# ENERGY SECURITY POLICY OF PT. PERTAMINA FACES THE DYNAMICS OF FOREIGN POLICY

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**Abstract:** Indonesia is a country that has diversity abundant natural resources, including energy resources. Indonesia's role in the energy sector is very large, for example Indonesia is one of the exporters of coal and LNG (Liquefied Natural Gas) is the largest in the world. Wealth is real is the capital to become a great country. PT. Pertamina (Persero) as a national-scale oil company that has been committed to providing the best contribution to the Indonesian economy. The research method uses descriptive qualitative. The results of the study show that Kube 1998 includes five main policy and nine policies supporters. The main policies are: Diversification is diversification use of energy, both renewable or non-renewable. Intensification is the search for energy sources through survey and exploration activities so that can upgrade new reserve especially fossil energy. Conservation is carried out starting from the upstream side down to the bottom. The main target of Pertamina's policy related to the protection of biodiversity is ecosystems located in/close to Pertamina's working areas, both on land and in sea. Determination of the average energy price which gradually directed to follow the mechanism market and Paying attention to environmental aspects in development in the energy sector including in it gives priority in utilization of clean energy. The novelty of this research is PT. Pertamina Faces The Dynamics Of Foreign Policy seeks to increase its role in driving the national economy by developing strategies to meet national energy in a sustainable manner and reduce imports of oil and gas

#### **PENDAHULUAN**

Foreign policy is an activity that carried out by a number of groups with the aim of to influence and change state behavior others and adapt themselves into international environment (Chandra, 1999). Definition foreign policy as an activity that have a purpose and are designed to defend or change conditions, objects or practices in external environment (Holsti, 1919). Definition of energy security policy (Keliat, 2021) which cites the term energy security from UNDP (United Nations Development Program) is availability of energy supply in sufficient quantity quite a price that is easily accessible. This definition has a very close relationship with economic logic, because there are sentences of sufficient quality and an affordable price. The sentence has aim to find the balance point between supply and demand.

The changing dynamics of international geopolitics has made energy security is one of the problem domains of interest international and become a part of foreign policy of countries in the world. According to (Yergin, 2006) energy security began to become a global issue when Arab Saudi Arabia halts its crude oil exports to industrialized countries early decade of the 70s. In that era, oil was the most vital source of energy for Western European countries and the United States. Energy sources in the form of oil, natural gas and rock coal has a very high value strategy in the interests of national security politics and international. The world's population is increasing resulting in an increase in the demand for resources energy is very drastic, while the amount of reserves and the supply of energy from time to time is very limited and dwindling. There are efforts to increase economic activity industry of every country in various parts of the world is an important part of national economic growth and market products international. Problem current international security in particular can is said to be a contemporary problem that not only view energy security as a focus on securing the country and energy only, will but the issue of energy security becomes very complex problems in including maintaining potential areas that benefit the state, the security of the population, ideological security, and regional security directly adjacent to other countries. Energy security issues can't separated from the geopolitical conception that studies on the geographical position of a country as component capabilities possessed in international political order. Coordinator is not only the door entry for stakeholders to convey interests, aspirations, thoughts, and input, but also a source of information and determining the target that must be fought for by the negotiators from several stakeholders others in various bilateral, regional, and multilateral energy. Energy security if analyzed in the perspective of political economy international based on reciprocity interdependence between countries in scope economic dependence between countries (Farid, 2017). On the other hand, Diplomacy has the meaning as how to carry out relations between countries through an official representative. Diplomacy can include the whole process of foreign relations, manufacturing and formulation and implementation of foreign policy (Plano & Olton, 1999).

For energy importing countries, Energy security can be defined as "certainty" sufficient energy supply to enable the national economy to function in a politically acceptable manner" guarantee there will be a sufficient supply of energy for ensure the running of the national economy through political channels (Hadiwinata, 2021).

