

# NATURAL RESOURCES CONTRIBUTION IN DEFENSE DIPLOMACY: A CASE STUDY OF BRUNEI DARUSSALAM

Marina Ika Sari

Indonesia Defense University  
(marinaika14@gmail.com)

**Abstract** – Brunei Darussalam is a country rich of natural resources, especially oil and natural gas. The country's income source is highly dependent on oil and gas sector. The fall of world oil price had an impact on Brunei Darussalam's economy and the government decided to cut off 25% of its defense budget in 2015. However, in 2018, Brunei Darussalam's defense budget reached B\$ 492,754,700, a 12.9% increase from the previous year's budget. This research focuses on Brunei Darussalam's oil and natural gas sectors which have an impact on its defense budget. The amount of a country's defense budget will affect its defense power, including its defense diplomacy activities. This study employs the concept of defense diplomacy. This study finds that there are several key results areas in the defense of Brunei Darussalam government, such as territorial integrity, support toward "whole-of-nation" approach, effective defence diplomacy, military involvement in international missions, high standard of human resource capacity, as well as respected and credible image of the defense organisation.

**Keywords:** Brunei Darussalam, defense diplomacy, natural resources

## Introduction

**B**runei Darussalam is one of the countries located in Southeast Asia region and has abundant natural resources in the form of oil, natural gas, silica sand, forests and marine resources.<sup>1</sup> With its abundant resources, Brunei Darussalam's Gross Domestic Product (GDP) reached B\$ 3,945.7 million in 2016. Brunei Darussalam's economy relies heavily on oil and natural gas; hence Brunei Darussalam has only exploited its oil and gas sources to this day. Brunei Darussalam's oil and natural gas exports

account for more than 90% of its total exports.

Furthermore, Brunei Darussalam is also the second highest GDP country in Southeast Asia with per capita income of B\$ 44,700 in 2015.<sup>2</sup>

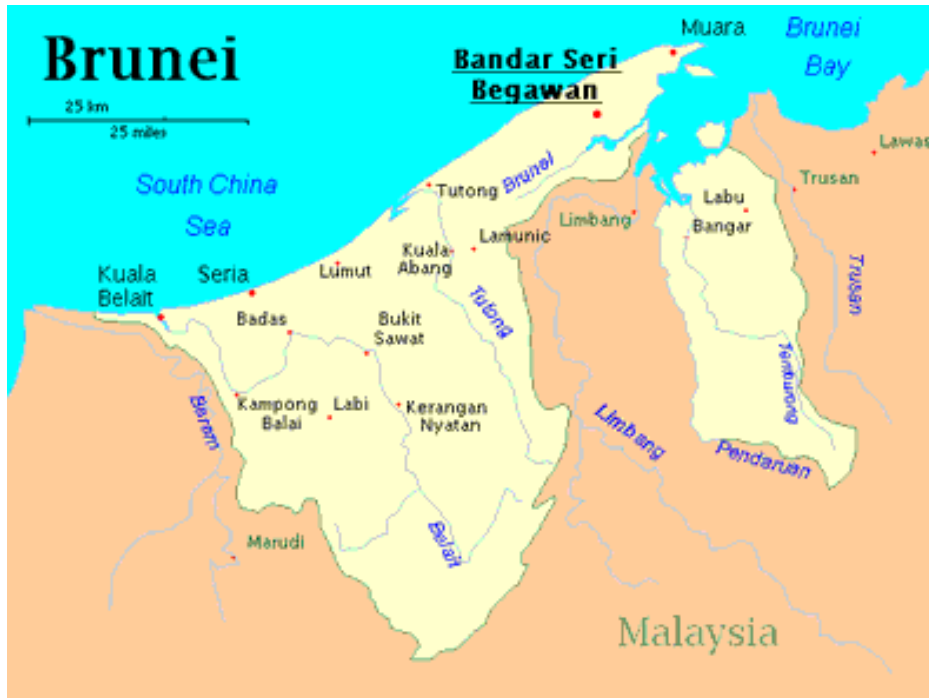
The strategic value of Brunei Darussalam's economic sector indicates a good contribution to the national defense sector, especially the defense budget. However, the dynamic economic condition of Brunei Darussalam also has an impact on the national defense budget. In

