

# STRENGTHENING HUMAN CAPITAL MANAGEMENT IN DEALING WITH FACTUAL AND POTENTIAL DEFENSE THREATS IMPACT OF THE DEVELOPMENT OF THE STRATEGIC ENVIRONMENT OF THE RUSSIA AND UKRAINE WAR

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## Abstract

Human Resources (HR) is the main element that determines the success of the implementation of national defense, facing increasing threats today. The Russo-Ukrainian war, which had an impact in various fields, had to be properly balanced against the capabilities of human resources. The economic problems that occurred as a result of the war had an impact and the escalation of the conflict-affected global supply chains, energy, and food prices, which currently have an impact on the whole world, especially Indonesia. The author uses the literature review method to produce data reports that are combined with the author's opinion so that it becomes the result of writing that can provide an explanation of conflict areas, military developments, to the readiness of human resources in the face of war that can occur at any time.

**Keywords:** Human Resource Management, Geopolitics, Energy, Food, Military and National Defense

## Introduction

Geopolitics is the result of resistance to a country's strength and geographical conditions (Grygiel, J. J., 2006). Geopolitics I began before World War I and focused on sea and land forces; Geopolitics II occurred in the period between wars and focused on air power (Owens, M. T., 1999); Geopolitics III occurred during the Cold War using instruments; Geopolitics IV occurred after the Cold War by using space-based forces (Cairo, H., 2019) and the ongoing Geopolitics V based on Connectivity such as cyber forces (Sheldon, J. B., 2014).

Geomaritime evolution began in the 15th-17th centuries by the Spanish, Portuguese and Dutch, commonly called the age of exploration to find new routes in western trade via sailing ships. In the 18th-19th century, it was carried out by the British or commonly referred to as European imperialization. In increasing full political and economic power over other countries through the invention of the steam engine, the 20th century by the United States is called Pax Americana through the control and exploration of marine resources with internal combustion engines, gas turbines and nuclear and the 21st century is called Connectivity. The world focuses on maintaining global supply chains through the digital world (Karabell, Z., & Cramer, A., 2010).

The World Supply Chain, such as the Semiconductor Industry has a long journey involving six significant countries, namely the United States, South Korea, Japan, China, Taiwan, and Europe. The different stages from design to manufacturing processes (Grimes, S., & Sun, Y., 2016). Three additional key factors influence the interdependence of the global semiconductor

supply chain structure, such as global R&D networks, geographic specialization, and trade liberalization. Specifically, global trade policies that enable physical and intangible flows across the semiconductor supply chain.

Global Logistics Risks occur around Maritime Choke Points in the World because around 80% of global trade is shipped by sea, so it plays a vital role in sea transportation. Global Intelligence Services (GIS) can identify eight major world choke points. In the context of maritime trade, some straits or canals are located in strategic locations and have a high volume of traffic. In practice, these crucial factors give rise to several structural, such as the recent Blockade of the Suez Canal and geopolitical risks (Kesicki, F., 2010).

The conflict between Russia and Ukraine that occurred after Russia took over the territory in Ukraine provides a lesson for other countries in the world about how important it is to be independent in the energy, economic, food, and cyber security sectors because it dramatically influences fluctuations in world crude oil prices, hampers world logistics traffic, price increases which resulted in rising inflation and interest rates which led to a decrease in global growth as well as from a world security perspective considering that Russia has a relatively sophisticated defense system based on high cyber technology and is equipped with nuclear technology so that there are fears it could trigger World War III (Carmen, R. A. D. U., & Liviu, R. A. D. U., 2022)

The impact and escalation of these conflicts affect global supply chains, energy prices, and food which are currently having a significant impact in Indonesia (Nasir, M. A., Nugroho, A. D., & Lakner, Z., 2022). In anticipating these actual and potential threats, it is necessary to develop human capital in strengthening national defense by Law No. 23 of 2019 concerning the management of national resources for national defense strengthening human capital.

