IMPLEMENTATION OF THE CABOTAGE PRINCIPLE ON GOOD GOVERNANCE AS THE WORLD MARITIME AXIS

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Abstract

The research problem of this study is implementation of the Cabotage Principle in Indonesia in accordance with Law Number 17 of 2008 concerning Shipping has implications for Indonesia's positive law. The implementation of the Cabotage Principle is an integral part of the Archipelago Insight and is the basis for realizing Good Governance as the World Maritime Axis and will have positive implications if the Cabotage Principle is based on the Good Governance principles as the World Maritime Axis. The ideal implementation of the Cabotage Principle for the interests of Indonesia as the World Maritime Axis is determined by the synergy of three element of the legal system, namely the legal structure (structure of law), legal substance (substance of the law) and legal culture (legal culture). So that the Cabotage Principle as a Grundnorm can function properly, namely as social control, dispute settlement, and a tool of social engineering.

Keywords
cabotage principle, good governance, Indonesia as the world maritime axis

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Introduction

Good governance must be seen as an effort to realize Indonesia as the World Maritime Axis, as mentioned in the 2015-2019 National Medium Term Plan (RJPMN). Supported by the diversity of the Indonesian people consisting of 1128 tribes and 731 regional languages as well as high value local wisdom cultural values (Rahardjo Adisasmita, 1998). Good governance as mentioned above is a manifestation of the integrity of the Indonesian people towards the 1945 Constitution and Human Rights in a unity of the Unitary State of the Republic of Indonesia. This means that the national resources that we have in the form of the sea with various inherent potentials including its geographical constellation must be optimized for the "interests and welfare" of the Indonesian people.

Implementation of the Cabotage Principle which is the embodiment of the operational manifestations of the Archipelago Insight (M. Husseyn Umar, 2015) along with its existence in the international world. This means that the continuity of the Archipelago's Insight must be viewed not only in terms of defense and security (defense and security) but must be viewed comprehensively, namely by giving more emphasis to the approach of international and national interests in the form of ratification and regulation in various laws and regulations Indonesia is among others as stated in Law Number 21 of 1992 in conjunction with Law Number 17 of 2008 concerning Shipping. Where one of the most important is the implementation of the Cabotage Principle in the area of national jurisdiction's legal sovereignty, which is stated in Article 341, where it is stated that foreign vessels still serving domestic sea transportation activities must have Indonesian flags within a maximum period of 3 (three) the year since this Law came into force, namely until May 7, 2011.

The Indonesian maritime country must not only be able to use all the elements of the sea around it for people's welfare and national progress, it must also be able to present adequate maritime security to protect Indonesian waters from various violations of the law in order to build the identity of Indonesians internationally.

The Cabotage Principle is also an attitude of national independence as well as an embodiment of the national identity of Indonesia as a sovereign state in the sea, which is woven by and through the presence of the Indonesian nation at sea, encompassing various seas in the shipping, oil and gas and various mastery of other natural resources which are an integral part of the sovereignty of the Indonesian archipelago. This has been stated in the opening of the 1945 Constitution as a sovereign state in and also sovereign as outlined both in the opening of the 1945 Constitution and in the 1945 Constitution Articles as in Article 11 Paragraph 1, and Article 13 Paragraph 1. Thus the Cabotage Principle is the legal principle whose position as Grundnorm (Kelsen) in the field of sea transportation and plays an important role in the formulation of a rule (Suparto Wijoyo, 2005) and provides direction in the formation of law (Karl Larens).

In Presidential Regulation No. 2 of 2015 concerning the 2015-2019 National Medium-Term Development Plan, five main pillars of the development agenda are mentioned.
to support the realization of Indonesia as the World Maritime Axis, namely: (1) rebuilding Indonesian maritime culture; (2) maintaining and managing marine resources; (3) prioritizing infrastructure development and maritime connectivity; (4) strengthening maritime diplomacy; and (5) building maritime defense forces. Then confirmed in Presidential Regulation Number 16 of 2017 concerning Maritime Development Policy in Seven Pillars of Marine Policy, namely: (1) Management of marine resources and development of human resources; (2) Defense, Security, Law Enforcement, and Sea Safety; (3) Marine governance and institutions; (4) Maritime economy and infrastructure and improved welfare; (5) Management of marine space and protection of the marine environment; (6) Maritime Culture; and (7) Maritime Diplomacy.