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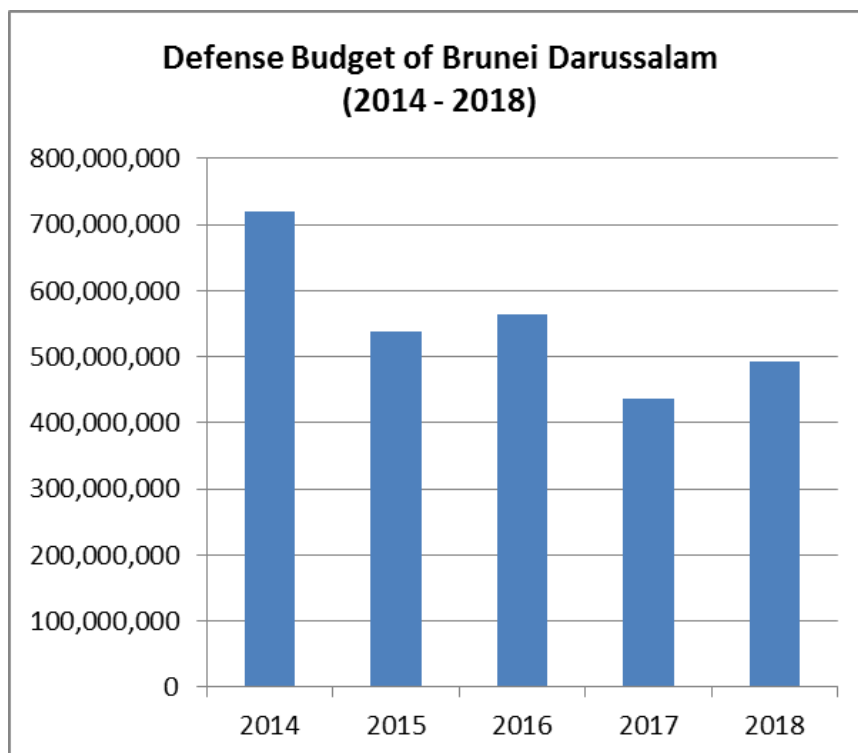
<sup>1</sup> Kementerian Luar Negeri, "Brunei Darussalam," 2016, in <http://www.kemlu.go.id/bandarseribega>

[wan/id/Pages/Brunei-Darussalam.aspx](http://www.kemlu.go.id/bandarseribega/wan/id/Pages/Brunei-Darussalam.aspx), accessed on 29 May 2019.

<sup>2</sup> *Ibid.*



**Figure 1.** Map of Brunei Darussalam  
 Source: [www.aseancanada.com](http://www.aseancanada.com), accessed on 10 May 2019



**Figure 2.** Defense Budget of Brunei Darussalam  
 Source: Processed by author, 2019.

2014-2016 Brunei Darussalam's defense budget recorded fluctuations. Furthermore, in 2014, Brunei Darussalam's defense budget reached B\$ 719,150,000. Then, because world oil prices are declining, it affects the economy of Brunei Darussalam. So, in 2015, the Brunei Darussalam government cut its defense budget by 25% to B\$ 537,490,000. In 2016, Brunei Darussalam's defense budget increased again by 4.7% to B\$ 564,000,000.<sup>3</sup> Then, in 2018 the defense budget reached B\$ 492,754,700, an increase of 12.9% from the previous year's budget.<sup>4</sup>

This study discusses about the relationship between Brunei Darussalam's abundant natural resource as the driving force of Brunei Darussalam's economy and the country's defense diplomacy. With abundant oil and gas sources, is Brunei Darussalam's defense diplomacy strong? This will be explained through by

focusing on the coverage of Brunei Darussalam's defense area.

### Framework for Analysis

The concept of defense diplomacy is employed to analyze Brunei Darussalam's defense diplomacy. According to Rajeswari Pillai Rajagopalan, defense diplomacy is "categorized under such heads as defense exchanges to include joint training with the militaries of foreign countries".<sup>5</sup> Meanwhile, Matsuda Yasuhiro defines defense diplomacy as "all diplomatic activities relating to national security and military diplomatic activities".<sup>6</sup>

Defense diplomacy is a method to manage international relations between two countries by using negotiation activities that specifically examine the field of defense.<sup>7</sup> According to Cottey and Foster, defense diplomacy is "the peacetime use of armed forces and

<sup>3</sup> Prashanth Parameswaran, "What's Behind Brunei's New Defense Budget for 2016?", in <http://thediplomat.com/2016/03/whats-behind-bruneis-new-defense-budget-for-2016/>, accessed on 29 May 2019.

<sup>4</sup> Ministry of Defense Brunei Darussalam, "Defence Budget 2018/2019 Presented During Legislative Council 2018", in <http://www.mindef.gov.bn/Lists/News/DispForm.aspx?ID=4368>, accessed on 29 June 2019.