This situation makes international relations in security energy sector resources

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become very important, especially countries that are highly dependent on resourceproducing countries energy (petroleum, natural gas and coal). Energy security is put forward as a concept and at the same time policy, indeed, many energy experts reject the concept of national energy independence (national energy independence) due to the fact that countries have been linked in an interdependent world trading system (interdependence) with each other in the world energy market (Muna, 2011). Indonesia is a country that has diversity abundant natural resources, including energy resources. Indonesia's role in the energy sector is very large, for example Indonesia is one of the exporters of coal and LNG (Liquefied Natural Gas) is the largest in the world. Wealth is real is the capital to become a great country. PT. Pertamina (Persero) as a national-scale oil company that has been committed to providing the best contribution to the Indonesian economy. PT Pertamina (Persero) seeks to increase its role in driving the national economy by developing strategies to meet national energy in a sustainable manner and reduce imports of oil and gas. energy security is "a condition of ensuring the availability of energy, public access to energy at affordable prices (rational) in the long term while still paying attention protection of the environment (BIN, 2016). In determining energy security indicators, in principle There are five aspects to consider, namely: affordability, acceptability, availability, accessibility, and sustainability.

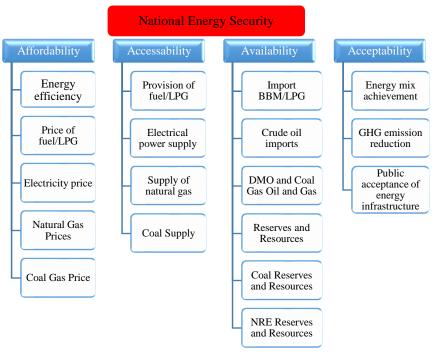


Figure 1 Hierarchical Structure in Calculation of Energy Security Indicators (Nasional, 2015)

According to the President Director of PT Pertamina (Persero) Nicke Widyawati, when viewed from the energy security indicators, Indonesia is currently still in a state of resilience with a score of 6.57. however, the complexity of the problem energy security is currently unanticipated again with simple and general indicators, so that complex indicators are needed, while staying focused on priorities and objectivity. Energy demand increases in line with gross domestic product (GDP) growth and residents. Gross domestic product (GDP)

during the period 2012-2025 it is estimated grew by an average of 7.1% per year, this is will lead to growing demand energy increased by 4.7% per year or grew from 1,079 in 2012 to 1.960 million BOE in 2025 (Sugiyono, 2014).

Ideally, designing an energy security nation must be adapted to the context specific in a country, such as; special conditions, level of economic development, risk perception, and the strength of the energy system and geopolitical issues (Chester, 2010). For countries that have energy sources or geographically into energy traffic will trying to maximize the benefits of existence source of this energy (Kleveman, 2003). This is the challenge to formulate a policy strategy in maintaining the stability of national energy security.

### **METHODS**

The research paradigm is a frame of mind which explains how the researcher's point of view with the facts of social life and the treatment of researchers for science or theory. Research paradigm explain how researchers understand problem, testing criteria as the basis to answer research problems (Guba & Lincoln, 1988).

Qualitative research consists of a common methodology, which contains many different research methods. generally involves systematic analysis of textual data obtained based on interviews, surveys, focus groups, and diary entries. Through this approach, it can be useful to obtain culturally detailed information about the values, interests, behaviors, opinions of groups in society (Smith & Smith, 2018). Qualitative study aims to understand the existing phenomena as a whole study subjects have experienced, and used a variety of scientific methods through explanation in the form of words and language in a certain natural context is aim (Moleong, 2007). The data acquisition method for this research is direct or indirect observation. Researchers try to find and reveal field data naturally environment. Therefore, researchers need to be careful and prudent in applying the data acquisition techniques in the field for individual procurement in order to obtain data completely natural. Every process carried out by a researcher is known to everyone have been studied. But in the past, researchers did not openly or secretly observe to avoid this if the data they are looking for is still confidential. If it's like that, then Researchers are not allowed to make observations. Extrapolation is a way of drawing conclusions together during the analytical induction process and carried out in stages from case to case others, then from the analysis process formulated a theoretical statement (Mundir, 2013).

# **RESULTS AND DISCUSSION**

Public Policy is whatever the government choose to do or not to do (public policy is whatever the government chooses to do something or not doing something). If the government chooses to do something, of course, have a purpose and a purpose, because public policy is government action. If the government chooses not to do something, this includes public policy that has a purpose (Dye, 2005). National energy policy is part of public policy related to government decisions or stipulations to take energy development actions that have a good impact on society. In this case, energy policy can be expressed as a public economic policy related to various issues and issues that surround it, such as environmental, social, and political. Various rules and policies are of course issued by the Government to ensure energy security, including developing various new and renewable alternative