Furthermore, it is stated that Indonesia's maritime vision is to realize Indonesia as a World Maritime Axle, which is to become an advanced, sovereign, independent, strong maritime country and able to make a positive contribution to regional and world security and peace in accordance with national interests. While the mission is: (1) optimal and sustainable management of marine resources; (2) the establishment of a reliable quality of human resources, science and technology; (3) the establishment of strong marine defense and security; (4) implementation of enforcement of sovereignty, law and safety at sea; (5) the implementation of good marine governance; (6) the realization of the welfare of coastal communities and small islands that are evenly distributed; (7) the realization of increased economic growth and a competitive marine industry; (8) the establishment of reliable marine structures; (9) the completion of rules regarding marine spatial planning; (10) implementation of protection of the marine environment; (11) the implementation of maritime diplomacy; and (12) the formation of identity insights, and maritime culture.

According to the document, it was stated that Indonesian Maritime Policy was prepared based on six basic principles, namely (1) Archipelago Insight; (2) sustainable development; (3) blue economy; (4) integrated and transparent management; (5) participation; and (6) equality and equity. In accordance the program of the implementation of the Cabotage Principle based on international and national interests as stated in the Preamble of the 1945 Constitution, so that the sea in the archipelago becomes a safe world heritage storefront. Respected by the nations of the world.

In de jure formal law, Indonesia is bound by the provisions of the international law, including Indonesia's obligation to guarantee the security of the maritime region, especially in the shipping lanes of SLOCs and SLOTs (Asas Pacta Sunt Servanda). If this obligation is ignored, in the sense that the commercial vessels of the user's country are threatened with security if they cross in Indonesian waters, then that can be a reason to bring their naval power (Access Benefit Sharing).

At present, the constraints faced are essentially the reduction of facilities and infrastructure owned by the TNI and the Navy which can be used in security operations at sea if faced with the area to be secured. Another obstacle that is no less important is that there are still overlapping legal rules that give the same authority to
each of the different agencies. Good governance implies that to make the Archipelago's Insight as the World Maritime Axis requires a unified legal entity that is harmonious and in line with the higher legal norms in a unified legal system that applies in Indonesian positive law both in terms of the view of legal validity and legal order (Munir Fuady, 2013). So that matters related to legal practices that are contrary to this will become obstacles in a solid and effective legal system.

Based on the background of the problems mentioned above, the researcher sees that the 'Cabotage Principle' has a very important role and has a very large influence on the sovereignty of the NKRI as a maritime country as well as the world's largest archipelago in carrying out Indonesia's rights and obligations in the dynamics of international law. Strong political will is needed by the government so that the Cabotage Principle can be a basic instrument in the formulation of national legislation, especially in the success of the seven pillars of Indonesian maritime policy to realize Indonesia as a World Maritime Axle that is respected and respected by nations throughout the world. Included in the occupation of good governance as the World Maritime Axis by prioritizing the Cabotage Principle to become the norm in the legal and political development of the sea transportation sector and its implementation in Indonesia. It is on this basis that the researcher submits the research title as follows: "Implementation of the Cabotage Principle in Good Governance as the World Maritime Axis (Study of Analysis of Law Number 17 of 2008 concerning Shipping)".

Review of Judicial Cabotage Principles in Law Number 17 of 2008 concerning Shipping

The Cabotage principle emphasizes the protection of the country to domestic industries to be able to develop and become "masters" in their own country so that foreign countries that want to use shipping services to transport cargo between ports or play in the shipping industry in countries that adhere to the Cabotage Principle use a flagged ship or must register the ship to that country. The enactment of the Cabotage Principle contained in Law Number 17 of 2008 concerning Shipping is an effort to empower national sea transportation in domestic sea transport activities in the era of SoesiloBambangYudoyono (SBY) Government. The ultimate goal is to gradually and selectively close foreign sea / ship transport within Indonesian waters (between islands / between ports).