<sup>5</sup> Pillai Rajeswari Rajagopalan, "Military Diplomacy: The Need for India to Effectively Use In Its Conduct of Diplomacy", in [https://www.researchgate.net/profile/Rajeswa](https://www.researchgate.net/profile/Rajeswari_Rajagopalan/publication/239597457_Military_Diplomacy_The_Need_for_India_to_Effectively_Use_In_Its_Conduct_of_Diplomacy/links/5519430c0cf2d241f355f702/Military-Diplomacy-The-Need-for-India-to-Effectively-Use-In-Its-Conduct-of-Diplomacy.pdf)

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<sup>6</sup> Matsuda Yasuhiro, "An Essay on China's Military Diplomatic: Examination of Intentions in Foreign Strategy", *NIDS Security Studies*, Vol. 8, No. 3, March 2006, p. 1-40.

<sup>7</sup> Makmur Supriyanto, *Tentang Ilmu Pertahanan* (Jakarta: Yayasan Obor, 2014), p. 158.

related infrastructure (primarily defense ministries) as a tool of foreign and security policy” and more specifically the use of military cooperation and assistance.”<sup>8</sup>

Initially, the role of defense diplomacy was limited to political action against the enemy. Eventually it finds more use as means of reducing and preventing conflict with other countries, establishing relationships with potential enemies, promoting civil-military relations, and developing state capabilities in peacekeeping operations. The following are forms of defense diplomacy activities according to Cottey and Foster:<sup>9</sup>

- a. Bilateral and multilateral cooperation between senior officers and civil officials from the defense ministry;
- b. Placement of defense attaches in friendly countries;
- c. Training of military officers and civil servants from the Ministry of Defense and the armed forces;
- d. Providing expertise and advice on democratic army control, defense management and military technical affairs;

- e. Contacts and exchanges between military personnel and units as well as warship visits;
- f. Placement of military or civil personnel in partner countries of the ministry of defense or armed forces;
- g. Assignment for training;
- h. Provision of military equipment and other military assistance;
- i. Bilateral and multilateral military training for training purposes.

Defense diplomacy aims to achieve national interests in the defense sector, such as security sector reform to be more transparent and accountable, reducing tension and preventing conflict. In detail, the objectives of defense diplomacy are as follows:<sup>10</sup>

- a. Eliminating hostility;
- b. Confidence Building Measures (CBM);
- c. Develop accountability in defense industry;
- d. Sharing responsibility, instead of dominating other countries through the use of power;
- e. Diminishing power, instead of projecting power to other countries through the placement of military forces in other countries;

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<sup>8</sup> Andrew Cottey dan Anthony Forster, *Reshaping Defence Diplomacy: New Roles for Military Cooperation and Assistance* (London: Oxford University Press, 2004), p. 6.

<sup>9</sup> *Ibid*, p. 7.

<sup>10</sup> Makmur Supriyanto, *Tentang Ilmu Pertahanan* (Jakarta: Yayasan Obor, 2014), p. 176-178.

- f. Building peace, instead of forming military alliances;
- g. Building confidence through transparency and openness of national defense policies and strategies.

According to Idil Syawfi, defense diplomacy has three main characteristics, namely:<sup>11</sup>

- a. Defense diplomacy for confidence building measures is carried out to build good relations between countries, reduce tension and misperception, be open and transparent in developing military capabilities so that others do not consider them as threats and can build confidence.
- b. Defense diplomacy for defense capabilities aims to improve a country's defense capability in the face of potential threats. This is related to cooperation in the field of defense such as joint training, defense export-import, education and exchange of military personnel.
- c. Defense diplomacy for defense industry aims at the construction and development of national defense industry. This can be done through cooperation in the defense industry

and technology transfer, in order to create impact on political and economic independence, reduce dependence on the procurement of defense equipment, and provide economic benefits for countries involved in the collaboration.

### Discussion

During the past ten years, Brunei Darussalam's economic growth has increased by an average of 1.2%. In 2016, Brunei Darussalam's economic growth reached 3.6%.<sup>12</sup> The oil and gas sector is the main source of income that sustains Brunei Darussalam's economy. Brunei Darussalam's largest export product is oil and gas, which covers more than 90% of total exports. In 2015, world crude oil prices falls. The fall in world crude oil prices will greatly affect the economy of Brunei Darussalam, which is heavily dependent on oil and gas. This also has an impact on trimming Brunei Darussalam's defense budget.

In the case of Brunei Darussalam, oil and gas natural resources are related to the magnitude of Brunei Darussalam's defense and defense diplomacy budget.

