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## TRANSFORMING INDONESIA'S ARMED FORCES

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### **Abstract:**

This article describes the process of military reform in Indonesia initiated in 1998. First, it is a political reform that tries to promote legitimate civilian control over military as implementation of democracy principles. Second, the political nexus of military reform is also accompanied by systematic attempts to strengthening Indonesia's military capability. Third, military reform evolves in the context of the military's collective perceptions and institutional interest. Fourth, military reform in Indonesia has been supported by a working network created between Civil Society Organizations, political leaders, and civilian military experts.

**Keywords:** Military reform; armed forces; Indonesia.

### **Resumen:**

*Este artículo describe el proceso de reforma militar en Indonesia iniciado en 1998. En primer lugar, es una reforma política que intenta promover el control civil legítimo de los militares como implementación de los principios democráticos. En segundo lugar, el nexo político de la reforma militar está también acompañado de intentos sistemáticos de fortalecer la capacidad militar de Indonesia. En tercer lugar, la reforma militar evoluciona en el contexto de las percepciones colectivas de los militares y sus intereses institucionales. En cuarto lugar, la reforma militar en Indonesia ha sido apoyada por una red de trabajo creada por organizaciones de la sociedad civil, líderes políticos y expertos civiles en asuntos militares.*

**Palabras clave:** reforma militar; fuerzas armadas; Indonesia.

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## Introduction

The transformation of Indonesia's Armed Forces (Tentara Nasional Indonesia/TNI) is one of the key issues of structural change in post-Soeharto Indonesia. The importance of military transformation becomes evident by looking at the historical context of military politics in Indonesia. Indonesia's political history has been significantly shaped by the dominant role of its armed forces.

From 1999-2006, Indonesia's energies were mostly spent to deal with political baggage of military reform. The character of Indonesia's political regime has been changed from a derogative, authoritarian, and militarized regime into a more democratic and less restrictive national security system. The formulation of the Law of State Defence (2002) and the Law of TNI (2004) was initiated to guarantee that Indonesia's military will be transformed into professional armed forces in a democratic political system.

For Indonesia, the process of military reform is part of the political process related to democratic consolidation. Therefore, military reform is first happening in the political realm. The main goal is to make sure that the new role of the military will be in line with the universal norms of Indonesia's democratic political system. As we stand today, all aspect of political standpoints for military reform have been thoroughly debated.

The role of the military in the political system has been debated and Indonesia managed to reach a political consensus that the military involvement in all levels of Indonesia's political institutions is no longer acceptable. The initiation of military reform sent a strong message that the character of political army should be removed from the military.

The application of the principle of civil supremacy was also debated in Indonesia's public domain. The concept of civil supremacy is adopted and translated directly into the Law of State Defence and the Law of TNI. Not only that, the government also has tried to make the necessary organizational adjustment to apply it.

The reform agenda also recognised the importance of the adoption of the humanitarian principles. All military services are now in agreement that all military operations must be designed and employed according to the law and ethics of war.

In terms of strengthening military capability, the Department of Defence has published its newest strategic plan to direct the future development of military posture. According to the strategic plan, the implementation of this plan will mainly depend on the capacity of the macro economy to support it.

The existence of military-owned businesses was also evaluated. The direct-indirect as well as legal-illegal involvements of soldiers in business sector have been rejected. Soldiers' economic activities now are perceived as activities that weakened their professionalism. The Department of Defence is currently setting up the mechanism to take over all military-related businesses.

All of those political debates have consumed much of the energy to complete military reform. There have been some early gains. The abandonment of the dual-function doctrine, the removal of military officers from the various levels of parliament, the separation of the police from the armed forces; and the appointment of four successive civilian defence ministers were all significant achievements.



Despite considerable efforts to maintain the path of military reform, Indonesia has made little progress in actually transforming the military. If military transformation entails a fundamental change in the concept, character, and conduct of war fighting, then Indonesia is not so much engaged in transforming the military as in politically reforming it.

This paper has one central objective. It will describe the process of military reform in Indonesia initiated since 1998. As this paper explores the process of military reform, four themes will emerge.

First, military reform in Indonesia is a political reform that tries to promote legitimate civilian control over military as implementation of democracy principles. This political context requires some legal reforms in order to build particular mechanisms of civilian supremacy.