The implementation of the Cabotage Principle in Indonesia is actually explicitly stated in Law Number 21 of 1992 concerning Shipping and Government Regulation Number 51 of year 2002 concerning Shipping which requires ships sailing in Indonesia to use Indonesian-flagged vessels and at the same time as a component of national defense and security. However, both of these rules were not implemented properly given the condition of Indonesia at the time which prioritized the non-oil and gas export sector so that it needed the assistance of foreign-flagged vessels in its operations. Along with the times and encouragement from various parties, then on May 7, 2008 Law Number 17 Year 2008 concerning Shipping was born, which was the result of a revision of Law Number 21 of year 1992. Technically the implementation of the Cabotage Principle in
the Shipping Law further regulated in Government Regulation Number 20 of year 2010 concerning Water Transportation which confirms that the operation of transportation is carried out by applying the Cabotage Principle consequently and consistently, so that the national sea transportation company hosts in its own country.

The Government issued Government Regulation Number 22 Year 2011 concerning changes to Government Regulation Number 20 of 2010 concerning Water Transportation. In addition, the government also issued Minister of Transportation Regulation Number: PM 48 of 2011 concerning Procedures and Requirements for Granting Permits for the Use of Foreign Vessels for Other Activities that Exclude Activities for Transporting Passengers and / or Goods in Domestic Sea Transport Activities. The regulation states that foreign vessels can carry out other activities which do not include activities of transporting passengers and / or goods in domestic sea transportation activities in Indonesian waters as long as Indonesian-flagged vessels are not yet available or sufficiently available, but provided that the foreign vessel must have permission from the Minister of Transportation.

Here, researchers see that Government Regulation Number 22 of 2011 seems forced to be set in order to accommodate the interests of the oil and gas industry in order to continue operating optimally until the end of December 2015, so that it is not expected to disrupt national energy security. Whereas in Law Number 17 of 2008 concerning Shipping, it has been determined that Article 341 of the Cabotage Principle shall be effective from 7 May 2011. Furthermore, if viewed from the position of Indonesian legislation, provisions concerning the permissibility of several types of foreign vessels must be in Indonesian waters are not appropriate if regulated in Government Regulations, it should be regulated in a regulation equal to the Act.

Hans Kelsen put forward a theory regarding legal norms (Stuffenbau Theory) which argued that legal norms were tiered and layered in a hierarchy (arrangement); in the sense that a lower norm applies, sourced and based on a higher norm; higher norms apply, originating from and based on higher norms, and so on, up to a norm that cannot be traced further and is hypothetical and fictitious, namely Basic Norms (Grundnorm) (Maria Farida Indrati Soeparto, 2007).

In this case, the researcher argues that the provision of dispensation until the end of December 2015 for foreign vessels carrying out activities supporting oil and gas business as regulated in Government Regulation Number 22 Year 2011 and and Minister of Transportation Regulation Number 121 Year 2015 for special activities in the tourism sector it is not appropriate if it is regulated in a Government Regulation and / or even lower Regulation as in the Minister of Transportation Regulation Number 48 of 2011 and the Minister of Transportation Regulation Number 121 of 2015. Even though in the 2008 Shipping Law, domestic sea transportation activities are prohibited to be operated by foreign vessels without exception, came into force on May 7, 2011. This is because, according to the legal principle that legal norms with lower degrees may not conflict with higher legal norms (lex superior derogates legiinferiori),
then the content of the Regulation Government and Queen those with lower degrees must be in line with the Laws.

The existence of these legal facts is linked to one of the basic principles of implementing Good Governance as stated by Koentjoro Purbopranoto, UNDP and Law Number 28 of 1999 concerning the Implementation of a Clean and Corruption-Free, Collusion and Nepotism State in Article 3 and its explanation, then the 'Principle of Legal Certainty' and 'Fair Law' are contrary to the facts of the law. Thus, researchers can say that the implementation of regulations through the Minister of Transportation Regulation can provide a bad image of the implementation of Good Governance in Indonesia, either directly or indirectly, especially the administration of government-related shipping in Indonesia.

