

## Chapter 2

# Taking Stock of Military Reform in Indonesia

Leonard C. Sebastian and Iisgindarsah

### Introduction

Can we assert that military reform in Indonesia has come to a standstill? Since the downfall of Suharto in 1998, Indonesian military is by no means in a weak position. The military may no longer be the leading actor in national politics, but has pragmatically incorporated a strategy enabling it to play a “behind the scenes” role (Sebastian, 2007). Having abolished the “dual-function” doctrine that legitimated military engagement in socio-political affairs, the armed forces (Tentara Nasional Indonesia, TNI) leadership has placed more emphasis on transforming its institutional profile and improving its human rights record. Civilian politicians have compromised the process of reform. Far from depoliticizing the military, President Abdurrahman Wahid sought to marshal military support against the Indonesian parliament (Dewan Perwakilan Rakyat, DPR) moving to impeach him due to his involvement in high profile corruption cases. In early 2001, he proposed to TNI high-command that a state of emergency be declared to enable him to dissolve the DPR. The proposal, however, was rejected by a military leadership aware that any overt political involvement on their part would be counterproductive to their efforts to restore the TNI’s public image. Meanwhile, during Megawati’s presidency, the counterinsurgency operation in Aceh had given new impetus for TNI to take on a greater role in internal security in the guise of “military operations other than war” thereby signalling the end of attempts by post-Suharto military reformers to limit their function purely to external defense.

With this backdrop, some scholars argue that the military reform in Indonesia has come into a standstill despite notable institutional changes implemented since 1998

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L.C. Sebastian (✉) • Iisgindarsah  
Nanyang Technological University, Nanyang, Singapore  
e-mail: [islsebastian@ntu.edu.sg](mailto:islsebastian@ntu.edu.sg); [iisgindarsah@ntu.edu.sg](mailto:iisgindarsah@ntu.edu.sg)

(Mietzner, 2006, pp. 2, 3).<sup>1</sup> Further reform efforts to regulate military businesses and to place the TNI under the authority of a civilian-led Ministry of Defense remain difficult due to emotive and practical reasons. Indonesia will need more time to implement difficult changes in these areas. This is due to the tentative nature of civil-military relations in the country. The military may no longer dictate policy to civilians, but it retains its privileged position of influence by virtue of its historical legacy and the fact that no civilian president can govern the country without their assistance. This pragmatic alliance necessary either to secure a presidential election or to prevent the military acting as a “spoiler” in national policymaking has worked to preserve the TNI’s institutional autonomy (Rinakit, 2005, p. 39). The likelihood that military officers will temporarily re-enter the political arena in partnership with other like-minded social-political elites to stabilize national politics cannot be simply discounted. The mindset of the officer corps has not changed substantially, despite the abolition of the “dual-function” doctrine in 2000 (Honna, 2003, p. 7). There remains a deep contempt for civilian rule and a belief that only the TNI is capable of rising above the petty rivalries and self-interested behaviour of post-Suharto civilian politicians. Such thinking are rooted in their historical traditions and further enshrined in the *Sapta Marga*, a sacrosanct soldier’s oath guiding their normative behaviour, which elevates the TNI as the “guardian of the state.”

This point notwithstanding, this chapter argues that while the TNI’s interest in day-to-day party politics will gradually diminish, their level of interest in politics will ebb and flow depending more on the behaviour of political elites and their attempts to disengage TNI from the political fray. After more than a decade of *reformasi*, this chapter tries to provide an assessment of the military reform process during the last 12 years in Indonesia. First, it will provide an overview regarding the role of the Indonesian military during Suharto era and subsequently analyze to what extent the process of democratization has shaped the role and mission of the military; understand the perceptions and motivations of the new actors involved in the reform process; review what has been achieved and highlight what outstanding problems remain unaddressed. With regard to the final point, this chapter concentrates on deciphering the three major strategic gaps that need to be addressed in the next stage of military reforms: the “regulation loophole,” the “defense-economic gap” and the “shortcomings of democratic civilian control.” Finally, it concludes with how much the TNI has been dissociated from its erstwhile socio-political role and provides an assessment on the future prospects of military reform in Indonesia.

## Military Dual-function During Suharto Era

Historians have well documented that until his resignation in 1998, Suharto with military backing established an authoritarian New-Order regime that dominated Indonesian politics for more than three decades. Unlike his predecessor President

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<sup>1</sup> See also R. Liddle “Indonesia’s Army Remains a Closed Corporate Group,” *The Jakarta Post*, 3 June 2003.

Sukarno, who favoured nationalist adventurism and mass mobilization, President Suharto sought legitimacy for his regime through economic development and thus emphasized political stability within the country. In this context, Indonesian military – during that era known as Indonesian Armed Forces (Angkatan Bersenjata Republik Indonesia, ABRI) exerted its overt political influence under the auspices of the so-called *dwi-fungsi*, or “dual-function” doctrine. Based on this doctrine, the military had not only a defense and security role, but also socio-political function to promote national development and ensure political stability. The doctrine justified the military’s systematic political intervention and the formation of its political programme, organizational ideology and patterns of civil-military relations during the Suharto era (Honna, 2003, p. 3).

Alongside the dual-function doctrine, the military implemented a broad official policy of *kekaryaan*, under which military officers were assigned to legislative and non-military administrative bodies. Under this policy, both active and retired military officers occupied strategic positions in national and regional bureaucracies starting from cabinet ministers to village heads, as well as key management positions in state-owned corporations – such as the oil and gas firm Pertamina. According to one source, there were approximately 6,800 active officers who occupied non-military bureaucratic posts in the 1999; while the number of retired officers was estimated to be around 5,500 (Bhakti et al., 1999, p. 143). Furthermore, the military also gained influence in the legislature through military representation in national and regional parliaments. Before its representation in parliament was reduced in 1999 with their eventual withdrawal in 2004, the military held 75 of the 500 legislative seats in the Indonesian parliament (DPR) and a total 2,800 non-elected seats in regional and sub-regional legislatures (Crouch, 2010, pp. 133, 134; Robinson, 2001, pp. 234, 235). The military’s political power was further enhanced through its influence in Golkar – a government supported political party, to which the former helped the latter to win the majority of votes during Suharto era elections.

Military dominance in national security was further reflected in certain unique aspects of its command structure. As part of “total people’s defense and security” doctrine, the army evolved a territorial command structure that paralleled the civilian bureaucracy down to village level. Under this military structure, the Indonesian archipelago was divided into ten Regional Military Commands (Kodam). Each Kodam is further divided into several levels of sub-command: Resort Military Command (Korem) – headed by a colonel; District Military Command – headed by a lieutenant colonel; and Sub-district Military Command with a major in charge. At the village level, the army assigns a non-commissioned officer known as *Babinsa*. In this way, territorial apparatus links the military and the civilian authorities ensuring that the military influences political developments at every level of regional governance, including control of militias and paramilitary units (see also the contribution of Honna in this volume). It also facilitated political surveillance and police functions by monitoring and controlling the activities of political parties, religious groups, social organizations and trade unions. In effect, the territorial structure became a major means for keeping the Suharto regime in power and still remains a considerable source of human intelligence for Indonesian military.

During the Suharto era, the military also enjoyed power and prestige within the intelligence community. The State Intelligence Coordinating Agency (Badan Koordinasi Intelijen Negara, BAKIN), for instance, was mostly staffed by military personnel. Within the military itself, the Armed Forces Intelligence Agency (Badan Intelijen Strategis, BAIS/Badan Intelijen ABRI, BIA) was established and linked to the intelligence compartments of the army's territorial commands. Military control of national intelligence assets enabled it freely to operate with little regard for domestic or international legal norms. Likewise, Suharto established the Command for Restoring Order and Security (Komando Operasi Pemulihan Keamanan dan Ketertiban, Kopkamtib) and later the Coordinating Agency for National Stability (Badan Koordinasi Bantuan Pemantapan Stabilitas Nasional, Bakorstanas), which intensively exercised extra-judiciary power to conduct security operations in order to maintain stability and public order. These agencies became the institutions used to suppress and curb any resistance toward the Suharto regime and its domestic policies. All in all, it was a regime not adverse to applying force and engaging in periodic human rights abuse when it perceived that "stability" was threatened.

## Post-Suharto Military Reform

The collapse of the New-Order regime and the accompanying political upheaval raised unprecedented questions concerning the socio-political role of the Indonesian military. The initial military reform in Indonesia was a by-product of a mixture of intense public pressure, fragile national politics and military factionalism. In the early period after the resignation of President Suharto, the Indonesian military – and the army in particular bore the brunt of criticism for its primary role as the political tool propping up the Suharto regime. Soon after the lifting of restrictions on the press, reports about the military's past atrocities spread through mass media and incited public distrust of the military.<sup>2</sup> In the newly liberalized atmosphere, civilian elites, intellectuals and human rights activists also called for the termination of the military's dual-function and the promotion of democratic civilian control over the military. With minimal support at either elite or popular level, the new civilian government under President Habibie had little opportunity to impose reform on the military fearing it would provoke strong resistance from military leaders. Meanwhile, military leadership under General Wiranto was by no means cohesive due to sharp factionalism within military elites.<sup>3</sup> Concerned over public antagonism over

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<sup>2</sup> Public opinion surveys in several media revealed the military's loss of public trust. See "Surveys reveals ABRI's Poor Public Image," *The Jakarta Post*, 29 September 1998; "Jajak Pendapat Kompas tentang Citra ABRI: Sebagian Masyarakat Ingin Dwifungsi Ditanggalkan," *Kompas*, 4 October 1998.