Second, the political nexus of military reform is also accompanied by systematic attempts to strengthening Indonesia's military capability. The plan to build up military capacities is in line with the requirements which appropriate to the first theme. Building capacities of the military forces comprises the agenda to (a) build more appropriate forces, (b) ensure professionalism of the forces in accordance with their roles, (c) restructure a proper defence posture and organisation, and (d) perform reasonable defence procurement

Third, military reform evolves in the context of the military's collective perceptions and institutional interest. The objective of military reform is bound to organization's collective perception of historical experience and current interests. By capturing reform in such an institutional sense, military reform is largely an internal process, taking place in specified circles and channels within the military.

Fourth, military reform in Indonesia has been supported by a working network created between Civil Society Organizations, political leaders, and civilian military experts. In this semi-exclusive subject, the network enhances the national ownership of military reform by distributing defence analyses and policy alternatives to the general public.

## **1. Political Transformation of the Armed Forces**

The main character of TNI can be best described as a political army. As political army, TNI has in itself a character popularized by Finer<sup>1</sup> and Janowitz<sup>2</sup>: an army that systematically developed a political link with its nation-state building process. This character is the antithesis of the Huntingtonian ideal type of the non-political professional military which regard themselves civic servants in uniform.<sup>3</sup> The non-political professional military developed themselves as another functional category within the state bureaucracy with no specific public duty to develop historical, philosophical or moral notions about national destiny.

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<sup>1</sup> Finer, S.E. (1962): *The Man on Horseback, The Role of the Military in Politics*, London, Pinter.

<sup>2</sup> Janowitz, Morris (1977): *Military Institutions and Coercion in the Developing Nations*, Chicago, University of Chicago Press.

<sup>3</sup> Huntington, Samuel P. (1977): *The Soldier and the State: The Theory and Politics of Civil Military Relations*, Cambridge, Mass., Belknap Press of Harvard University Press.



The starting point for the constitution of political armies in Indonesia is the profound identification of the military with the historical foundation and subsequent fate of the nation.<sup>4</sup> For TNI, they perceive themselves as a *self-creating entity* that has sacrificed so much to protect the nation. Without the sacrifices of the military, Indonesia would not have been formed or survived. This foundational value leads to very strong forms of identification of the military with nation, its ideology, and its national interest.

The main objective of the military reform in Indonesia is to create a professional armed force totally removed from the character of the TNI which has been from its inception a political army. This objective is in line with efforts to strengthen Indonesia's path to democratization.

To achieve that objective, since the beginning of military reform, there has been a partnership between Civil Society Organizations, political leaders, and civilian military experts in form of "Indonesia's Working Group for Security Reform". The active members of the working group came from various organizations such as CSIS-Jakarta, ELSAM, Imparsial, the Human Rights Working Group, the Indonesian Corruption Watch, LIPI, LOGOS, PACIVIS-University of Indonesia, ProPatria Institute, KontraS, the RIDEP Institute, University of Gajah Mada, and Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI).

This working group developed and negotiated its concepts with the political and military elites. The working group negotiated its concepts with the Department of Defence, Military Headquarter, the Military Command and Staff College, and the Armed Services Committee at the Parliament. The active involvement of this coalition in this process was necessary to break the traditional military monopoly on drafting security-related legislation.

From 1999-2007, the working group has introduced packages of political regulations needed to direct the path for military transformation. These political regulations are designed as the foundation to internally institutionalize military reform. If successful, these political regulations will remove the undemocratic character of TNI and will serve as the foundation to begin the process of cultural transformation within TNI.

Table 1. Political Regulations on Defence and Military

Category	Regulations	Advocating Institute
State Defence	1. Law on National Security	ProPatria Institute
	2. Law on State Defence	ProPatria Institute
	3. Law on State Intelligence	Pacivis University of Indonesia

<sup>4</sup> Nordholt, Nico S.: "The Janus Face of the Indonesian Armed Forces", in Koonings, Kees and Kruijt, Dirk (eds.) (2002): *Political Armies: The Military and Nation Building in the Age of Democracy*, London, Zed Books, pp. 135-161.