energies to support the national energy mix policy. The consumption of renewable energy has significant positive impact on economic growth in the long run length, which reflects the application related to job creation long term (Bhattacharya et al., 2016). Energy policy in Indonesia for the first time appeared in 1976 meant in order to maximize the utilization energy resources (Yusgiantoro, 2000). The government then formed the Agency for National Energy Coordination/ Badan Koordinasi Energi Nasional (Bakoren) which led by the President and consists of ministers related to energy and responsible responsible for formulating energy policies and carry out monitoring and evaluation of implementation of energy policy. Bakoren on 1984 for the first time issued a General Policy Field Energy/Kebijaksanaan Umum Bidang Energi (Kube). Bakoren issued a revised Kube in 1998 which aims to create a supportive climate implementation of the development strategy energy and provide certainty to economic actors in relation to procurement, supply and use of energy. In 1998 Kube began to indicate the existence of limited energy resources, especially crude oil.



Figure 2 Research and Technology Development of PT. Pertamina

Diversification is diversification use of energy, both renewable or non-renewable. For energy fossils do not rule out the possibility of import as far as profitable economical and non-destructive environment. Until now Pertamina can be declared as one of "the leading energy national company", holding the mandate of the economic constitution Article 33 of the 1945 Constitution and BUMN which is the pride of the people, nation and State of Indonesia, since post-Proclamation of Independence of the Republic of Indonesia which has always played an active role and became a support for the national economy. In the midst of crucial issues and problems in the energy sector that are of public concern, especially relating to the problem of oil and gas deficits and new and renewable energy, Pertamina is also responsive in responding to these challenges. Referring to BKPM data, during the first

quarter of 2018 investment realization was Rp. 185.3 trillion, of which Rp. 76.4 trillion came from domestic investment. The realization of this total domestic investment increased by 11% compared to the same guarter in 2017 which was Rp 68.8 trillion. However, when compared to the total realization of investment, the portion of domestic investment in the first quarter of 2018 is still smaller than the realization of foreign investment, which is only 41.2%, while 58.8% is still dominated by foreign investment. In the context of financing (investment) in the EBT sector and Indonesia's vast and diverse natural resource potential, mapping the potential becomes a necessity for further consideration as a national energy strategic policy. Potential mapping is expected to be the basis for formulating the right energy sector investment policy for a region in several regions in Indonesia and meeting economies of scale. Mapping the potential for foreign and domestic financing and the accuracy of regions that have potential for new and renewable energy resources will allow for optimization of cooperation in the energy sector in driving the wheels of the national economy through sectoral economic growth in various regions. As the mapping carried out by the Ministry of Energy and Mineral Resources in 2017, Indonesia's EBT potential originating from coal, geothermal and plant sources (palm, jatropha, etc.) is evenly distributed throughout the country. Indonesian area. The potential or wealth of natural resources to meet energy needs must be optimized and support for policy priorities and investment financing in the energy sector must be prioritized. Therefore, it is an urgent matter that must be formulated carefully and appropriately by energy stakeholders. Mistakes in setting priorities for the management and processing of potential energy sources will have consequences on the state's economic and financial conditions, especially if the energy investment originates from foreign investment and or foreign debt.

**Intensification** is the search for energy sources through survey and exploration activities so that can upgrade new reserve especially fossil energy. Resource search energy is directed in areas that have not been been surveyed and for areas that indicated that efforts were made to reserve status upgrade to more certain. PT. Pertamina's intensification efforts have been carried out through accuracy, technological innovation, and controlled sources of funds effectively and efficiently. The Upstream Research & Technology Innovation function, with a total of 42 projects and 8 projects as top priorities in 2020, consists of (Pertamina, 2020):

- a. Development of Well Fracturing Technology in Batang PHE Siak Kampar Field;
- b. Research on Vibroseis Stimulation Technology for Production Improvement in the Tempino Field;
- c. PertaEOR Software Development Phase 4;
- d. Development of Noise Tomography Method for Mapping Subsurface Designs in Geothermal Fields (Resolution Test);
- e. Development of Cloud-based Seismic Data Processing Software;
- f. PertafloSIM development:
- g. Selection of Formulation and Testing of Drilling & Completion Fluid in HPHT Wells;
- h. Pilot Plant Automation, Plant Trial and Demo Plant Development Study for CO2 Utilization into Precipitated Calcium Carbonate (PCC);

**Conservation** is carried out starting from the upstream side down to the bottom. The main target of Pertamina's policy related to the protection of biodiversity is ecosystems

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located in/close to Pertamina's working areas, both on land and in sea. This is because some of Pertamina's working areas are located in or adjacent to protected areas or areas with high biodiversity outside protected areas.