If the shipping objectives mentioned above are linked to the Cabotage Principle specifically in order to realize Good Governance in Indonesia, the implications will lead to several aspects which at the same time represent the five pillars of the World Maritime Axis as follows:

1. State Sovereignty
2. Defense and Security (Defense and Security)
3. Prosperity
4. Environment (Environment)
5. Regional Empowerment (Empowerment Of The Region)

Thus it can be said that the Cabotage Principle as a legal principle has an important meaning for the formation of law, the implementation of law and the development of law. For the establishment of the law, the Cabotage Principle has provided an outline of the provisions that need to be set forth in the rule of law. In applying the law, the Cabotage Principle is very helpful for the use of legal interpretation and discovery. As for the development of legal science, the Cabotage Principle can be shown in various legal rules at a higher level as a whole. Therefore research on the Cabotage Principle as a legal principle has a very important value both for academics, law making, and judicial practice (Peter Mahmud Marzuki, 2008).

According to Paton, the legal principle will never run out of power just because it has given birth to legal regulations. The legal principle still exists and will continue to be able to produce legal regulations on an ongoing basis as needed. The principle of law contains aesthetic values and demands. Law as a system, does not require a conflict. If conflicts arise and occur within the legal system, then the legal principles that function to resolve the conflict.

**Implementation of the Cabotage Principle on Good Governance as the World Maritime Axis**

Cabotage principle as an integral part of Archipelago Insight is a logical consequence and at the same time a manifestation of the existence of the Indonesian nation in the world arena. Therefore, the harmonious relationship between the Cabotage Principle and the Archipelago and Good Governance Insights is a set of national interests
realized in the context of a series of international interests. This means that the authority obtained from UNCLOS 1982 has become a national authority through the implementation of the Cabotage Principle to realize Good Governance in Indonesia. Likewise, the opposite is where the Good Governance policy in realizing the World Maritime Axis in the Contest of Archipelago Insight is needed by the international community. Whereas the Cabotage Principle has become the rights and obligations of a sovereign country as has been applied by developed countries in the world such as the United States, European Union, India, Australia and China in order to empower the national shipping industry in the country.

![Figure 1. legal framework of world maritime axis concept](image)

Furthermore, to apply the Cabotage Principle to be a positive Indonesian legal norm, the Cabotage Principle must be integrated with Good Governance as proposed by UNDP which includes:

1. Participation. Community participation in the decision-making process, freedom of association and opinion, and freedom to participate constructively.
2. The rule of law. The law must be fair without discrimination, enforced and obeyed impartially, especially the rule of law concerning human rights.
3. Transparent (Transparency). The freedom of information flow in various institutional processes so that it is easily accessed by those in need. Information must be provided adequately and easily understood, so that it can be used as a monitoring and evaluation tool.
4. Responsiveness. Each process institution must be directed at efforts to serve various stakeholders.
5. Consensus Orientation. Acting as a mediator for different interests to reach an agreement. If possible, it can be applied to various policies and procedures that will be determined by the government.

6. Equity. Providing equal opportunities for both men and women in an effort to improve and maintain their quality of life.

7. Effectiveness and efficiency (effectiveness and efficiency). All processes and institutions are directed to produce something that is truly in accordance with needs through the best use of various available resources.

8. Accountability. Decision makers (government, private sector and civil society) have accountability to the public in accordance with decisions both internally and externally.

9. Strategic Vision. Community leaders have a broad and long-term perspective on governance and human development by understanding the historical, cultural, and social complexities that underlie their perspectives.

10. Interrelated. The existence of mutually reinforcing and related (mutually reinforcing) and can not stand alone.

The Cabotage principle is substantively at the level of the form of legislation, namely in Law Number 17 of 2008 concerning Shipping. This means that the Law becomes the basis or guideline for lower legislation below it, either in the form of Government Regulations or Presidential Regulations and Ministerial Regulations below. Hans Kelsen called it in stages where lower rules must be guided by rules or legal rules that are even higher so that it looks like a pyramid arrangement (Stuffenbau Theory).