	4. Law on State Secrecy	Pacivis University of Indonesia YLBHI
	5. Laws on Anti-Terrorism	Imparsial KONTRAS
<b>Military Organization</b>	6. Law on TNI	ProPatria Institute Imparsial KONTRAS
	7. Law on Military Tribunal	Law Faculty, University of Indonesia YLBHI Imparsial
<b>Defence Resources</b>	8. Law on Reserve Forces	-
	9. Law on Mobilization	-
	10. Law on Mandatory Military Conscription	-
	11. Law on Strategic Defence Compartment Management	LIPI
	12. Law on Defence Resources Management	-
<b>Military Operations</b>	13. Law on State of Emergency	ProPatria Institute
	14. Law on Military Operations other than War	LIPI ProPatria Institute

However, military reform in Indonesia did not begin with the legalisation of several legal products.<sup>5</sup> It was commenced by several measures taken by the military itself (ABRI, which then changed to TNI) soon after the fall of the New Order regime in May 1998. In September 1998, the military adopted what is called the New Paradigm, as the base for internal reform

<sup>5</sup> See, Rizal Sukma, "Mengatur Pertahanan: Kajian atas Kerangka Legal Reformasi Pertahanan Indonesia," in Edy Prasetyono (ed.), *Laporan Penelitian Kaji Ulang Pertahanan Indonesia* (Jakarta: CSIS, 2006).



during the transition era. The New Paradigm stated that the military's internal reform would be based on four principles:

1. Changing the position and methods, which means not having to always be at the front ;
2. Changing the concept of occupying to influencing ;
3. Changing methods of direct influence to indirect influence ;
4. Always conduct role-sharing with other components of the nation.<sup>6</sup>

Essentially, TNI's internal reform consisted of five main elements: (1) gradually surrendering its socio-political role; (2) focusing on the main task of national defence; (3) handing over the function and responsibility of internal security to the State Police; (4) consistently implementing the Joint Doctrine; and (5) improving the performance of internal management.<sup>7</sup> Other concrete measures were also done by TNI, such as separating the police from TNI, discontinuing the dual-function doctrine, suspending business activities, eliminating the business and socio-political posts at all level within the TNI organisation, reducing the number of TNI representatives in DPR/MPR, and making a statement that TNI takes a neutral position in elections. Such measures clearly reflect significant changes for a community that has just embarked from an authoritarian political system that was dominated by the military.

However, as has been previously mentioned, all these measures were not the product of a binding legal regulation, because they are only stated in an internal document of the military. In other words, the internal changes within TNI during the early phase of reform era was due to the initiatives taken by the TNI leaders, and not a result of a planned defence reform programme done by a civilian leadership. Various regulations and laws, which became the base for defence reform, were made after TNI declared its intent for reform and made significant changes through its own initiatives.

The first political regulation introduced by the working group was the new State Defence Bill. This regulation has taken place under the Law No.3/2002 of the State Defence. This law dictates that TNI will only play a defence role in coping with any potential or actual external threats and leave the internal security matters in the hands of Indonesia's National Police. This law also dictates that Indonesia's government must develop the new structure and function of the Department of Defence that will represent the democratic principle of civilian control of the armed forces. The civilian control of the armed forces should be implemented by establishing procedural guidance in support for the formulation and approval of the National Military Strategy.

The second political regulation was designed to redefine the new corporate culture of TNI. This set of regulations has taken place under Law No. 34/ 2004 of the TNI. This regulation terminates TNI's political role and its political association with Indonesia's political parties. The termination of the TNI's political role was completed by the total

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<sup>6</sup> See, Mabes TNI, *TNI Abad XXI: Redefinisi, Reposisi, dan Reaktualisasi Peran TNI Dalam Kehidupan Bangsa* (Jakarta: Jasa Buma, 1999), p. 16-17.

<sup>7</sup> Mabes TNI, *TNI Abad XXI: Redefinisi, Reposisi, dan Reaktualisasi Peran TNI Dalam Kehidupan Bangsa – Langkah-langkah Reformasi Internal Lanjutan TNI (Tahap II)*, (Jakarta: Mabes TNI, 2001), p. 10.



withdrawal of military's legislative representation in 2004, ending its residual influence in the executive, and reorienting the army territorial structure<sup>8</sup>.

A new role for TNI has been formulated in such a way to prevent another military intervention in the public domain. The new role for the TNI is to defend Indonesia militarily from any potential or actual external military threats. This new role suggests that the TNI will not have a dominant role and will be under an effective civilian command if it was to be deployed to counter non-military and internal threats.

The new political regulations also dictate the necessity to develop a new structure and function of the Department of Defence (DoD) that will represent the democratic principle of civilian control to the armed forces. This representation should be developed since many of the problems of TNI reformation are a result of its isolation from society and its lack of accountability for its activities and for the resources that TNI consume. A key aim of transformation is therefore to ensure that good governance is extended into the military sector.