<sup>3</sup> In the wake of the New Order, army officers were sharply divided into two major factions struggling for control of the military establishment and its patronage network. The mainstream nationalist-oriented officers were widely known as the "red-and-white" faction. These officers

military abuses and as a response to deepening military disunity over policy to address the country's changing political circumstances, a group of "intellectual and reformist" officers eventually persuaded Wiranto to implement internal reforms aimed at disengaging the military from the political sphere.<sup>4</sup>

To re-conceptualize the military's future role, in 1998, the military headquarters then held a seminar in Bandung that produced the so-called "New Paradigm." The concept underlined the guiding principles for military reform in the post-Suharto era, which constituted of four key points, namely: that at all times "it is not always necessary for the military to be at the forefront of national politics;" the military would not seek to occupy political positions, but influence decision-making process; the military would exert its influence indirectly rather than directly; and the military would work in partnership with other national entities.<sup>5</sup> Following the Bandung seminar, the Indonesian military – now renamed from ABRI to the Indonesian National Defense Force (TNI) – carried out initial measures of internal reforms, such as separation of police from the military's chain of command; liquidation of social-political compartments and *kekaryaan* functions within military structure; withdrawal of military representatives from national and regional legislatures; restrictions for active officers to occupy positions in non-military bureaucracy; dissociation of formal ties with Golkar and the adoption of neutrality during national elections; and changing patterns of relations between TNI Headquarters and the retired military and police officers organization (Persatuan Purnawirawan dan Warakawuri TNI dan POLRI, PEPABRI).

Some scholars including several senior military officers, however, observed that while the military may have embarked on major internal reforms deemed significant, in reality there was little by means of substance (Crouch, 2010, p. 133; Honna, 2003, p. 166; Mietzner, 2006, p. 12). Much of the instituted reform measures pertained to overtly political positions that were no longer sustainable under current democratic conditions aimed at distancing the military from its unfashionable key political role in perpetuating the Suharto regime. The abolition of the dual-function doctrine did not instantly change the organizational culture of TNI since the doctrine had for decades been deeply indoctrinated in the mindset of its officers (Chrisnandi, 2007, p. 72).

Further attempts at internal military reform were reflected in an official document titled *The Role of TNI in the twenty-first Century*, published in 2001. The document reiterated not only TNI's pledge to disband its social-political role, but also asserted

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were close allies of General Wiranto (the Armed Forces' Commander-in-Chief), who in that time had a problematic relationship with Suharto's son-in-law Lieutenant General Prabowo Subianto (the Commander of Army Strategic Command) who maintained close links to the so-called "green" Islamic officers. For military factionalism during this period, see for example Crouch (2010, p. 131); Hafidz (2006, pp. 62–109); Honna (2003, pp. 159–164); Mietzner (2009, pp. 109–138).

<sup>4</sup> These officers had stints as Wiranto's aide-de-camp during the political upheavals leading to Suharto's resignation. Among them were generals Agus Widjojo, Agus Wirahadikusumah and Susilo Bambang Yudhoyono.

<sup>5</sup> See Indonesian Armed Forces Headquarters (1998).

its commitment to national defense by developing a joint warfare doctrine, increasing its organizational effectiveness and transferring its responsibility for domestic security to Indonesian National Police (Kepolisian Negara Republik Indonesia, POLRI).<sup>6</sup> In the period of 2000–2006, TNI Headquarters made several changes in some crucial areas, which among them are: exclusion of socio-political courses and insertion and humanitarian law in the military curriculum; transferring the military tribunal from TNI Headquarters to the Supreme Court; and making it a requirement for an active officer to retire from operational duty before being nominated to stand in elections. To strengthen professional military culture, TNI has made notable changes to its military doctrines, which were developed based on operational experiences and with the necessary adaptations learned through engagements with foreign militaries. After revising army, navy and air forces doctrines,<sup>7</sup> TNI revised its principal doctrine from “Catur Dharma Eka Karma” into “Tri Dharma Eka Karma.” Apart from the exclusion of its socio-political role, the new doctrine is significant for two reasons: *first*, it obliges the TNI to work towards force projection strategies with “deterrence” and “denial” capabilities as key objectives to defend state sovereignty and maintain territorial integrity against foreign and domestic threats; and *second*, leaving out militia training, law enforcement and the maintenance of public order missions.<sup>8</sup>

Furthermore, to institutionalize democratic civilian control and military professionalism, the Indonesian government enacted two key laws on national defense. Act No. 2/2002 on State Defense regulates the core values, purpose and principles of national defense; the role and authority of Ministry of Defense in defense policymaking, as well as its institutional relationship with TNI Headquarters and other government institutions; authorization on the use of force; management of defense resources; the budget for defense spending; and parliamentary oversight. Related to its authority to formulate defense policy, the Ministry of Defense, in 2008, issued four official documents related to defense doctrine, strategy and posture, as well as a new defense white paper. In a nutshell, the Defense Doctrine document defined “total defense” as the total participation of national entities and resources – both military and non-military, organized into a core component, reserve component and supporting component.<sup>9</sup> Defense Strategy explicates that Indonesia adopts multi-layered defense to which “military defense” with TNI as the core component is prepared to deter and deny possible military threats, while “non-military defense” is configured to cope with non-military threats.<sup>10</sup>

<sup>6</sup> TNI Headquarters (2001), pp. 10, 11.

<sup>7</sup> See Navy Chief of Staff Decree No. 07/II/2001 on Navy’s “Eka Sasana Jaya” Doctrine; Air Force Chief of Staff Decree No. 24/X/2000 on Air Force’s “Swa Bhua Paksa” Doctrine; Army Chief of Staff Decree No. 01/XII/2000 on Army’s “Kartika Eka Paksi” Doctrine.

<sup>8</sup> See TNI Commander Decree No. 21/I/2007 on TNI Doctrine “Tri Dharma Eka Karma.”

<sup>9</sup> See Ministry of Defense. (2007). *Doktrin Pertahanan Negara*. Jakarta, p. 71.

<sup>10</sup> See Ministry of Defense. (2007). *Strategi Pertahanan Negara*. Jakarta, p. 52.

The second law is Act No. 34/2004 on Indonesia's National Defense Force. The law demarcates the role and main duties of TNI as the "core defense component" to "uphold state sovereignty, maintain territorial integrity and protect national entities" against "military threats both internal and external" to which it carries out "conventional military operations" and "military operations other than war."<sup>11</sup> It also regulates the organizational structure and authority of TNI's high-command; authorization on the use of force; soldier's rights and responsibilities. Definitively, it outlaws TNI's "involvement in political and economic activities" and thus stipulates two important requirements. *First*, TNI's force structure is "subject to geographical conditions and defense strategy with priorities on less-stable and conflict-prone areas, as well as border regions;" its force deployment is also limited by the provision to "avoid a structure akin to civilian bureaucracy and prone to political interests."<sup>12</sup> The *second* issue is the transfer of military businesses by 2009 to the government.<sup>13</sup> It took almost 4 years after the enactment of the law for the President Yudhoyono to establish the National Team for Military Business Takeover led by Erry Riyana Hardjapamekas to make recommendations on this matter. As the deadline approached, the president issued Presidential Regulation (Perpres) No. 43/2009 concerning the takeover of military business, but this regulation created further controversy when no definite deadline was mentioned for the eventual takeover of military businesses.<sup>14</sup>

All in all, the first generation of military reforms in Indonesia had primarily resulted in the establishment of the legal bases and institutional arrangements for defense and security. During this period, top officials at the Ministry of Defense and TNI Headquarters were engaged in reshaping their institutions and democratizing the policymaking process in line with the evolving nature of *reformasi* era statecraft. Since the collapse of the New-Order regime, civilian defense ministers to some extent have made their mark in reforming the Ministry of Defense. Juwono Sudarsono, who served as minister of defense under President Wahid and in President Yudhoyono's first-term of office, became well-known for promoting his concept of "minimum essential forces" for the TNI's force structure development. His predecessors, Mahfud M.D. and Matori Abdul Djalil also played a significant role in the enactment of the two laws on national defense and the implementation of humanitarian law in the military.<sup>15</sup> The current Minister of Defense Purnomo Yusgiantoro seems committed to devoting attention to resuscitating Indonesia's indigenous strategic industry capacity.

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<sup>11</sup> Article 6 and 7 of Act No. 34/2002 on the Indonesia National Defense Force.