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<sup>11</sup> Arifin Multazam, Tesis: *Diplomasi Pertahanan Indonesia Terhadap Korea Selatan Periode 2006-2009*. (Jakarta: Universitas Indonesia, 2010), p. 14.

<sup>12</sup> Kementerian Luar Negeri, "Brunei Darussalam," 2016, *op.cit.*

The oil and gas natural resources, which are the main source of income for Brunei Darussalam, greatly affect Brunei Darussalam's Gross Domestic Product (GDP). The amount of a country's defense budget allocation is based on its GDP because it will show how important the defense sector is in national income. A country's ideal defense budget is 1.5% of the country's GDP.

For the past ten years, Brunei Darussalam's defense budget has averaged around 2.5% of GDP. In 2014, Brunei Darussalam's defense budget reached B\$ 719,150,000, an increase of 35.3% from the 2013 defense budget. By increasing the defense budget, a country could afford procurement of defense equipment, research and development, operating costs and maintenance of defense equipment, as well as increasing the professionalism of military personnel so as to increase the defense power of a country.

Thus, defense budget determines the defense strength of a country. If the defense budget of a country is large, then

its defense strength is also large. On the contrary, if the defense budget of a country is small, then its defense power is also weak.

The defense strength of a country is also related to the capability and activities of defense diplomacy carried out by the country to achieve its national interests in the defense sector. The national interests of Brunei Darussalam include maintaining sovereignty, independence and territorial integrity, increasing economic and social welfare, protecting political, cultural and religious identities, and promoting regional and global peace, security and stability.<sup>13</sup> Based on data from the Defense Ministry of Brunei Darussalam, Brunei Darussalam's defense budget includes several key result areas, among others:<sup>14</sup>

#### 1. Territorial Integrity

Strong territorial integrity, free from invasion and conventional threats. Maintaining territorial integrity can be done through patrols and monitoring on land, sea and air borders.

One example is in 2008 where Brunei Darussalam and Malaysia agreed

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<sup>13</sup> Defense White Paper Brunei Darussalam 2011, p. 10.

<sup>14</sup> Ministry of Defense Brunei Darussalam, "Ucapan Mukadimah Majelis Mesyuarat Negara 2018 Peruntukan Kewangan Kementerian Pertahanan bagi Tahun 2018/2019", in

<http://www.mindef.gov.bn/Speeches/100318%20-%20Mukadimah%20MPII%20-%20MMN%202018.pdf>, accessed on 29 June 2019.

to enter into an agreement to resolve overlapping claims in the sea and land border areas. On March 16, 2009, the leaders of both countries signed a Letter of Exchange in which Malaysia acknowledged that Brunei Darussalam is a legitimate owner of Block L and M in the Limbang region, but Brunei Darussalam also agreed to share the management of oil and gas resources in the Limbang region with Malaysia. Brunei Darussalam also gain benefit by obtaining technology from Malaysia to process energy in both blocks.

After the Limbang region dispute was resolved, the relationship between Brunei Darussalam and Malaysia has been progressing since 2010. The two countries expanded their relations through cooperations such as increased investment, infrastructure development, transportation, agreements to eradicate drugs, joint training, and summit meeting.<sup>15</sup> Brunei Darussalam's defense diplomacy with Malaysia is carried out as Confidence Building Measures (CBM) of the two

countries to ensure that both do not see each other as threat.

## 2. High Military Capacity and Preparedness

Combat capability and military capacity are used as effective deterrent and to deal with security threats that can disrupt national interests and the stability of state security. This can be done through training, provision of defense equipment and defense infrastructure.

For example, Brunei Darussalam strengthened its defense forces through the defense industry by procuring defense equipment from other countries. In 2014, Brunei Darussalam increased its defense strength through the procurement of defense equipment. Brunei Darussalam bought a patrol boat, purchased C-130J Super Hercules from the US, and now they are considering to purchase three units of CN235-220 from the Indonesian Aerospace.<sup>16</sup> Brunei Darussalam also improved its maritime security by purchasing four Lurssen Werft-class

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<sup>15</sup> Christopher Roberts dan Lee Poh Onn, "Brunei Darussalam Cautious on Political Reform, Comfortable in ASEAN, Pushing for Economic Diversification", *Southeast Asian Affairs* 2009, p. 61-81.

<sup>16</sup> Defence Economic Trends in the Asia-Pacific", *Australia Government*, DIO Reference Aid 15-003, Maret 2015, p. 9.

patrol boats and the Mustaed-class fast interceptor from Singapore. Cooperation in defense industry through the purchase of defense equipment is a form of defense diplomacy. Thus, Brunei Darussalam's goal in defense industry cooperation is to construct and develop their national defense industry.