One of the major obstacles to such good governance is a lack of sufficient civilian expertise that can improve the quality of Indonesia defence policy formulation and implementation. Since 2000, the working group worked closely with DoD and military headquarter to also important to encourage DoD to become more transparent in their presentation of defence policies, programming, budgeting, and procurement. By providing accurate information on the level and composition of defence policy formulation, DoD can improve the quality of national debate on priorities within the defence sector, as well as between defence spending and non-DoD programs.

The last essential prerequisite to manage military reform is TNI's acceptance to respect the rule of law and human rights. This kind of transformation requires behavioural change, education and training, and effective sanctions. In 2000, TNI published and distributed its new rules of engagement that must be mastered by soldiers before they are dispatched to areas of conflict. These rules of engagement are developed under cooperation between military headquarters, International Red Cross, and Law Faculty of the University of Surabaya. These rules are based on *ius ad bellum* and *ius in bello* doctrines that have been put forth by several international conventions such as Geneva Convention, Hague Conference, St. Petersburg Convention, Rome Protocol and United Nations Resolution 39/11 of Declaration on the Rights of Peoples to Peace. Based on these conventions, the military headquarters have evolved several military directives that embrace principles of the just war doctrine.

## **2. Force Restructuring**

Despite considerable efforts to maintain the path of military reform, Indonesia has made little progress in actually transforming our military. If military transformation entails a fundamental change in the concept, character, and conduct of war fighting, then Indonesia is not so much engaged in transforming the military as it is in reforming it.

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<sup>8</sup> In June 2002, the Military headquarter published its new organizational structure. This new structure abolished the existence of the politic-heavy army territorial command (Komando Teritorial/KOTER) and replaced it with a more integrated structure (Komando Kewilayahan/ KOWIL) consists of army, navy, and air force territorial command.



Indonesia's defence doctrine is based on total defence system (*sistem pertahanan semesta*) that relies on self-reliance, national mobilization, and a hybrid military strategy of conventional and guerrilla warfare. The decision to incorporate guerrilla warfare into the defence policy was based on the realization that Indonesia's resources and technology were insufficient to support a conventional-warfare defence strategy. It was a realistic and pragmatic policy that has been implemented constantly since 1945.

Most of the previous studies on Indonesian military concentrate on the involvement of the military in socio-political affairs.<sup>9</sup> The implementation of *Doktrin Dwifungsi* has been the main subject of most of the previous studies. After *Doktrin Dwifungsi* was abandoned in 1998, majority of analysis still focuses on the political aspects of military reform mainly on the key developments in post-Suharto civil-military relations.<sup>10</sup>

Attentions for the strategic aspect of Indonesia's military are given by Pauker<sup>11</sup>, Singh<sup>12</sup>, Dupont<sup>13</sup>, and Cribb<sup>14</sup>. All of them are concerned with the specific aspects of Indonesia's military strategy such as territorial doctrine, People's War Doctrine, or Indonesia's regional security strategy. But, none of them provide comprehensive analysis on the historical evolution of Indonesia's military doctrine.

Insight into the most recent development of Indonesia's military doctrine has been offered by Lowry<sup>15</sup> and Sebastian.<sup>16</sup> In his book, Lowry describes in great details Indonesia's defence strategy and its force structure. Similar with Lowry's project, Sebastian's research also deals with a more strategic aspect of Indonesia's military strategy. However, Sebastian provides a methodological innovation in studying Indonesia's military strategy by demonstrating how agents of the Indonesian national security state jointly devised the ideological and national security doctrines that became the essential building block of the New Order Regime.<sup>17</sup> Sebastian also tries to formulate a new security doctrine that will strengthen the military reform initiated since 1998.

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<sup>9</sup> See, for example, Yahya Muhaimin, *Perkembangan Militer dalam Politik di Indonesia 1955-1966* (Yogyakarta: Gajah Mada University Press, 1982), Harold Crouch, *The Army and Politics in Indonesia*, Rev. Ed. (Ithaca, N.Y.: Cornell University Press, 1988), Douglas Kammen and Siddharth Chandra, *A Tour of Duty: Patterns of Military Politics in Indonesia in the 1990s* (Ithaca, N.Y.: Cornell Modern Indonesia Project, Southeast Asia Program, Cornell University, 1999), Damien Kingsbury, *Power Politics and the Indonesian Military* (London: RoutledgeCurzon, 2003), Jun Honna, *Military Politics and Democratization in Indonesia* (London: RoutledgeCurzon, 2003), and Sukardi Rinakit, *The Indonesian Military after the New Order* (Singapore: ISEAS, 2005).