<sup>12</sup> Article 11 Verse 1 and 2, *ibid*.

<sup>13</sup> Article 76 Verse 1, *ibid*.

<sup>14</sup> See "Perpres Bisnis TNI Tanpa Tenggat," *Kompas*, 15 October 2009.

<sup>15</sup> See Minister of Defense Decree No. 2/M/II/2002 on The Implementation of Humanitarian Law and Human Right Principles in National Defense.

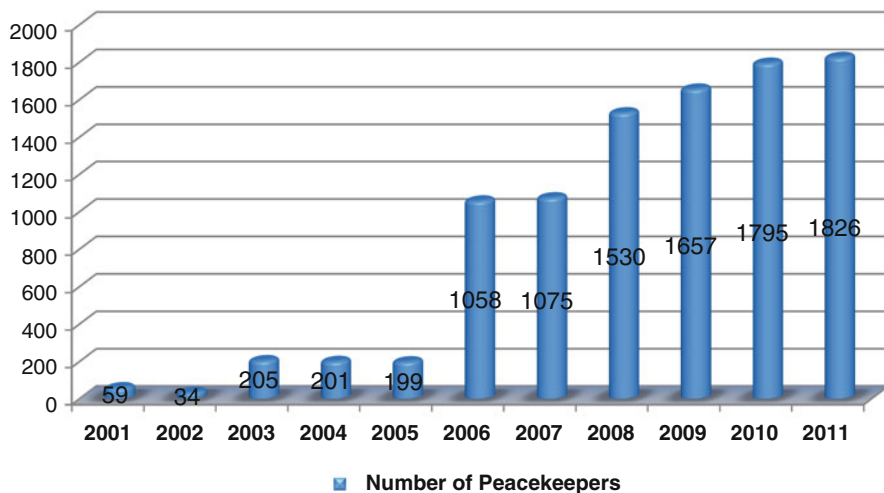
The first generation of military reforms also witnessed the birth of a “defense policy community,”<sup>16</sup> where scholars and civil-society actors engage in discussions with policymakers and parliament members on wide-ranging defense and security issues. Since the late 2000, many Indonesian scholars associated with the ProPatria Institute – a small think-tank concerned with security sector reform played a substantial role through “focus group discussions” to support senior military officers in the Ministry of Defense responsible for preparing the draft bill on the TNI and legislation related to national defense. Later in 2004, Pacivis – a research centre at University of Indonesia in tandem with other centres specializing in security sector reform also participated in policy-research activities. Through frequent engagement with the academic community, military officers serving in the Ministry of Defense were able to absorb new policy-relevant ideas and strengthen their intellectual capabilities (see also Rizal Sukma’s chapter in this volume). Interestingly, the majority of Director Generals for Defense Strategy – responsible for the formulation of bills and policy drafts at the ministry, such as Major General Sudrajat and Major General Dadi Susanto previously served as defense attachés in Washington. Their experiences in a foreign country and exposure to new thinking on civil-military relations no doubt developed their personal character traits as open-minded, outward-looking military officers realistic enough to understand Indonesia’s new political realities and the fact that the country was facing a more complex strategic environment (Anggoro, 2008, p. 14). Moreover, in 2009, the Indonesian government established the Indonesian Defense University, which is expected to evolve into an epistemic defense policy community where civilians and the military will interact and debate the key issues of defense policy.

To varying degrees, TNI high-command has also managed to further depoliticize military officers and reinstitute professionalism within the military establishment. General Endriartono Sutarto might be misconstrued as having strong political inclinations due to his public statements, but his leadership style was pragmatic. He understood the changing political environment and accepted the rationale for stronger civilian control to be asserted in the defense realm. Contrary to his predecessor, Chief Air Marshall Djoko Suyanto became known for his reluctance to comment on political issues. Meanwhile, General Djoko Santoso might be conservative but supported the principle of political neutrality of the military and favoured the elimination of military businesses (Anggoro, 2008, p. 12). Moreover, in 2006, he established the Total Defense College in Bandung to initiate a series of discussions on the basic concepts of Indonesia’s defense doctrine. Foremost in these discussions were whether Indonesia should maintain the people’s war doctrine or modify the doctrine by incorporating a new doctrine of total defense; and should a doctrine of asymmetric warfare relying on military capabilities to maintain war of attrition against a much stronger adversary become a more appropriate defense strategy for Indonesia. The newly-sworn commander-in-chief, Admiral Agus Suhartono is keen

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<sup>16</sup> This term is popularized by Kimberly Zisk. See Zisk (1993, p. 21).





**Fig. 2.1** Indonesia's annual peacekeeper contributions, 2001–2010 (Source: Adapted from the United Nations Department of Peacekeeping Operations (data from 31 December 2001–31 December 2011))

to modernize TNI's major weapons systems that are necessary for effective training to upgrade military professionalism. Acknowledging the problem of a slim budget and bloated manpower pool, he also called for personnel "rightsizing" at every command – including territorial commands to determine the effective operational costs for each military unit.<sup>17</sup>

No less important, Indonesia's participation in international peacekeeping operations has given the TNI good opportunity to increase levels of professionalism. Following its appointment as a non-permanent member of the United Nations (U.N.) Security Council in 2006, the Indonesian government had steadily increased its troop contribution to support U.N. peacekeeping efforts (see Fig. 2.1).<sup>18</sup> Indeed after transferring the public security domain to the police and the overall improvement domestic security, the TNI – particularly the army has significantly more "idle" troops which could be utilized for overseas deployment. Participating in peacekeeping operations provides the TNI three benefits: military credentials for personnel's future promotion; extra financial subsidies<sup>19</sup>; and justification for arms

<sup>17</sup> "TNI Lakukan Efisiensi," *Kompas*, 24 September 2010; "Admiral Agus Suhartono: We Must First Secure the Key Points," *Tempo*, 19 October 2010.

<sup>18</sup> As of November 2010, Indonesian government had dispatched 1,785 soldiers and policemen placing it at rank seventeenth of all troops-contributing countries.

<sup>19</sup> The monthly rates of reimbursement for individual peacekeeping troops are: US\$1,028 for allowances; US\$68 for personal clothing, gear and equipment; US\$5 for personal weapon; and US\$303 supplementary pay for specialist.

procurement to replace outdated military platforms (Haseman & Lachica, 2009, pp. 88, 91–92).<sup>20</sup> Appreciated for its extensive experience and superb performance in peacekeeping missions, the TNI high-command has now expanded peacekeeping training to include military personnel across all service branches. In doing so, it recently established a permanent peacekeeping training centre in West Java to prepare officers and soldiers for future overseas deployments.

## Major Strategic Gaps During Twelve Years of Military Reform

Twelve years of military reform in Indonesia have significantly reduced the socio-political role of the Indonesian military. Reforming and redefining the role of the military, however, was not without its problems. Developing countries, like Indonesia still have to contend with the challenge of nation-state building where they need to “transform the juridical statehood into effective statehood” and construct a collective national identity (Ayoob, 1995). The “security problematic” of Indonesia, therefore, is derived from how to mobilize national resources and take necessary measures to establish institutional-state building, while participating in international politics (Ayoob, 1991). Consequently, at a time when the principles of good governance should have been institutionalized in its defense sector, the Indonesian government is still grappling with what constitutes national security and how to establish proper regulatory frameworks, let alone coping with the challenge of redefining the role of TNI. In this context, there are at least three major strategic gaps which were left unaltered since military reform was initiated in Indonesia: *first*, loopholes within the existing laws and the resultant regulatory vacuum pertaining to certain key issues; *second*, the critical gap between the TNI’s institutional role and its ability to carry out its missions, reflected in a defense-economic gap; and third, the prevalence of shortcomings in processes of democratic civilian control.

### *Regulation Loopholes and Policy Vacuum*

Overall, the objective of the established legal framework is the promotion of better governance in national defense. There are, however, two categories of key issues that need to be addressed in the near future. The *first* is related to operational loopholes of several provisions within the existing laws on national defense. Both Law No. 3/2002 and Law No. 34/2004, for instance, emphasize that the president

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<sup>20</sup> In 2006, the Department of Defense justified the acquisition plan of France made-Armoured Vanguard Vehicles (VAB) for TNI’s peacekeeping operation in Lebanon. See “Panser Perancis Jadi Dibeli,” *Republika*, 11 October 2006.

holds the authority to make decisions on the use of force under the auspices of the Indonesian parliament (DPR).<sup>21</sup> The provisions provided in these laws, however, are incomplete because they stipulate no obligation on the part of the president to determine the strategic objective, time limit and operational terms of the military operation, as well as the rules of engagement. Without these provisions, there are no parameters for the parliament to approve or reject the president's decision. Furthermore, there are no provisions to promote parliamentary oversight over the scope and direction of a military operation. Furthermore, the president is also hindered by an inability to evaluate and assess the implementation of the military operation (Sukma, 2006a, p. 25).