On the basis of this, the researcher can mention that the function of Cabotage Principle as a positive legal norm in order to realize Good Governance in Indonesia must be guided by pure legal construction as expressed by Hans Kelsen in stages according to the Stuffenbau Theory model. The implementation of Law Number 17 of 2011 concerning Shipping is contained in Ministerial Decree No. 48 of 2011 concerning the Implementation of the Upstream Oil and Gas Cabotage Principle, which in essence the government still provides dispensation for the operation of foreign vessels for offshore activities and underwater workmanship until the end of this year. In addition, foreign ship use dispensation for oil and gas survey activities also ended in December 2015.

The implementation of the Cabotage Principle is proven to stimulate the national shipping industry and have a major impact on the national economy. This can be seen from data from the Director General of Sea Transportation that the number of Indonesian-flagged vessel ownership in the position in February 2014 was 13,244 units, while the position in May 2005 had only reached 6,041 units. This means a significant increase of 7,203 units or an increase of around 119%. This has a positive impact on the installed capacity of ships with red and white flags which reached 19.2 million Gross Tonnage (GT) or grew 238% compared to 2005 which recorded only 5.67 million GT.

Another positive impact is that in the past 8 years, the growth of AHT (Ancohr Handling Tug) type vessels with the Red and White flag shot up to 1,400% to 45 units as of June 2013 compared to 2005 which only recorded 3 units. AHT type vessels are
fleets operated for towing or pulling barges or even offshore platform rigs in Indonesia. He explained, in more detail, the investment value of type AHT vessels in the framework of supporting the Cabotage Principle from 2005 to June 2013 reached US $ 252 million or Rp. 2.82 trillion, while investment for AHTS ships (Anchor Handling Tug & Supply) reached US $ 1.001 billion or around Rp.11.2 trillion.

Broadly speaking, the development of the domestic shipping industry can be said to be experiencing a "boom" along with changes and support from the government. The domestic shipping industry by most of the assessed circles has received fresh air in its development. Evidenced by the issuance of Presidential Instruction of the Republic of Indonesia Number 5 of 2005 known as Presidential Instruction Number 5 of 2005 with its Cabotage Principle, which became the golden ink incision in the beginning of the development of the domestic shipping industry, especially domestic shipping lines. In general, it is expected that in 2011 all shipping fleets that operate and operate in domestic shipping lines must belong to and own national flags.

At present the rules regarding the implementation of the Cabotage Principle are increasingly emphasized with the enactment of Law Number 17 of 2008 concerning Shipping and other derivative rules, both government regulations and related ministerial regulations. Shipping is no longer in line with the needs of the current shipping system, so on May 7, 2008 the government ratified Law Number 17 of 2008 replacing Law Number 21 of 1992. The new law was intended, among other things, to encourage more healthy business competition. Because this law brings new changes with the most important material, among others, is the tightening of the Cabotage Principle, the strict separation between the functions of operators and regulators in the port, and the establishment of sea and coastal safeguards. It was stated as a tightening of the Cabotage Principle because the previous regulation had not explicitly regulated the provisions regarding the implementation of the Cabotage Principle. International Law of the Sea through the 1982 Law of the Sea Convention gives full authority and sovereignty to coastal states in their territorial sea territory. The Cabotage principle is part of implementing the sovereignty into a form of coastal state policy to limit foreign vessels entering their territory, especially inland waters. Because for other territories such as cross-country peace and additional zones the state is obliged to provide peaceful crossing for foreign vessels, but within the limits set out in the 1982 Law of the Sea Convention.

Shipping Safety is a very important factor to support the smooth operation of sea transportation and prevent accidents where the determination of shipping lanes is intended to ensure shipping security and safety through the provision of corridors for ships sailing across the waters followed by marking navigation hazards. Indirectly it has a deterrent effect on defense security and or strengthens the country's maritime defense.