<sup>10</sup> The most recent publication dealt with the issue of the politics of military reform provided by Meitzner. See, Marcus Meitzner, "The Politics of Military Reform in Post-Suharto Indonesia: Elite Conflict, Nationalism, and Institutional Resistance," *Policy Studies* 23 (2006).

<sup>11</sup> Guy J. Pauker, *The Indonesian Doctrine of Territorial Warfare and Territorial Management* (Santa Monica, CA: The RAND Corporation, Memorandum RM-3312-PR, November 1963).

<sup>12</sup> Bilveer Singh, *ABRI and the Security of Southeast Asia: The Role and Thinking of General L. Benny Moerdani* (Singapore: Singapore Institute of International Affairs, 1994).

<sup>13</sup> Alan Dupont, "Indonesia Defence Strategy and Security: Time for a Rethink?" *Contemporary Southeast Asia*, Vol. 18, No. 3 (December 1996), pp. 275-297.

<sup>14</sup> Robert Cribb, "Military Strategy in the Indonesian Revolution: Nasution's Concept of "Total People's War" in Theory and Practice," *War and Society*, Vol. 19, No. 2, (October 2001), pp. 143 – 154.

<sup>15</sup> Robert Lowry, *Armed Forces of Indonesia* (St. Leonard's NSW: Allen & Unwin, 1996).

<sup>16</sup> Leonard C. Sebastian, *Realpolitik Ideology: Indonesia's Use of Military Force* (Singapore: ISEAS, 2006).

<sup>17</sup> *Ibid.*, p.3.



Similar with Sebastian's approach, a series of doctrinal studies initiated by LIPI<sup>18</sup> used, as its methodology, an approach best described as a 'strategic culture approach'. This approach emerged in the early 1980s focused on explaining three levels of inputs into a state's strategic culture: a macro-environmental level consisting of geography, ethno-cultural characteristics, and history; a societal level consisting of social and economic, and political structure of societies; and a micro level consisting of military institutions and characteristic of civil-military relations.<sup>19</sup>

Based on the assumption that doctrine evolves in the context of the military's collective perceptions and institutional interest, in 2000-2002, a working group facilitated by Pusat Penelitian Politik-LIPI<sup>20</sup> engaged with the Military Command and Staff College (SESKO TNI) in series of substantive debates to reconstruct Indonesia's defence doctrine. This collaboration produced an academic framework for Indonesia's Military Doctrine used by Military Headquarters to publish its new military doctrine (TRI DHARMA EKA KARMA) in January 2007. In 2002-2006, several members<sup>21</sup> of the original working group were invited to attend several more limited workshops on doctrinal development conducted by SESKO TNI.

The doctrinal nexus of military reform is also accompanied by systematic attempts to strengthening our military capability. In 2004, Military Headquarters published its strategic planning known as "Military Posture 2000-2014". This strategic planning was formulated based on a Defence Strategic Planning System<sup>22</sup> issued by Department of Defence on 30 December 2003. This planning system introduced the concept of Minimal Essential Forces.

According to strategic planning in 2004-2009, Indonesia will try to close the gap between current force levels to requirements aimed at achieving the objectives for implementing the concept of Minimal Essential Forces.<sup>23</sup> By 2009-2014, it is anticipated that our force structure will meet the Minimal Essential Force requirements. Only after 2014, will Indonesia try to move beyond a Minimal Essential Force posture and begin the process of designing a new defence architecture to meet the challenges of the 21<sup>st</sup> century.