Confusion also arises over the question of the circumstances under which the political decision to go to war is issued to TNI. Should it be primarily for decisions related to "conventional military operations," but unnecessary for "military operations other than war?"<sup>22</sup> This problem is prominent, particularly relating to the need to deploy TNI task forces in domestic contingency missions – such as counter-terrorism and disaster relief, and constabulary duties – that is, for maritime security and border patrol. The law, in fact, regulates that in the event of an emergency situation, the president has the authority to deploy immediately military forces with an obligation to report such a decision within 48 hours to the parliament.<sup>23</sup> There is also a stipulation that the TNI commander-in-chief, cannot under any circumstances, deploy a task force without authorization from the president.<sup>24</sup> Just as problematic, is the TNI's duty to "assist local government" which invites public criticism since it may lure the TNI into non-military activities, particularly in the context of extensive regional autonomy. Likewise, the requirement of the law that the TNI retains a primary duty to "empower defense areas" is criticized for providing another pretext to maintain the army's territorial structure. TNI Headquarters should be praised for their effort to finish at least seven standard operating procedures for 14 military operations other than war. Yet this achievement casts a pall over future civil-military relations due to political controversies that are likely to occur due to the difficulties inherent in implementing such procedures.

Moreover, a loophole is glaringly apparent in terms of the institutional relationship between the Ministry of Defense and TNI Headquarters. According to the law, TNI is placed under authority of the president with respect to its employment particularly of the use of force, but coordinated by the Ministry of Defense in terms of defense policy and strategy, as well as administrative matters.<sup>25</sup> This provision vaguely defines the Ministry of Defense's responsibility for the political accountability of TNI Headquarters, thus limiting the institutional authority of the

<sup>21</sup> Article 13 and 14 of Law No. 3/2002 on State Defense; Article 17 and 18 of Law No. 34/2004, op.cit.

<sup>22</sup> Article 7, section 2 point b of Act No. 34/2004, op.cit.

<sup>23</sup> Article 18, sections 1 and 2 of Act No. 34/2004, op.cit.

<sup>24</sup> Article 19 of Act No. 34/2004, op.cit.

<sup>25</sup> Article 3, section 1 and 2 of Act No. 34/2004, op.cit.

former to ensure that the latter implements all defense policies correctly. The relationship is further problematic as the TNI commander-in-chief still serves as a cabinet member with independent access to the policymaking process in cabinet meetings. Although the explication of Article 3 of Act No. 34/2004 stresses that in the future, TNI Headquarters may need to be placed under jurisdiction of the Ministry of Defense, there exists no definitive time frame for such a decision to take place.

The *second* problem is the myriad of regulations and indefinite policies. Act No. 3/2002 has specified the duties and authority of the Minister of Defense.<sup>26</sup> There is, however, no sufficient provisions concerning institutional and capacity building for the Ministry of Defense which it is of vital importance if the goal of democratic civilian control is to be achieved (Sukma, 2006a, p. 24). Accordingly, it requires regulations to specify, for instance, which positions in the ministry that should be filled and led by civilian staff and what is the status and organizational responsibility of active military officers who serve in the ministry. Without such arrangements, it is difficult for the Ministry of Defense to depart from the traditional “military culture” that imbues the institution which ultimately undermines any possibility that democratic civilian control would ever be the foundation of future civil-military relations. Besides that, Law No. 3/2002 does not provide definitive guidelines on oversight for defense intelligence clearly outlining the structure and principal duties of intelligence bureaus within TNI’s military structures, and how such agencies service the TNI’s defense function and support its military operations (Sukma, 2006a, p. 30).

Concerning parliamentary oversight, both Act No. 3/2003 and Act No. 34/2004 may have laid down the role of the Indonesian parliament (DPR) to approve or reject defense budget proposals, the use of force by the president, and the appointment of TNI commander-in-chief.<sup>27</sup> Yet it remains unspecified what constitutes “parliamentary approval:” should it be the consent of all parliament members, or parliament members who serve at Commission I overseeing the defense sector, or the heads of political factions in the DPR, or the speaker and deputy speaker of the DPR. This problem often provokes debate among parliament members, a fact clearly reflected in May 2003 when President Megawati decided to declare a military emergency and deploy TNI for counterinsurgency operations in Aceh. More importantly, there are no clear regulations regarding the nature of information and the level of access to information that could be obtained by parliament and the consequences if such “rights” are denied by the Ministry of Defense and TNI Headquarters. The existing regulations also do not specify the role of the Indonesian parliament in overseeing the formulation and implementation of defense policy (Sukma, 2006a, p. 26, 27).

Military reform demands that TNI’s soldiers be equal before the law and obey the rule of law. The spirit of this norm is well-reflected in Law No. 34/2004 emphasizing that “soldiers are subject to the authority of military tribunal in the event of military

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<sup>26</sup> Article 16 of Act No. 3/2002, op.cit.

<sup>27</sup> Articles 14, 17 and 24 of Act No. 3/2002, op.cit; Articles 13, 17, 18 and 67 of Act No. 34/2004, op.cit.

criminal law violations and subject to the public judicial power in the violation of public criminal law.”<sup>28</sup> However, this provision will be valid only after a new law on military justice is enacted. As long as this new legislation is not passed, TNI’s soldiers remain subject to the provisions of Law No. 32/1997 on Military Justice.<sup>29</sup> Up to the point of the completion of this chapter, the newly elected legislators have yet restarted discussing a new Military Tribunal Bill but civil-society activists constantly press parliament members to take up the issue again. The immediate enactment of the bill is imperative not only to remove the TNI’s image of “impunity,” but also to build a professional ethos within the military.

Regulatory vacuums are also evident in a number of provisions relating to Law No. 3/2002 that require additional regulations, such as government regulation (Peraturan Pemerintah, PP) or even bolstered by another law, with a definite time line to have them completed. Though the Reserve and Supporting Defense Component Bills and the Military Conscript Bill, stipulated respectively in Article 8 and 9, were put on the list of a National Legislation Program (Prolegnas) for the legislative period of 2009–2014, there is still ambiguity over when they will be enacted. Considering the legislative and constituency commitments expected of parliament members coupled with their lack of adequate expertise on defense matters, there remain concerns that there will be limited public pressure to sustain the momentum of reform. The other three provisions require subsequent government regulations, namely: Article 20 section 2 regarding the use of national resources to upgrade national defense capabilities; Article 20 section 3 concerning the requirement for local governments to consider the potential use of development projects in their respective regions for defense purposes; and Article 22 section 2 regarding the territorial use for military installations and training facilities. Eight years since Law No. 3/2002 was passed, none of these regulations have been put into effect.

### *Defense-Economic Gap*

Regardless of the many problems related to the legal framework, the TNI leadership is definitely committed to fulfil its constitutional role and main duties to “deter and deny all kind military threats.” What becomes the problem is the effectiveness of the TNI to carry out its missions with its current force posture, principally, issues relating to its force structure and deployment. Both scholars and military officers are in general agreement that the TNI’s force posture is far below “minimum essential force” necessary to “defend state sovereignty and maintain territorial integrity,” especially in its Exclusive Economic Zones (EEZ) and Indonesia’s

<sup>28</sup> Article 65 of Act No. 34/2004, op.cit.

<sup>29</sup> Article 74 of Act 34/2004, op.cit.

Archipelagic Sea-Lanes (ALKI).<sup>30</sup> To achieve these aims, the TNI needs state-of-the-art military capabilities, such as a sea-worthy surface combatant force, anti-submarine warfare capability, amphibious assault ships, long-range combat aircraft, strategic airlift and aerial-refuelling capabilities, surface-to-air missile defense, and command, control, communication, computer, intelligence, surveillance and reconnaissance (C4ISR) capabilities. Defense procurements since military reform was initiated, however, did not significantly boost the TNI's capability to deter and deny military aggression and territorial intrusion.