The steps taken include the establishment of conservation areas as new habitats for fauna and flora species disturbed by operations. Until the end of 2019, Pertamina managed as many as 96 conservation areas through operating units and AP entities, in collaboration with universities, independent institutions and the community.

Biodiversity protection activities by the Company, among others, are carried out through conservation programs for fauna that are declared critically endangered (CR/critically endangered) and rare/endangered endemic flora. Determination of the status of fauna and flora species refers to the Red List published by the IUCN. By the end of 2019, conservation efforts had been carried out on 42 protected and endemic fauna and 24 flora, including:

- a. Fauna and Flora with Critically Endangered (CR) status
- b. Fauna and Flora with Endagered (EN) Status
- c. Fauna and Flora with Vulnerable (VU) Status
- d. Fauna and Flora Near Threatened (NT) Status
- e. Fauna and Flora with Least Concern (LC) status

**Determination of the average energy price** which gradually directed to follow the mechanism

market.

**Paying attention to environmental aspects** in development in the energy sector including in it gives priority in utilization of clean energy (Bappenas, 2012; Yusgiantoro, 2000). As a national energy company, PERTAMINA is committed to providing energy and encouraging all parties to be responsible for the production process and its utilization, so that it can be sustainable. This is in line with the implementation and support for the achievement of Goal 12 of the SDGs, namely Responsible Consumption and Production.

In carrying out business activities in the energy sector, PERTAMINA always pays attention to and implements efficiency of natural resources, management of food waste and production waste, as well as providing targeted subsidies. PERTAMINA actively encourages supply chains in business activities, as well as consumers, to reduce waste and recycle. Excessive use of natural resources so that they are more efficient (not exploitative) (Voyer et al., 2018). Thus, PERTAMINA together with its stakeholders, will move towards a more sustainable consumption pattern in 2030. Both concepts are based on the recognition that traditional economic models of human production and consumption do not adequately include the various resources (Duha & Saputro, 2022) and values that contribute to economic growth that supports people's welfare (Brundtland et al., 1987).

#### CONCLUSION

Energy security is put forward as a concept and at the same time policy, indeed, many energy experts reject the concept of national energy independence (national energy independence) due to the fact that countries have been linked in an interdependent world trading system (interdependence) with each other in the world energy market. Bakoren issued a revised Kube in 1998 which aims to create a supportive climate implementation of the development strategy energy and provide certainty to economic actors in relation to procurement, supply and use of energy. In 1998 Kube began to indicate the existence of

limited energy resources, especially crude oil. Kube 1998 includes five main policy and nine policies supporters. The main policies are: *Diversification* is diversification use of energy, both renewable or non-renewable. For energy fossils do not rule out the possibility of import as far as profitable economical and non-destructive environment. Mapping the potential for foreign and domestic financing and the accuracy of regions that have potential for new and renewable energy resources will allow for optimization of cooperation in the energy sector in driving the wheels of the national economy through sectoral economic growth in various regions. *Intensification* is the search for energy sources through survey and exploration activities so that can upgrade new reserve especially fossil energy. Resource search energy is directed in areas that have not been been surveyed and for areas that indicated that efforts were made to reserve status upgrade to more certain. PT. Pertamina's intensification efforts have been carried out through accuracy, technological innovation, and controlled sources of funds effectively and efficiently. *Conservation* is carried out starting from the upstream side down to the bottom. The main target of Pertamina's policy related to the protection of biodiversity is ecosystems located in/close to Pertamina's working areas, both on land and in sea. **Determination of the average energy price** which gradually directed to follow the mechanism market. Paying attention to environmental aspects in development in the energy sector including in it gives priority in utilization of clean energy. As a national energy company, PERTAMINA is committed to providing energy and encouraging all parties to be responsible for the production process and its utilization, so that it can be sustainable. This is in line with the implementation and support for the achievement of Goal 12 of the SDGs. namely Responsible Consumption and Production. If all these aspects are executed properly then the goal to be achieved is the stable price of energy resources in the international market because no shortage of energy resources trigger high selling prices for energy sources (Wesley, 2007).

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