This strategic plan indicates that until 2014, Indonesia will not have sufficient power projection capabilities to exercise its military influence beyond its territory. This reality gives rise to one strategic option: diplomacy as the first line of defence. There is no doubt that Indonesia cannot sustain large-scale conflict against major countries in the region. Thus, in order to cope with such external threats, Indonesia will continue to optimize the existing multilateral security arrangements such as the ASEAN Regional Forum, ASEAN Security

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<sup>18</sup> Ikrar Nusa Bhakti *et.al.* (2005): *Kaji Ulang Pertahanan: Perspektif Politik*, Jakarta, LIPI. See also Ikrar Nusa Bhakti *et.al.* (2006): *Kaji Ulang Pertahanan: Pendekatan Substantif*, Jakarta, LIPI. A specific chapter dedicated to military doctrine provided by Widjajanto. See Widjajanto, Andi (2006): "Evolusi Doktrin Pertahanan Indonesia", in Ikrar Nusa Bhakti *et.al.*, *Kaji Ulang Pertahanan... op. cit.*

<sup>19</sup> Johnston, Alistair Iain: "Thinking About Strategic Culture," *International Security*, Vol. 19, No. 4 (Spring 1995), p. 37.

<sup>20</sup> The active members of that particular working group were: Andi Widjajanto (University of Indonesia), Bob Sugeng Hadiwinata (University of Parahyangan), Edy Prasetyono (CSIS), Hargyaning Tyas (LIPI), Heru Cahyono (LIPI), Ikrar Nusa Bhakti (LIPI), Kusananto Anggoro (CSIS), M. Hamdan Basyar (LIPI), Moch. Nurhasim (LIPI), Riza Sihbudi (LIPI), Rizal Sukma (CSIS), and Sri Yanuarti (LIPI).

<sup>21</sup> They were: Andi Widjajanto, Edy Prasetyono, Ikrar Nusa Bhakti, and Kusananto Anggoro.

<sup>22</sup> Departemen Pertahanan Republik Indonesia (2003): *Sistem Perencanaan Strategis Pertahanan Negara*, Jakarta, Departemen Pertahanan.

<sup>23</sup> Peraturan Presiden Republik Indonesia Nomor 7 Tahun 2005 tentang Rencana Pembangunan Jangka Menengah Nasional Tahun 2004-2009.



Community, and the UN Collective Security Mechanism. This reliable multilateral approach will give Indonesia sufficient time to gradually modernize its defence capabilities.

The concept of Minimal Essential Force basically tries to combine the capability-based model with the military tasks oriented model.

The capability-based model dictates the future development of Indonesia's defence posture and its weapon systems. This model can be best understood by evaluating the trend of military procurement. Although in 2007, we will see the arrival of several new weapons systems from the Netherlands, Russia, and perhaps India; this cannot be interpreted as significant increases in Indonesia's force capability.

However, new weapons procurement initiatives can be interpreted as an attempt to have a more diversified weapon system. For Indonesia, the tendency to have a more diversified weapon system will have one operational consequence: future military operations will not be based on the employment of integrated military operations. The diversification of the weapons system will force military planners to develop a more reliable single service military operation or at the most a creation of a joint command that will provide directives to launch military operations.

The military tasks oriented model determines the strategy of military deployment. TNI's tasks as regulated in the post-reform legal products are also more detailed and concrete. Act No 34 (2004) explains the details about TNI's main tasks, which consist of the tasks to "uphold the state sovereignty, maintain the territorial integrity of the Unitary State of the Republic of Indonesia based on Pancasila and the 1945 Constitution, and protect the whole Indonesian nation and land from threats and disturbances."<sup>24</sup> The implementation of those three main tasks, aside from being done by military operations in warfare, are done through military operations other than war, which are categorised into 14 types of task, namely:<sup>25</sup>

1. handling armed separatist movements;
2. handling armed rebellions;
3. handling terrorist acts;
4. securing border areas;
5. securing strategic national vital objects;
6. executing world peace tasks according to foreign policies;
7. securing the President and Vice President and their families;
8. empowering defence areas and the supporting forces in advance according to total defence system;
9. assisting local governments' tasks;
10. assisting the national police's tasks in security and public order as regulated in the laws;

<sup>24</sup> Article 7 Verse (1) Law No. 34 / 2004 on TNI

<sup>25</sup> Article 7 Verse (2) Law No. 34 2004 / on TNI



11. assisting in securing state visits of foreign head of states to Indonesia;
12. assisting in the rehabilitation of natural disaster areas, refugees, and humanitarian assistance;
13. assisting in search and rescue; and
14. assisting the government in securing navigation and aviation from piracy, robbery, and smuggling.