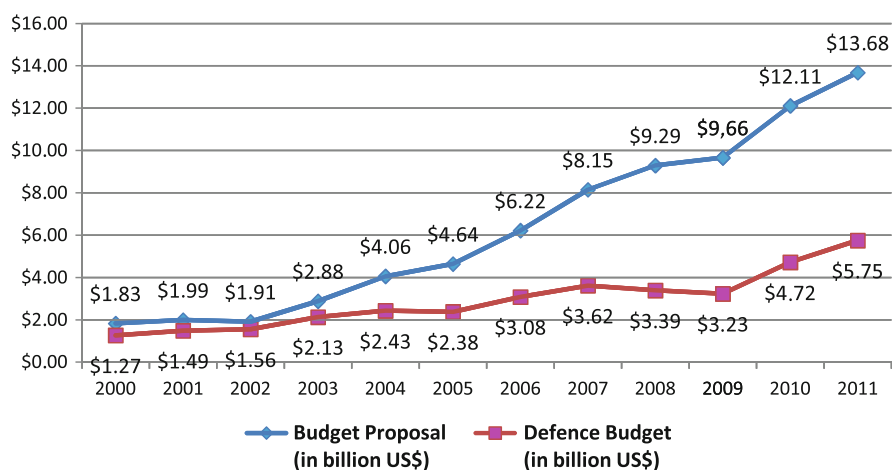
These shortcomings glaringly highlight the "capacity-commitment gap" between the legal demands to uphold state sovereignty and TNI's effectiveness to carry out its missions. Several factors explain this gap, including strategic policy, strategic planning and state financial capacity. In the policy realm, TNI's missions depend on clear directions set by the Indonesian government specifically the strategic aims of defense policy and the manner of achieving such aims. With reference to strategic planning, military effectiveness is the result of systematic defense planning, which in turn is reflected in proper defense programs and a sound budget structure. Accordingly, the TNI's force structure should be mapped out following a proper "threat-assessment" which would form the theoretical basis from which defense planners could recommend strategies for conventional deterrence and bolster denial capabilities to counter direct external and conventional military threats, such as military aggression, border intrusion, sabotage and armed-insurgency (ProPatria Institute, 2004, p. 6; Widjajanto, 2004a, p. 39; Wibisono, Wardoyo & Kurniawan, 2008, p. 128). Although "threat" is conceptually multidimensional, non-military threats – such as human trafficking, illegal logging and communal conflict – should not fall into the realm of defense planning. Non-military threats not only fall under the jurisdiction of non-military agencies, but also require inter-agency cooperation, where the scope of activities should be placed under the category of military operations other than war and are ad hoc missions involving the "idle capacity" of the military. Referring to several official documents, however, the Ministry of Defense includes a wide-ranging list of non-military threats encompassing social-economic threats to natural disasters,<sup>31</sup> which undoubtedly place additional burdens on defense planning, the budget structure and force structure of TNI.

Furthermore, military effectiveness depends on state capacity to allocate national resources. These include the defense budget, and the requirement to properly disburse funds to meet defense expenditure, such as salaries, education and training, as well as arms procurements. Although post-Suharto governments

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<sup>30</sup> For example, in 2003, a commercial airliner spotted two U.S. F-18 s along with a carrier battle-group flying over near Bawean Island, East Java province. An Indonesian senior naval officer similarly reported that between January to September 2010, Malaysian warships had intruded several times into Indonesian territory particularly near Ambalat waters, in the vicinity of East Kalimantan province. See "Kapal Malaysia Kerap Langgar Batas Wilayah," *Media Indonesia*, 13 October 2010.

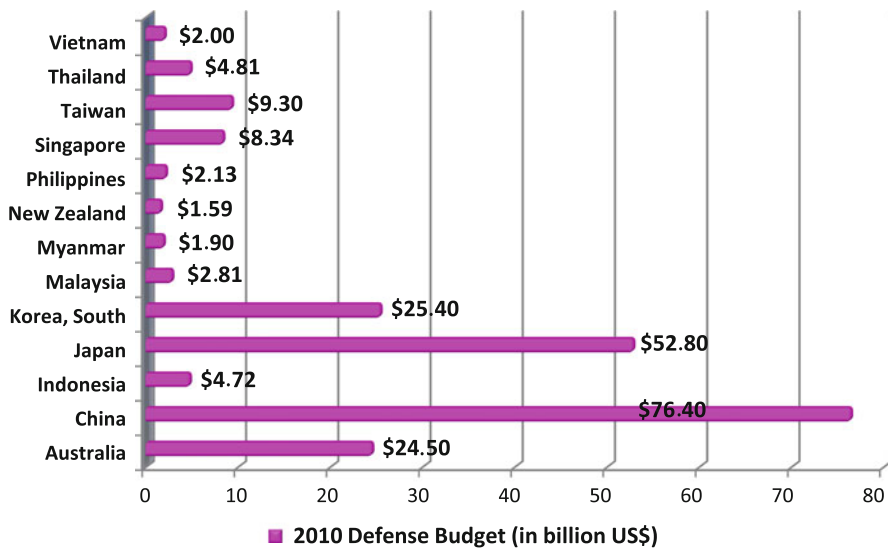
<sup>31</sup> See, for example, Ministry of Defense (2004), pp. 12–17.



**Fig. 2.2** Indonesia's defense-economic gap, 2000–2011 (Source: Authors' data set compiled from a number of academic publications and official documents)

have significantly increased the size of the defense budget from 2000 to 2010, Indonesia continuously suffers from “defense-economic gap” between the actual defense budget and budget proposals submitted by the Ministry of Defense to Indonesian parliament. In 2011, for instance, the Ministry of Defense submitted a budget proposal amounting to US\$13.68 billion, but the approved budget was only US\$5.75 billion (see Fig. 2.1). Former Minister of Defense, Juwono Sudarsono had commented that the approved budget could only meet more or less 30% of total defense requirements (Sudarsono, 2004).<sup>32</sup> This raises a further question of whether defense spending is rationalized in accordance to the available approved budget, or if actual defense expenditures are financed from off-budget funding, including military businesses. The latter claim may be exaggerated since according to one assessment, the annual net-income of TNI business activities is estimated roughly between US\$27 million and 73 million for which spending for soldier's wages, supplies and equipment constitutes only US\$11 million to 29 million (Rieffel & Pramodawardani, 2007, p. 53). What is certain, however, is that the defense-economic gap not only undermines TNI's operational effectiveness, but also widens the “strategic imbalance” between Indonesia and its regional neighbours (on military budgeting see also Mietzner & Misol and Rüland & Manea's chapters in this volume). Compared to major states in the region, Indonesia's defense budget is far below China, Japan, South Korea and Australia. Even Singapore spent US\$8.34 billion for its national defense in 2010 (see Fig. 2.2).

<sup>32</sup> J. Sudarsono “Real Military Reforms Depends on Civilians,” *The Jakarta Post*, 23 June 2004.

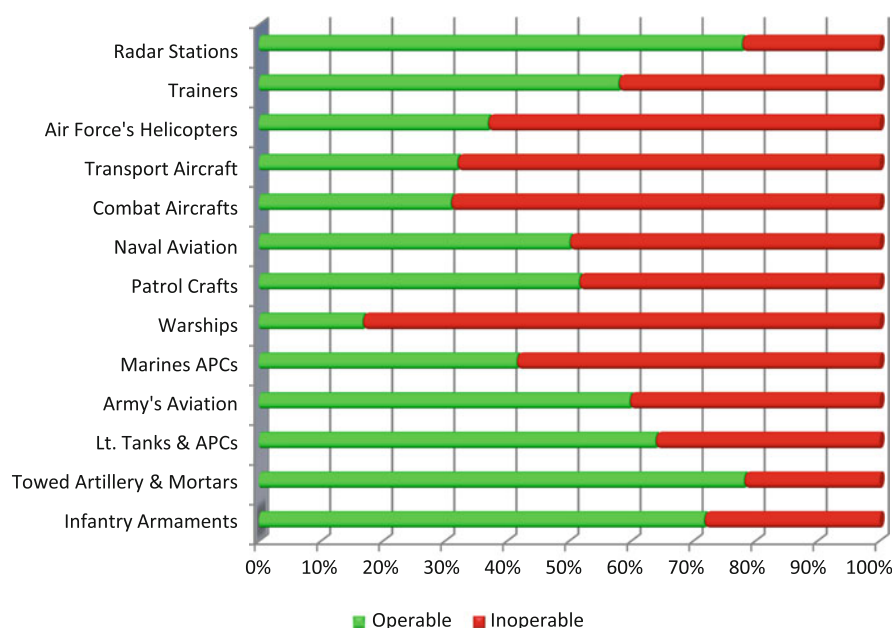


**Fig. 2.3** Comparison of defense budget in East Asia and Australasia (Source: Adapted from International Institute of Strategic Studies. (2011). *The military balance 2011* (p. 223, 230, 242, 245, 251, 256, 260, 262, 267, 268, 272, 275, 281). London: Routledge)

Inadequate strategic planning and limited defense appropriations, in turn, had diluted TNI's operational effectiveness, particularly the readiness levels of its weapon systems. In 2007, for instance, the average readiness of TNI's armaments was measured at levels of approximately 30–80%. If TNI Headquarters has to launch a full-scale conventional military operation to deter foreign aggression, it is safe to assume its ability to achieve a successful outcome would be severely compromised because neither the air force nor the navy have reached full operational readiness (see Fig. 2.3). Since then the Ministry of Defense has prioritized an arms maintenance program encompassing three focal points: *first*, extending the operational period for existing armaments; *second*, refurbishing military platforms that remain essential for routine missions; and *third*, procuring communications equipment for TNI Headquarters and military units (Widjajanto & Keliat, 2006, p. 12). Maintaining the operational readiness of current weapons systems becomes more complicated due to the variety of weapon systems within the TNI's arsenal. Currently, there are 173 variants of weapon systems supplied by 17 different countries (Widjajanto & Keliat, 2006, p. 7). Figure 2.4 below indicates that 77 military platforms (44%) of TNI's weapon systems are supplied by NATO countries, while indigenous defense industries have only a minor contribution providing 9 platforms (5%).