The human capital theory explains phenomena using an economic point of view. Human capital theory, a measurement of human capital today, has many implications for human capital and human resource development. The future of human capital, its successes, failures, and certain conclusions, including other related human resource development concepts, are also presented. This view confirms that investing in human capital will gain competitive advantage and sustainability in complex geopolitical and maritime escalations (Wang, G. G., Li, J., Qiao, X., & Sun, J. Y., 2010).

## Research Method

This paper uses a qualitative research method with a literature review approach. Meaning of Literature review contains reviews, summaries, and thoughts of the author about several sources of literature obtained (articles, slides, books, information from the internet, image data, graphics, and others) on the topic to be discussed (Onwuegbuzie, A. J., Frels, R. K., & Hwang, E., 2016). The author will collect data and information related to geopolitics, actual threats, and defense potential from the Russian-Ukrainian war, which has an impact on the stability of the Republic of Indonesia.

## Result and Discussion

### A. World Connectivity Competition

The Taiwan Strait Crisis that occurred more or less 37 years ago needs to be used as a lesson for Indonesia on the importance of cooperation, collaboration, and cohesiveness of all Indonesian citizens so that they are not easily divided by one faction. The Russia-Ukraine War and the Taiwan Strait Crisis that occurred on land and sea dimensions need to be used as examples of future prevention efforts so that Indonesia can avoid them.

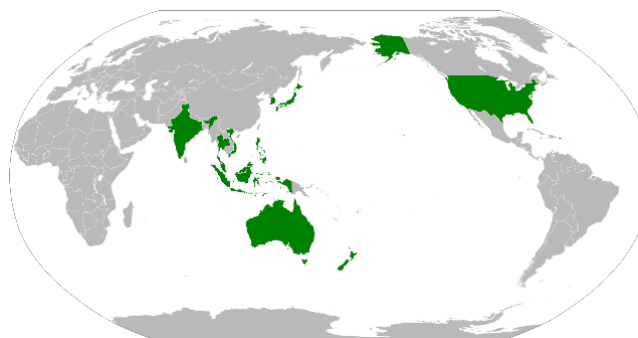
Competition for World Connectivity A core component of today's global politics lies in competing strategies for connectivity. The strategic competition between the United States and China illustrates the connectivity competition. Beijing started the Belt and Road Initiative (BRI), shown in figure 1.

**Fig 1: Belt and Road Initiative (BRI) (World Bank., 2018)**



Figure 1 shows the Belt and Road Initiative (BRI), which promotes infrastructure development and placement of the country in the center of Asian trade. On the other hand, the United States proposed an Indo-Pacific Economic Framework, which aims to build a stable regional economy by implementing structural reforms in Asia-Pacific countries, as shown in Figure 2.

**Fig 2: Map of The Indo-Pacific Economic Framework**



In line with this idea, the operation of the International Multimodal by the North-South Transport Corridor (INSTC) is an essential strategy for Russia in adjusting its logistics needs. INSTC shows geopolitical changes in the region to compete with the Transportation Corridor Europe Caucasus Asia (TRACECA), which the EU previously initiated in connecting Europe

to Asia. Therefore the competition for world connectivity can be formed with good human capital management structurally to analyze the strategic environment that can potentially threaten Indonesia's supply chain.

## B. Recent World Hegemony Conflict Hotspots

**Hegemonic Conflict Hotspots** Currently, six hotspots are prone to become the hegemonic locus of conflict, namely the South China Sea, Taiwan Strait, Diaoyou/Senkaku, Korean Peninsula, Persian Gulf, and Ukraine. These hotspots are primarily located in Asia, with China acting as a revisionist power. The United States exists as a status quo power in all hotspots. The United States is interested in maintaining political, economic, and military dominance as a hegemonic power.