### 3. Supporting "Whole-of-Nation" Approach

Effective coordination between defense institutions and other government institutions is needed in maintaining security through a "Whole-of-Nation" approach funded by all stakeholders. This approach will create a collaboration between the ministry of defense and other ministries, including grassroots organizations, civilians and the private sector. In line with Brunei Darussalam's 2035 insights through the national security strategy, this was done by involving the National Security Committee (JKN) and other work committees, including the contribution of special expertise and multi-agency operations.

### 4. Effective Defense Diplomacy

Good defense and military cooperation with other countries aims to increase understanding, transparency and openness in order to build mutual trust and respect. In addition, it also aims to avoid conflict, if there is misperception of interest, by resolving it in a peaceful manner. This is done through defense diplomacy activities, including cooperation through defense agreements, interactions during training and exchange of military personnel both bilaterally and multilaterally. Defense diplomacy efforts can also directly increase the capacity and capability of the defense ministry through various collaborative activities.

An example of defense diplomacy activities carried out by Brunei Darussalam is their participation in ASEAN Defense Ministers' Meeting (ADMM) and ADMM-Plus in order to maintain stability in the region. Brunei Darussalam also played an important role as co-chair for the ADMM-Plus Experts' Working Group (EWG) on Maritime Security in 2014-2017, hosting



two major ADMM-Plus HADR exercises in 2013, and ADMM-Plus Maritime Security/ Counter-Terrorism Exercise in 2016.

#### 5. Military Involvement in International Missions

Capability is needed to carry out all military missions and operations other than war at the international level. This includes monitoring missions, security operations, humanitarian operations, and natural disasters assistance abroad. This is achieved by increasing the expertise of members through training, accompanied by the ability of special equipment experts.

Bilateral and multilateral military training and operations carried out under the framework of diplomacy can enhance cooperation, coordination and interoperability in dealing with threats together. In the current era of globalization, the sustainability of national security depends on a stable and safe regional and international environment.

In this context, the involvement of the Royal Brunei Armed Forces (RBAF) in the International Monitoring

Team (IMT) within the Peace Process in Mindanao, Southern Philippines since 2004, the Aceh Monitoring Mission (AMM) in 2005 illustrated this commitment. Not to mention, Brunei Darussalam has also assigned officers of the Royal Brunei Darussalam Armed Forces as an International Liaison Officer (ILO) at the Information Fusion Center (IFC) and Humanitarian Assistance and Disaster Relief (HADR) and Regional Healthcare Coordination Center (RHCC) in Singapore from 2013 and 2015.

At the global level, Brunei Darussalam has sent five armed forces personnel to participate in the UN peace mission in Lebanon. Although with a small amount, the deployment of Brunei Darussalam's armed forces shows the commitment of Brunei Darussalam at the UN, as a contribution in the international community, and provides experience to increase the capacity of the Brunei Darussalam armed forces. Therefore, Brunei Darussalam's defense diplomacy through Peacekeeping Operation (PKO) aims to improve defense capabilities, particularly the quality of

Brunei Darussalam armed forces.

#### 6. High Capacity Human Resources

Having HR that is professional, pious, loyal, and courageous based on the values of the Kingdom of Melayu, knowledgeable, trained, creative and innovative, able to deal with various forms of threats and negative things, including the ability to produce advanced equipment and high technology. This is done by launching scholarship programs from the ministry of defense, establishing educational institutions, and research centers.

#### 7. Respectable and Credible Image of Defense

Maintaining the image of being an authoritative and credible defense organization, obtaining the trust of the people in carrying out the responsibility of defending state sovereignty. The involvement and role of the Ministry of Defense in the international arena, in order to show the country's

commitment, has also increased the military's profile in the eyes of the world as a credible, professional, competent and capable armed forces.

#### **Conclusion**

Brunei Darussalam's natural resources such as oil and natural gas have strong links with the economic sector of Brunei Darussalam. Furthermore, this can have an impact on the defense budget of Brunei Darussalam that can affect the strength of the country's defense diplomacy. Oil and gas sector is the biggest contributor to Brunei Darussalam's GDP which determines the allocation for budget defense. Brunei Darussalam's defense budget is used to increase defense strength such as the procurement of defense equipment and capacity building of the armed forces. Therefore, Brunei Darussalam conducts defense diplomacy with the aim of implementing CBM with other countries, enhancing defense capabilities, and developing their defense industry.

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