Acute dependence on foreign weapons suppliers have made Indonesia highly-vulnerable to arms embargoes. Overt dependence on foreign suppliers is not merely



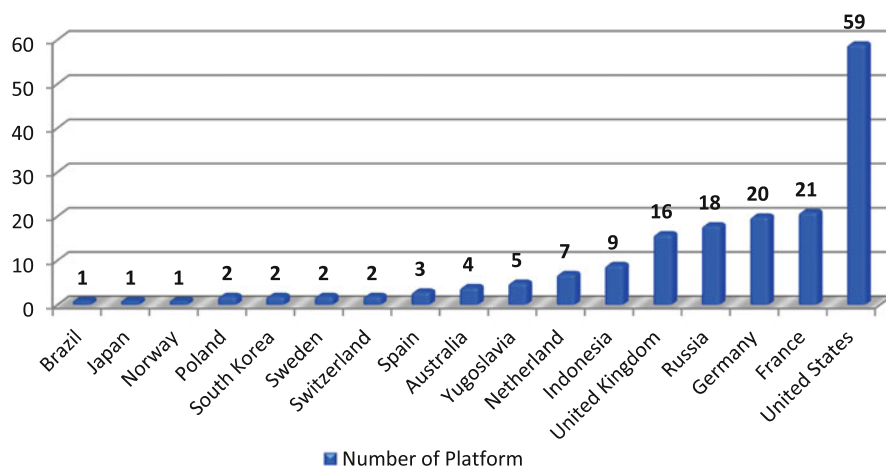


**Fig. 2.4** The readiness level of TNI's armaments in 2009 (Source: Adapted from Ministry of National Development Planning. (2010). *Book II: Memperkuat Sinergi Antar Bidang Pembangunan* (pp. II.7–II.12). Jakarta: Author)

confined to weapon systems, but also affects munitions supplies. PT. PINDAD, for instance, may have been the main supplier of small-calibre munitions, but has never supplied TNI with artillery shells or canon projectiles.<sup>33</sup> This fact highlights the limited capacity of indigenous defense industries to manufacture large-scale ordnance. Not less important, the multi-variants of weapon systems not only complicate operational procedures for each weapon system and thus undermine interoperability within the military, but also increase arms maintenance costs, particularly in the case of ageing armaments. Consequently, due to the limited defense budget, majority TNI armaments are not regularly maintained and thus lack operational readiness and reliability.

Budget constraints also have undermined the Ministry of Defense's ability to implement force modernization programs, which is patently evident in the nature of defense spending. Figure 2.5 below shows that in the period of 2002–2007, the annual defense budget provided only a small fraction to cover the ministry's spending to procure sophisticated weapon systems to boost the TNI's military

<sup>33</sup> See "Pemerintah Fokuskan Dalam Negeri," *Kompas*, 10 May 2010.

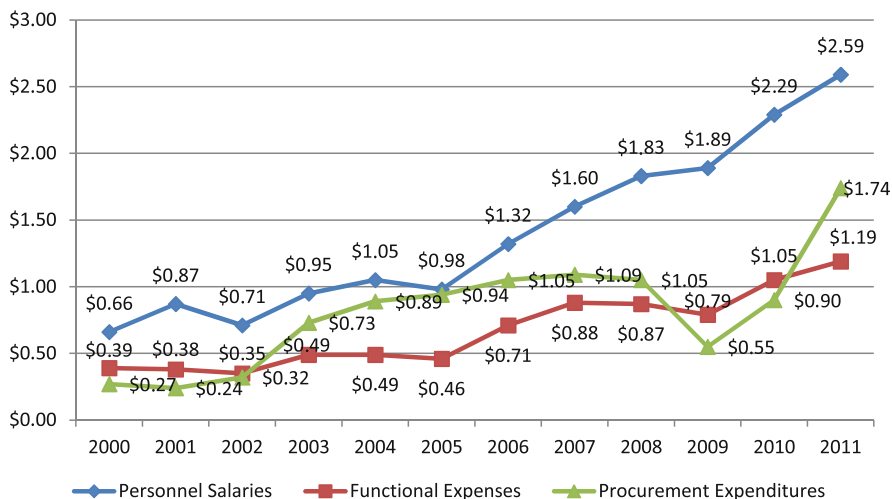


**Fig. 2.5** Number of weapon types and supplier countries of TNI's armaments (Source: Adapted from Widjanto, A., & Keliat, M. (2006). *Indonesia's defense economy reform* (p. 21). Jakarta: INFID and Pacivis-UI)

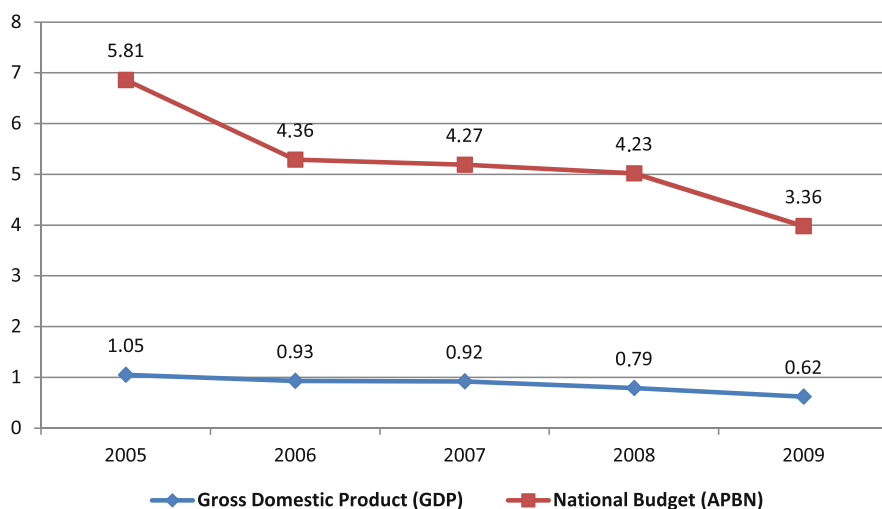
capabilities. Much of the annual defense budget expended during that period constitutes personnel costs and salaries (44%), functional expenditure (22%), including maintenance of armaments and military facilities, military education and training, research and development; while the proportion of defense procurements only amounted to 34% of total defense spending. Both the Indonesian Parliament and the Ministry of Defense have common understanding on the need to address the issue of welfare by increasing soldiers' salaries and renovating military facilities not merely to improve their wellbeing, but also reduce their propensity to supplement their meagre incomes with illicit economic activities. The large share of salaries and functional expenses, further underlines why attempts at force modernization have to be put on hold. Since the proportion of defense budget is decreasing in terms of either GDP or the national budget (see Fig. 2.6), the Ministry of Defense faces inherent difficulties to increase the share of procurement expenditure without compromising the other components of defense spending.

Under such constraints, the Indonesian government has little option but to look to foreign loans as an alternative financial source for defense procurement. Figure 2.7 below indicates the proportion of foreign loans and actual defense budget relating to annual procurement expenditures during 2005–2008. In late 2009, an international consortium provided credit amounting to US\$278 million to support the Ministry of Defense's programs, including arms acquisition.<sup>34</sup> However, the use of foreign loans, especially export credit for defense procurement

<sup>34</sup> See "Kredit Rp. 2,785 Triliun untuk Operasional Dephan," *Kompas*, 19 November 2009.



**Fig. 2.6** Indonesia's defense expenditures, 2000–2011 (in billions US\$) (Source: Authors' data set compiled from a number of academic publications and official documents)



**Fig. 2.7** The percentage of Indonesia's defense budget in GDP and national budget (Source: Authors' data set compiled from a number of academic publications and official documents)

is not without its complications. Although defense procurement has been consolidated under the authority of the Ministry of Defense, the disbursement of export credit for arms acquisitions not only involves cumbersome bureaucratic

procedures and relatively high rates of interest,<sup>35</sup> but also depends on the whims of the creditor nation. In 2007, for example, the Russian government agreed to provide Indonesia with US\$1 billion worth “state credit” for arms acquisition purposes. The assistance, however, was deferred due to the difficulties faced by the Ministry of Defense in finding financiers for the acquisition. State and private banks in European countries were reluctant to provide loans partly because Russia is not member of the Organization for Economic Cooperation and Development (OECD), which clearly limits export loans to production projects such as electricity and toll roads.<sup>36</sup> Therefore, seen in Fig. 2.7, the Indonesian government gradually reduced the allocation of export credit for its procurement expenditure.