Maritime safety is a condition that guarantees the safety of various activities in the sea including shipping activities, exploration and exploitation of natural and biological resources and environmental preservation. For this reason, it is necessary to have a
maritime law and law enforcement in the sea to ensure the safety, security, order and protection of the marine environment in order to remain clean and sustainable to support the smooth flow of shipping traffic. The concept of criteria and arrangements in the marine sector has broad implications and must be considered in the utilization of the National marine space. The shipping safety and security sector is expected to anticipate technological progress by referring to international conventions that tend to use the latest equipment in shipping safety facilities and infrastructure, in addition to accommodating provisions regarding the shipping security system contained in the "International Ship and Port Facility Security Code" (ISPS Code).

Maritime Environmental Protection is any effort to prevent and overcome pollution of the aquatic environment originating from activities related to shipping. Article 50 of Law Number 34 of 2014 concerning Maritime Affairs states that the Government carries out efforts to protect the Marine environment through:

1. Marine Conservation;
2. Ocean Pollution Control;
3. Marine disaster management; and
4. Prevention and control of pollution, damage and disaster.

According to Mochtar Kusumaatmadja, the Cabotage Principle is defined as the principle or principle that states that shipping activities in the territorial waters of a country can only be carried out by ships from the country concerned. The Cabotage Principle is a principle recognized in the laws and practices of worldwide shipping and is an embodiment of the sovereignty of a country to take care of itself, in this case domestic transportation (land, sea and air), so that it cannot be regarded as protection, namely protection or unfair preferential treatment for domestic companies which creates unfair competition.

Figure 2. Connectivity between Cabotage Principle and World Maritime Axis
Important things that need to be considered in the governance of the implementation of Cabotage Principles in Indonesia are as follows:

1. The implementation of the Cabotage Principle must be a mirror and political economy attitude of the Republic of Indonesia characterized by Archipelago Insights, so that it must be in harmony with the noble ideals of the Indonesian Nation as stated in the Preamble of the 1945 Constitution, namely free active politics to ensure world order based on independence, eternal peace and social justice. This means that the implementation of principles must accommodate national and international perspectives.

2. The implementation of the Cabotage Principle is an inseparable part of Indonesian positive law which is hierarchically arranged to fulfill the unity of formal legal normative order in Indonesia (The Unity Normative Order), thus fulfilling the criteria of validity and validity. This means that the implementation of the Cabotage Principle is in accordance with the principle of positivist law with the Stuffedbau Theory model with the Preamble of the 1945 Constitution as Grundnorm.

3. Implementation of the Cabotage Principle that supports the values of national independence, thus contributing to strengthening state sovereignty.

4. The implementation of the Cabotage Principle in accordance with the 'NawaCita' of the Indonesian people, namely as a World Maritime Axle that is respected and respected by the nations of the world in synergy with the Cabotage Principle stated in Law Number 17 of 2008 concerning Shipping, so that the implementation of the Cabotage Principle become an inseparable part in realizing Good Governance in Indonesia, in accordance with the principles of implementing Good Governance as stated by UNDP.

Thus the implementation (implementation of) the ideal Cabotage Principle for Indonesia to realize Good Governance as the World Maritime Axis is determined by "quality" synergy of three elements of the legal system, namely the legal structure (structure of law), substance of the law, and legal culture. The legal structure concerning law enforcement officials, legal substance including legislation and legal culture is the living law that is adopted in a society.

Conclusion

The implementation of the Cabotage Principle in Indonesia in accordance with Law Number 17 of 2008 concerning Shipping has implications for Indonesian positive law and the implementation of the Cabotage Principle that is ideal for Indonesia's interests as the World Maritime Axis is determined by the synergy of the three legal systems, namely the structure of law, the substance of the law and legal culture. So that the Cabotage Principle as a Grundnorm can function properly, namely as social control, dispute settlement, and a tool of social engineering.

Legal system restructuring is required in the implementation of the sea transportation sector, especially in the implementation of the Cabotage Principle so that it complies
with the Indonesian legal system and the rules for implementing the Cabotage Principle are regulated in separate regulations at the level of Government Regulation to realize good governance as the World Maritime Axis.

References


International Arrangement and National Regulation

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