America's presence in the hotspot area dates back to 2013. At that time, China constructed a large-scale reclamation project in the South China Sea aimed at developing geopolitical and military facilities. America is worried about increasing Freedom of Navigation (FON) patrols in areas controlled by China which have led to the dynamics of the militarization of the South China Sea. Even though this tension had stopped with cooperation in various fields, it got worse when the US issued accusations of responsibility for the COVID-19 pandemic, causing distrust from both parties.

**Fig 3: Freedom of Navigation in the South China Sea**

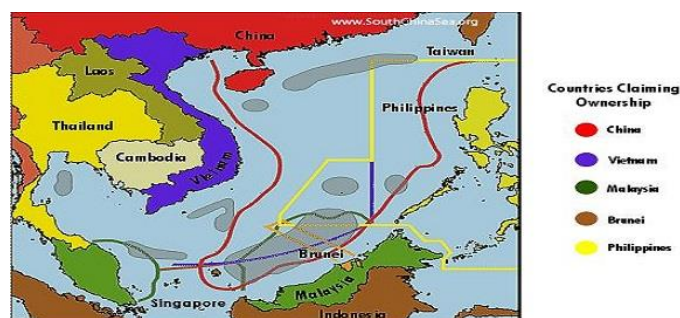


Figure 3 shows the distribution of each country's territorial claims around the South China Sea and the US FON area. However, FON activities are considered something that could be better for China. China thought the Scarborough Shoal and USS Hopper had illegally entered Chinese waters. However, the United States revealed that the purpose of this operation was to minimize China's military modernization, maintain the security of free trade flows, and safeguard the sovereignty of other countries. Furthermore, the most important thing is to strengthen the US's position in maritime territorial freedom. The impact for Indonesia so far has been in the economic sector which relies on bilateral cooperation between the two countries.

We are continuing in the West between the Russian and Ukrainian wars. According to Mearsheimer, the Russian-Ukrainian War was a continuation of the cold war between the US and Russia because, at this point, the US was considered a Quo status force and Russia was a revisionist force. The expansion of the North Atlantic Treaty Organization (NATO) which

wants to acquire Ukraine to become part of them, is considered by Russia a threat to the sovereignty of the State, considering that America is one of the highest decision-makers in NATO.

**Fig 4: NATO deployment around the Russian-Ukrainian conflict area**

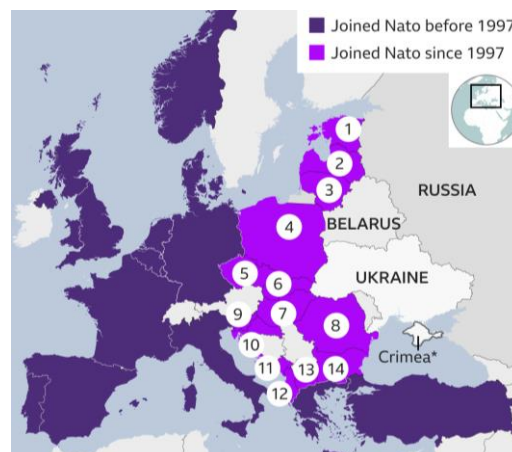


Fig 4 shows the spread of NATO around Russia where countries like Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Montenegro, Albania, North Macedonia, and Bulgaria are countries that joined NATO since 1997. NATO's invitation to Ukraine was the reason Russia invaded the country. Figure 4 shows that Ukraine is directly on the border with Russia. America's role in this war was to provide continuous support to Ukraine. US President Joe Biden provided weapons and equipment assistance worth nearly 3 billion US dollars. The most significant impact of this country's war is the economic field. Like the Southeast Asian region, which was dominated by imports compared to exports, mainly in the oil and gas energy sector due to the war, the surge in energy prices was inevitable, causing Southeast Asian countries to have to substitute other supplies.

### C. Global Military and Defense Developments

The development of Submarines, Anti-Ship Missiles and Amphibious Ships are several advancements in the development of weapons in the Navy as the primary strategy for maritime power projection in maximizing the potential of military activities in contested areas.