The fact that national defense attracts limited national financial resources somehow has not translated into an obligation of implementing good governance principles in the management of defense spending to overcome credit shortfalls. Based on two audit reports obtained, in 2009,<sup>37</sup> the State Audit Agency (BPK) discovered alarming financial deviations in budget disbursements covering 125 expenditures within the Ministry of Defense (US\$2.57 millions), Army Headquarters (US\$6.69 millions), Navy Headquarters (US\$1.7 millions) and Air Force Headquarters (US\$4.74 millions).<sup>38</sup> No serious penalties were meted out partly because the authority of the BPK does not include law enforcement, other than providing recommendations to the Indonesian parliament and authorities within the Ministry of Defense and TNI Headquarters that disciplinary measures be undertaken. Moreover, the scope of BPK’s audit activities seem to focus exclusively on functional expenses, excluding major procurement expenditure, especially arms acquisitions. The lack of accountability in the management of defense spending has its origins in the nature of military bureaucracy in Indonesia.<sup>39</sup> The current administration of budgetary matters within the Ministry of Defense and TNI Headquarters still encompasses long cumbersome bureaucratic procedures to which the TNI’s chain of command tends to be inherently structured like a financial management hierarchy.<sup>40</sup> This long, unwieldy bureaucratic structure, has in fact, caused “bureaucratic inertia” which in reality contravenes the objective requirement of national

<sup>35</sup> See Minister of Defense Decree No. 01/M/I/2005 on The Procedure of Military Procurement with Export Credit Funding within the Ministry of Defense and TNI Headquarters.

<sup>36</sup> See “KE Alutsista Rusia Terkendala Kredit Ekspor,” *Republika*, 7 February 2006.

<sup>37</sup> To clarify further, these reports were the result of a random audit on selected, but not all, bureaus within the Ministry of Defense, Army Headquarters, Navy Headquarters and Air Force Headquarters structure.

<sup>38</sup> See State Audit Agency (2009, p. 46, 2010, p. 45).

<sup>39</sup> According to Article 56 of Presidential Decree No. 42/2002, both functional and procurement expenditures within the Ministry of Defense and TNI Headquarters was disbursed through the State Treasury Office (KPKN). The article though stipulates that the regulation was to be “implemented gradually” without mentioning definite timeline. See Presidential Decree (Keppres) No. 42/2002 on the Guideline for the Implementation of Annual National Budget.

<sup>40</sup> See Minister of Defense Decree No. 1698/M/X/2002 on the Structure of Program and Budget in State Defense.

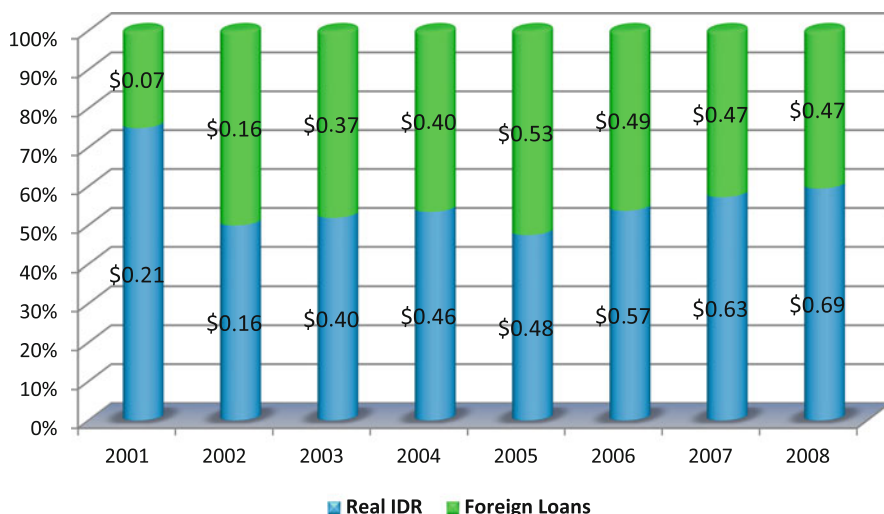
defense, namely, the “mobility and flexibility of the military” (Anggoro, 2003; ProPatria Institute, 2007, pp. 21, 22).

Hence, it is difficult to find alternatives to build a credible defense posture in the midst of the state’s limited financial capacity and the latent inefficiency of its defense spending patterns. The relatively small defense budget may affect defense spending, but should not compromise strategic planning. The law now demands that the TNI’s force structure to be developed based on a proper defense strategy and taking account of Indonesia’s geostrategic reality as an archipelagic country. Accordingly, if limited budgets have become a major constraint thus leading to substantial changes in defense planning thinking, there should have at least been some transformation of the TNI’s force structure since military reform was initiated. However, during the last 12 years, there has been no significant change in the capabilities of Indonesian navy and air force compared to Indonesia’s neighbours in Southeast Asia, let alone major regional states like China and Japan. This stagnation in capabilities is to some extent reflected in terms of budget distribution within national defense circles. Figure 2.8 below illustrates that during 2005–2008, both navy and air force obtained a minor share of the defense budget with an average of 15% and 11% respectively. Both these services may acquire a larger share of arms acquisitions because the budget for procurement expenditure is now under the management of the Ministry of Defense; but it is fair to argue based on this figure that the navy and air force suffer from a lack of operational readiness because of insufficient budget allocations for their arms maintenance costs (see Fig. 2.3).<sup>41</sup>

Although the Ministry of Defense is planning to integrate the three branches of TNI by establishing Joint Regional Defense Commands (Kodahan), the current TNI force structure still depends primarily on the army’s central and territorial commands comprising around 233,000 soldiers.<sup>42</sup> In this regard, the basic reason why the Ministry of Defense allocates the lion’s share of the funds to the army is because it has the largest manpower needs rationalized by its nationwide troop deployment compared to the navy and air force. Over and above doctrinal reasons and the problematic consequences of territorial troop withdrawal, the army’s high-command maintains that the territorial structure is relatively cost-effective and seen as a “low-cost” deployment, not to mention the advantages gained by its alleged “self-financing” activities – hence the lack of any incentive to establish modern military units. In fact, the deployment of 60 infantry battalions into 12 Regional Military Commands (Kodam) does not necessary equate to operational effectiveness since the majority of these battalions are not well-armed, trained and lack of mobility. Meanwhile, the situation for the army’s central command, which consists

<sup>41</sup> See “Siasat Mencegah Besi Tua,” *Tempo*, 28 June 2009.

<sup>42</sup> See International Institute of Strategic Studies, *The Military Balance 2011*, London: Routledge 2011, p. 242.



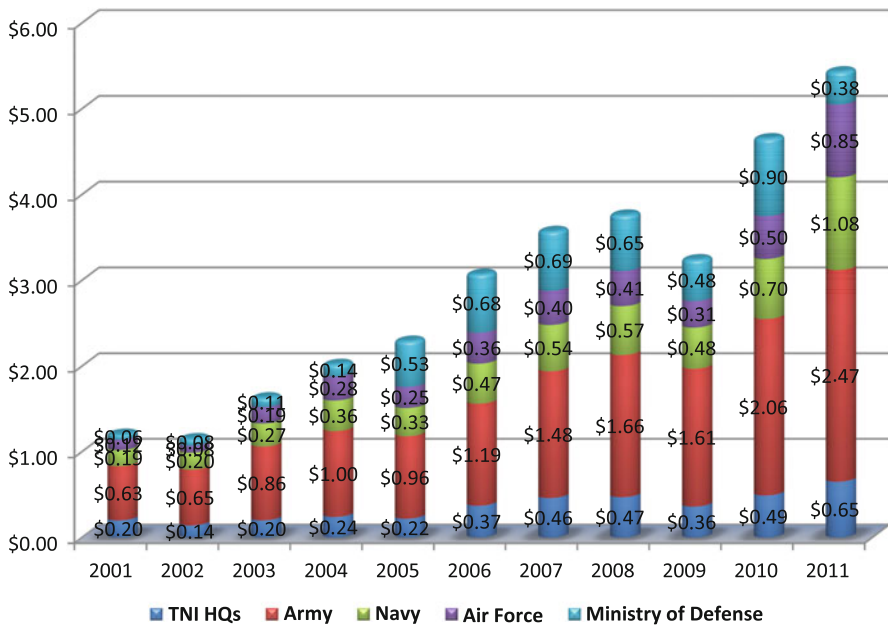
**Fig. 2.8** Budget components for defense procurement, 2001–2008 (in billions US\$) (Source: Authors' data set compiled from academic publications and official documents)

of the Strategic Reserve Command (Kostrad) and the Special Forces Command (Kopassus) is marginally better though these units also suffer from similar problems, specifically, the lack of strategic airlift capabilities that inherently compromises their ability for immediate deployment in the event of contingencies (Fig. 2.9).

The “capacity-commitment gap” and “defense-economic gap” underscores the immediate need to advance the agenda of military reform a step further into the “military transformation” phase. As an additional commitment to increased professional standards, the primary aims of defense or military transformation is to add another building block strengthening the TNI’s professional military culture and improving its operational effectiveness.<sup>43</sup> This transformation thus should include substantial issues: improving manpower (recruitment, education and training) policies; overhauling the salary structure, promotion and retirement schemes; force structure reorganization; force employment innovation; adopting network centric-command and control; smart arms procurement; and the establishment of an indigenous defense industrial strategy. In this regard, President Yudhoyono’s recent decision to significantly increase the allocation of the defense budget up to levels of 1.5% of Indonesia’s GDP may provide the momentum and resources to initiate a defense transformation phase in Indonesia.<sup>44</sup>

<sup>43</sup> See E. Laksmana “Defense and Leaders Transformation,” *The Jakarta Post*, 12 May.

