.202	3.499.686.779	718.931.948.992
8	KLHK	320.660.796.253	43.393.522.724	328.757.956.993	12.431.706.898	705.243.982.868
9	KKP	18.873.179.157	380.454.649.963	75.431.520.812	5.776.305.292	480.535.655.224
10	KEJAKSAAN	-	600.000.000	-	380.375.640.472	380.975.640.472
11	LAINNYA	121.125.418.065	549.284.259.516	1.098.044.082.783	1.152.139.893.695	2.920.593.654.059
TOTAL		945.056.904.437	4.067.985.530.249	3.332.996.027.307	17.971.025.373.091	26.317.063.835.084

Source: Central Government Grant Management Profile 2021 DJPP

Figure 3. Defense Spectrum



Source: Agus Setiadji, 2022

From the figure above, the aspect of national defense is at the intersection of a spectrum between public goods and private goods, with considerations related to empirical economic determination (comparing between economic theory and observed data), so that it can be known and identified Exactly how big the spectrum of aspects of national defense is (Agus Setiadji, 2022). Looking at the Ministry of Defence's 2021 National Priority Program, there are also programs that make it very possible to use philanthropic funds to finance them, especially the State Defense Awareness Development Program. Among them *Talk Show* Defending the Country through Television Media. Socialization of Developing Awareness of Defending the Country Scope of Work in the Regions. Development of National Character through Action to Defend the State. Defending the Country Campaign, Awarding the Patriot Award for Defending the Country to Former East Timorese Combatants, Socializing Awareness of Defending the Country for Indonesian Migrant Workers (PMI), Fostering Awareness for Defending the Country in the Scope of Education, Community and Work in the Regions, Socialization of Awareness of Defending the Country through Public Service Advertisements on Radio and Social Media (Ditjen Renhan, 2021).

There is a need to revise the regulations governing the collection of money or obsolete goods. The government should immediately revise Law No. 9 of 1961 pertaining to the Collection of Money or Goods, as it does not adequately address the management of philanthropic funds in support of national defense funding. furthermore, the Ministry of Defense must be selective in receiving grants, with an early assessment of whether or not a grant is acceptable to avoid accepting grants that are neither urgent nor donor-driven. Therefore, the principle of prudence and selectiveness must be prioritized one receiving grants. Subsequently, there is a need to improve regulation and governance so that it does not have an impact on the emergence of a new profession in collecting money or goods for the defense sector, so that it must be clearly regulated, so that only official government agencies such as the National Amil Zakat Agency (Baznas) or directly through the Ministry of Finance are permitted to collect funds or goods for the defense sector.

Conclusion

There are conflicting legal norms in regulating the use of philanthropic funds in supporting the financing of national defense, however, by using a grant mechanism, both funding the main component and other components can be considered. Whereas the aspect of national defense is at the intersection of the spectrum between public goods and private goods, so that there is a need for legal reconstruction of the use of philanthropic funds in supporting national defense financing, especially in separating pure public goods or private goods that can be used society contributes to its fulfillment.

Reference

- Agus Setiaji. (2020). *Ekonomi Pertahanan Menghadapi Perang Generasi Keenam*. Universitas Pertahanan.
- Agus Setiaji. (2022). *Slide Presentasi Ekonomi Pertahanan dan Pembiayaan Pembangunan Kekuatan pada Roundtable Discussion di Universitas Pertahanan Tanggal 26 September 2022*.
- Bellegy, B. (2018). *Menyingkap potensi filantropi*. Worldwide Initiatives for Grantmaker Support(WINGS).
- Charities Aid Foundation. (2021). *CAF world giving index 2021* (Issue June).
- Chebryako, O., Kolesnyk, V., & Gaiduchenko, A. (2020). Defense Financing Features Within The Context of The New Challenges. *Globalization and Business*. <https://doi.org/10.35945/gb.2020.10.020>
- Darmawan, W., Alkadrie, J., & Sudirman, A. (2020). Kerjasama Kementerian Pertahanan Republik Indonesia Daewoo Shipbuilding Marine Engineering dalam pengadaan kapal selam sebagai upaya pemenuhan minimum essential force militer Republik Indonesia. *Padjadjaran Journal of International Relations*, 1(4), 303. <https://doi.org/10.24198/padjir.v1i4.26242>
- Departemen Pendidikan dan Kebudayaan. (1989). *Kamus Besar Bahasa Indonesia* (Kedua). Balai Pustaka.
- Ditjen Renhan, K. (2021). *Evaluasi Rencana Kerja Kementerian Pertahanan*.
- DJPPR, K. K. (2021). *Profil Pengelolaan Hibah Pemerintah Pusat*.
- DJPPR, K. K. (2022). *Profil Pengelolaan Hibah Pemerintah Pusat Tahun 2021*.
- Fiskal, B. K. (2020). *Tinjauan ekonomi, keuangan dan fiskal*. 1–80.
- Hartnell, C. (2020). *Philanthropy in indonesia*.
- Irfan, M. (2016). Crowdfunding Sebagai Pemaknaan Energi Gotong Royong Terbarukan. *Share : Social Work Journal*, 6(1). <https://doi.org/10.24198/share.v6i1.13145>
- Kementerian Pertahanan. (2014). Strategi pertahanan negara. In

Kementerian Pertahanan.

- Kementerian Pertahanan. (2016). *Peraturan Menteri Pertahanan Republik Indonesia Nomor 28 Tahun 2016 tentang Sistem Program dan Anggaran Pertahanan Negara.*
- Kementerian Pertahanan. (2021). *Dokumen strategis : Sistem pertahanan dan keamanan rakyat semesta (sishankamrata) abad ke-21.*
- Latief, H. (2010). *Melayani Umat.* Gramedia Pustaka Utama.
- Mamudji, S. S. dan S. (2006). *Penelitian Hukum Normatif Suatu Tinjauan Singkat.* Raja Grafindo Persada.
- Marzuki, P. M. (2005). *Penelitian Hukum.* Kencana Prenada Media Group.
- Marzuki, P. M. (2008). *Penelitian Hukum.* Kencana Prenada Media Group.
- Purnomo Yusgiantoro. (2014). *Ekonomi Pertahanan : Teori dan Praktik.* Gramedia Pustaka Utama.
- Raharjo, M. D. (2003). *Berderma untuk Semua: Wacana dan Praktek Filantropi Islam.* PBB UIN Syarif Hidayatullah.
- Reza, B. I. (2019). Tafsir Monopoli Negara dalam Pemebelaan dan Pertahanan Negara di Indonesia. *TerAs Law Review, September.*
- Saputra, D. A. (2020). Analisis politik hukum undang-undang nomor 23 tahun 2019 tentang pengelolaan sumber daya nasional untuk pertahanan negara. *LEX Renaissance, 5(4), 946–961.*
- The International Institute for Strategic Studies. (2021). The Military Balance 2021. In *The Military Balance 2021.* Routledge. <https://doi.org/10.4324/9781003177777>