Infantry Maneuvering Threats: Artillery Attacks, IED Attacks, Field Missiles, and Rockets, as well as the Modernization of Infantry Equipment, Soldiers, and Combat Vehicles. Some of the attacks used by the Superpowers in the World are developing combat technology with relatively long-range which will undoubtedly be easy to destroy targets as well as cause considerable damage. The use of this weapon uses many funds. Many countries make weapons and sell them to other countries.



**Fig 5: Countries with high Military Funds**

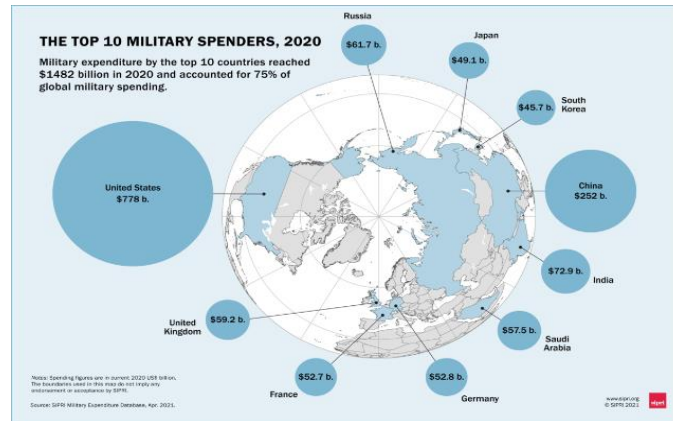


Fig 5 shows some of the countries with the highest spending in the military sector. Moreover, make these countries a respected military force in the world. Military strength is seen in how an army can invade an area and in how they defend their regional sovereignty.

Multi-Domain Operations (MDO), Multi-Domain Operations provide a solution to solving multiple deadlock problems. The main idea is the fast and continuous integration of all war domains to defeat the enemy. If deterrence fails, the military penetrates and destroys the enemy's anti-access and area denial (A2/AD) systems, exploits maneuvers to defeat enemy systems, and consolidates profits back into competition on more favorable terms according to the desired strategy.

Defense Transformation, Development of military technology should be a priority component of Indonesia's strategy to deal with disruptions caused by hegemonic war scenarios and the rapid pace of revolutionary technology. Based on current projections, several sectors will experience technological disruption, such as artificial intelligence/big data, computer hardware, computer software, offensive cyber operations, internet of things, and robotics systems.

In order to realize the vision of the "Indonesian Defense Force" 2045, Indonesia has gone through several stages, starting with the introduction of the TNI Law during President Megawati's tenure, Minimum Essential Force by President Yudhoyono where 2024 will become the basis for defense modernization. Finally, President Jokowi has encouraged investment in the defense sector by passing the Job Creation Law and realizing defense transformation by adopting critical military technologies.

#### **D. Impact of War Escalation in Various Sectors**

Whether we realize it or not, geopolitics and geoeconomics over time, the scheme continues to change so rapidly. War is the main component that causes so many changes in this field. Currently, too many wars are going on in the global world, both the cold war between China and the US and the war between Ukraine and Russia. These three superpower countries namely

Russia, America, and China have an essential role in all sectors worldwide. The war that they carried out certainly had various impacts on the global community, especially Indonesia.

The cold war between the US and China is increasingly heating up and has certainly hampered global economic growth. The United States imposed higher tariffs on China in response to the imbalance in trade between the two countries. China has also imposed higher levies on US imports. However, in the long run, the trade war is hurting jobs. This depresses economic growth for all countries involved. It also triggers inflation when tariffs increase the price of imports carried out by both countries. Oxford Economics estimates that the trade war could cost the global economy \$800 billion in reduced trade and potentially slow growth by 0.4%.

The impact in the political field of the occurrence of this role is to increase the political risk for multinational companies operating in China which will increase the exit of these companies as a whole. Another impact is China's support for countries against the US. The war between Russia and Ukraine made China fully support Russia as a form of resistance to the cold war it was facing, considering that America is a part of NATO.