<sup>44</sup> See “Presiden: Saatnya Anggaran Pertahanan Naik Signifikan,” *Kompas*, 5 May 2010.



**Fig. 2.9** The distribution of Indonesia's defense budget, 2005–2010 (in billions US\$) (Source: Authors' data set compiled from a number of official documents)

### *The Shortcomings of Democratic Civilian Control*

The capacity-commitment gap is not purely an issue compromising TNI performance, but pertains also to civilian political elites in Indonesia. In democratic countries, civilian control over the military is implemented in many ways, including legislation, budgetary control and oversight concerning strategic planning, programming and budgeting in national defense. However, mindsets for civilian control are still not deeply rooted in Indonesia's democratic institutions, especially the parliament (DPR). The foremost obstacle in this regard is apathy, the unwillingness to develop expertise on defense matters, and the hesitation of many parliament members to carry out their constitutional responsibilities (Anggoro, 2002, pp. 1–22). The disregard of defense and military affairs by legislators is apparent in many cases, including their reluctance to participate in public discussions on defense and military issues coupled with a presumption that military expertise is the precondition to participate in defense policymaking. Accordingly, the majority of legislators tend to concentrate exclusively on matters relating to political accountability rather than scrutinize topics or issues requiring them to make judgments on how to harmonize defense policy and strategic planning with

programs and projects in national defense. In any fit and proper test for candidates for the TNI's commander-in-chief position, for example, the questions posed by the legislators generally focus on personal matters, with cursory inquiries made on the candidate's military credentials and vision to reorganize the TNI's force structure.

More importantly, the Indonesian parliament – particularly Commission I overseeing national defense – sorely lacks institutional capacity (on parliamentary oversight, see Rüland & Manea's chapter in this volume). There are the existing regulations, including the Handbook of Indonesia's House of Representative, stipulating procedures for the implementation of parliamentary oversight to act as a guide. Yet, the lack of institutional capacity of Indonesian parliament is not simply confined to the shortage of qualified parliamentary staffers, but hampered considerably by the limited expertise of the legislators along with their staff to comprehend the complexities of technical-operational requirements and financial management issues in national defense. The lack of expertise was to some extent evident during the legislation process for several bills on national defense and annual defense budgeting. This problem has substantially undermined the effectiveness of parliamentary oversight. The legislators are further hindered by the limited information provided by the Ministry of Defense regarding the details of defense expenditure in relation to defense budgeting. For defense procurement matters, for example, officials at the ministry are required to provide information to Commission I legislators if arms acquisitions are funded through export credit as regulations stipulate the need for parliamentary approval for the allocation of foreign loans.<sup>45</sup>

Political rivalries among civilian elites may also distract parliament members from substantive issues related to military reform. Under the current political system, parliament members are grouped under their respective political parties in "Factions" (*Fraksi*). Each political party may issue directives on how their respective parliament members should respond to certain issues or government policies. Accordingly, outspoken legislators may be reprimanded or even "recalled" requiring them to step down from their parliamentary position if they adopt a stance contradicting their respective party's directives on specific issues related to defense policy particularly in issues like procurement ([ProPatria Institute, 2007](#), p. 28).<sup>46</sup> Consequently, legislators find themselves in an awkward position, being forced to act according to their party's directives which may go against their obligation to exercise proper parliamentary oversight. Such conflict of interest is a common occurrence in coalition politics where parties forming a coalition government are forced to adopt compromise

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<sup>45</sup> "Streamlining Purchase," *Tempo*, 30 March 2010.

<sup>46</sup> To name a case, despite strong resistance by some legislators in Commission I, the procurement proposal of France made-Armoured Vanguard Vehicles (VAB) was eventually approved by the parliament in 2006. At a focus group discussion with several members of the Commission on 28 June 2007, a legislator from one of the major political parties acknowledged that he had to approve the proposal after receiving a memo from the party's chairman.



positions. For a young democracy like Indonesia, this represents an understandable handicap. A disturbing trend however is the willingness of legislators to constantly hide behind such excuses in order not to exercise oversight responsibilities over a variety of expenditure issues within the Ministry of Defense and TNI Headquarters. Unsurprisingly, financial deviations reported by the State Audit Agency (BPK) were never properly examined by legislators and no recommendations made to law enforcement agencies to prevent a situation of “moral hazard” arising in the management of annual defense spending.

To make matters worse, civil-society organizations have yet to completely adapt their approaches to cope with post-Suharto political developments. Some of them still harp on non-substantive issues, such as the need for “demilitarization” and for the “army to return back to the barracks.” Such jargon provokes a defensive reaction from the military and is counterproductive to sound civil-military relations. During the Megawati presidency, anti-dual-function slogans were still aired despite the fact that the TNI had officially abandoned this doctrine since 2000. Some issues, including cases related to human rights abuses and issues pertaining to the takeover of military businesses remain relevant and need to be scrutinized. However, such advocacy should be impartial and in the case of human rights investigations conducted with empathy without disregarding the difficult operating conditions faced by soldiers usually placed in stressful situations by their ambitious officers. Likewise, the mass media, the fourth pillar of democracy, need to focus more on substantive issues plaguing the defense sector. Although print and electronic media are now making a greater effort to cover strategic defense issues, including arms procurement matters; the majority of Indonesian journalists have a greater interest in covering political issues, particularly an obsession over the political manoeuvres of the ex-generals during the 2009 election and their commentaries seem to have a fixation over the political ramifications of military postings. Similar to other democratic countries, the military is justified in having some role in strategic policymaking, but only a small number of journalists in Indonesia seem willing to make an effort to investigate to what level the TNI high-command is involved in strategic decision-making.

Therefore, redefining the role of TNI and transforming its capabilities within a democratic environment still remains a work in progress. Democratic civilian control should be substantially reflected in the institutional capacity of the democratic institutions shaping post-Suharto Indonesia. In this regard, the presence of an advanced defense policy community with sophisticated know-how will be crucial to assist both civilian policymakers and legislators to formulate relevant policies leading to the transformation of defense and military institutions in Indonesia. Accordingly, the woeful expertise demonstrated by Indonesia’s legislators on defense and military affairs should be addressed and a short-term solution would be their need to develop their expertise by deepening their engagement with experts based in think-tanks and universities, as well as civil-society advocates.

## Concluding Remarks

Unless Indonesia's chooses to abandon democracy for some other system of governance, it is unlikely that the TNI will completely regain the unchallenged powers it enjoyed under the old Suharto era national security state. Elected civilians now have a taste of power and would be unwilling to allow the TNI to assume a dominant political role. If the deficiencies in democratic civilian control are overcome, it is not implausible that a productive civil-military debate will arise over the substantive features of future defense budgets and more importantly the exercise of TNI's autonomy in disposing the government's budgetary allocation according to its own requirements. The TNI believes that civilians in Parliament still lack the competence or expertise to provide proper direction for defense and security matters. Until the time when adequate civilian defense expertise materializes, the best option to ensure that limited civilian authority is legitimized in the short-run would be for the government to provide an adequate budget for the military's needs. Without the government providing sufficient inducements to wean the military from its autonomous financial prerogatives, it will be virtually impossible for any democratically elected government to effectively decide on national defense priorities and more importantly, to ensure the implementation of such policies.

The TNI today is no doubt fundamentally different from the Suharto era. In a short period of time, the TNI has adapted remarkably well to Indonesia's new political and social climate. The reality though is that although military prerogatives have been reduced, they remain far from being marginalized. While they may have lost much of their direct influence in social-political affairs, the changes instituted have allowed the TNI to regain some of its standing in society and find a new role in defending Indonesia's sovereign interests and combating internal threats. President Yudhoyono has thus far shown an accommodative stance towards the military. He understands military interests well. He is cautious and has not sought to push for radical reforms that would undermine the military's influence and power too drastically.

Civilian control over the TNI remains tentative in a democratizing Indonesia. Civil-military relations are still far from the democratic model defined by the existence of a civil-military dichotomy and the exercise of "objective control" of the military. With civil institutions remaining weak and TNI's constitutionally propagated self-image as the "protector and guardian" of the unitary state of Indonesia still intact, the military can still undermine an Indonesian government headed by an incompetent president whose position is severely weakened by squabbling and self-serving political parties. Alternatively, a politically embattled president enjoying strong military support can engineer military intervention by exploiting the prerogatives the military retained in the system. In such a situation, the regime could be transformed into a non-democratic civilian-headed garrison state – one not unlike the Suharto regime. What exists today in Indonesia is thus still a "transitional, hybrid regime of civil-military coexistence" in which the military may no longer dictate policy to civilians but yet remains "behind the scenes" as an important political player.

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