The war between Russia and Ukraine also impacted the economic and political fields, but the most influential one was the impact on the energy sector. Russia is the third largest oil-producing country after America and Saudi Arabia. Russia's policy of selling its oil in rubles resulted in several European countries experiencing an oil crisis. This got worse when European Union countries blocked oil and gas imports from Russia as a punishment for their invasion of Ukraine. War certainly has an impact on various sectors throughout the world. From the Russia-Ukraine & US-China wars, it can be seen that the impact that occurred was that the strengths possessed by each Indonesian state became countries that had an impact on the problems that occurred before.

### **E. Human Resource Management in Facing Factual and Potential Threats from War Conflict**

Anticipating the Impact of the War in Russia and Ukraine requires citizens to increase Human Capital based on the economy. With the emergence of the knowledge-based economy, organizations place great emphasis on scarce resources and the supply of knowledge to enhance organizational, competitive advantage, and effectiveness (Debrulle & Maes, 2014). Knowledge, skills, and abilities are hidden assets that are tools for sustainable organizations (Sherer, P.D., 1995; Snell et al., 2005; Wright et al., 2011). Ongoing education and training, as well as rapidly changing global technology trends, to maintain organizational competitiveness. In order to maintain a high standard of living, the knowledge, skills development, and training levels of the workforce must be increased (Noe, R. A., Tews, M. J., & McConnell Dachner, A., 2010). The basic theory of performance improvement theory Swanson (1999) states that Economic Theory is one of three crucial theories (Human Capital Theory, Scare Resource Theory, and Sustainability Theory) which can improve company performance apart from Psychological Theory and Human Capital Theory in Systems Theory in Economics Theory explains the importance of labor maximization and how organizations can accumulate the knowledge, skills, and abilities of soldiers or workers. The main sections are a theory of human

capital, measurement of human capital, implications of human capital, and RD. Human capital in the future becomes a key point of succession and failure by applying the Human Capital Theory.

Human resources facing the threat of war are not only seen from the number of soldiers or active military. In several countries, there are reserve troops such as America which has the same active army and reserve soldiers of around 1.5 million personnel, and China with an active army of 2 million personnel with 800 thousand reserves, and Russia with an army of 2 million active personnel and 2.4 million military personnel. Reserve personnel. Based on Figure 6 it can be seen the number of military personnel between countries with strong military forces.

**Fig 6: The country with the highest number of Soldiers**

NEGARA					
	AMERIKA SERIKAT	RUSIA	CHINA	INDIA	JEPANG
PERINGKAT	1	2	3	4	5
PERSONEL MILITER AKTIF	1.400.000	1.014.000	2.185.000	1.445.000	250.000

It should be remembered that the ability of a country to build its defense force must always be linked to the ability to convert its national resources into an effective instrument of armed force. The defense industry must also be revitalized to increase HR capabilities and revamp its organizational structure towards professionalism in defense HR. Success in modernizing defense equipment will depend on the revitalization of the domestic defense industry, according to KPM's mandate. Modernization means increasing quantitatively or qualitatively and being able to follow developments in threats and future battlefields.

## Conclusion and Recommendation

The development of the strategic environment in the world has an influence on the administration of the state in terms of demographic, geographical, and natural resource aspects as well as dynamic elements, namely ideology, politics, economy, socio-culture, defense, and security. Each country needs to study and assess the development of its strategic environment in terms of global, regional, and national scope so that countries can develop appropriate strategies and policies for their national interests. In realizing Defense 2045, military reform is needed where the Indonesian national army (TNI) is in the corridor of Democratic Politics, defense modernization, defense investment through defense industry independence, defense transformation (TNI 4.0), and the realization of the TNI 2045 as a military force in East Asia which ends with the creation of Indonesia 2045 with the ultimate goal namely the Great Powers.



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