To perform the tasks, according to the Law on TNI (2004), Indonesia's military must be ready to launch war operations as well as military operations other than war. TNI must develop its capability to fight enemy armed forces, separatist movement, and terrorist groups. TNI must also develop its capability so it can be used for civic missions, humanitarian operations, and disaster relief. The basic strategy for military deployment relies on the utilization of deployable army. Since the military cannot be evenly located to protect our vast territorial span, the defence of Indonesia is reliant on troop rotation (mainly from KOSTRAD divisions) to cover gaps in areas of unprotected territory.

In this context, we are not going to see major changes in military deployment. TNI force structure will still be designed for low intensity conflict operations to address Indonesia's internal security predicaments. The establishment of the 3<sup>rd</sup> KOSTRAD Division in Sorong, Papua will still be postponed. The territorial command (Komando Kewilayahan) will be gradually strengthened to reach the minimal requirements for each defence compartments. The territorial command will also slightly be modified to find a new military architecture for inter-services (not an integrated) deployment.

However, the 'mission statement' of the new Indonesia's territorial doctrine calls for the technical execution of national territorial defence under the supervision of the legitimate civil authority. In order to do that, the Law on State Defence introduces the concept of defence territorial empowerment.

The defence territorial empowerment terminology is a reconstruction of the terminology of territorial management and operation. This new terminology is regulated in Chapter V of the Law on State Defence. The chapter regulates that: (a) the territory of Indonesia can be used to establish defence capability by respecting the rights and of the public and law; (b) strategic and permanent territories used as military installations and training-grounds are decided through governmental regulations; and (c) regional development must respect defence capability establishment.

The shift of the territorial structure function towards defence territorial empowerment function requires: (1) re-arrangement of the territorial command; and (2) increasing the civilian capacity to conduct defence territorial empowerment functions. Both tasks must be done by referring to the Law on State Defence and the Law on TNI.

Restructuring of the Territorial Command is regulated by Article 11 of the Law on TNI, which must be carried out by the government. The article is on the TNI posture, and regulates that the TNI posture is built and prepared as part of the state defence posture to handle all sorts of military and armed threats. One of the main components of the TNI posture is force deployment. Although not emphasised in the content of the Law on TNI, the appendix of



Article 11 (2) of the law specifically elaborated that the TNI deployment must pay attention to and prioritise security-prone territories, border areas, conflict-prone regions and secluded islands, according to the geographic condition and defence strategy. The appendix of Article 11 of the Law on TNI also regulates that the deployment of the TNI forces must avoid forms of organisation that can serve as opportunities for practical politics and must always refer to the government administrative structure.

One of the alternatives to restructure the Territorial Command is explained in an alternative draft of TNI Bill submitted by the National Awakening Fraction (Fraksi Kebangkitan Bangsa/FKB) in the parliament.<sup>26</sup> FKB suggested that an alternative for TNI Organisation. FKB suggested that the TNI posture is arranged in several Defence Area Commands (Komando Daerah Pertahanan/KODAHAN), in a comprehensive battle command structure, involving a joint unit of combat Force.<sup>27</sup> The combat Force is arranged in a joint battle command structure, consisted of battle units of the Army Division and battle units of the Air Force Squadron, and battle units of the Navy Fleet.

The FKB's proposal of KODAHAN is finally accepted by Department of Defence in 2007. In February 2007, Department of Defence published a strategic planning document that incorporates the concept of KODAHAN.<sup>28</sup>

According to the strategic planning, the strategic consideration for the development of KODAHAN is the need to protect Indonesia's sea lanes of communication. Indonesia must build a naval force capable of deterring the ability of a foreign Sea Fleet forcibly gain sea access to enter littoral areas. This maritime strategy is mainly directed at protecting 4 world vital chokepoints in Indonesia, namely the Malacca Straits, Sunda Straits, Lombok Straits, and Makassar Straits. Maritime defence strategies that could be developed are anti-access and area denial strategies.

Based on such considerations regarding maritime issues, the territorial structure of KODAHAN can be based on the division of Indonesian Archipelago Sea Lanes (*Alur Laut Kepulauan Indonesia* /ALKI), which is set based on UNCLOS 1982. Based on maritime conditions, ALKI divides Indonesia into 4 defence compartments: (1) Sumatera defence compartment with South China Sea – Malacca Straits – Sunda Strait lanes; (2) Kalimantan-Java-Bali defence compartment with Sulawesi Sea – Lombok Straits lanes; (3) Sulawesi-Nusa Tenggara compartment with Arafuru Sea lane; and (4) Maluku-Papua compartment. Those four defence compartments will be used as references to divide Indonesia into five KODAHAN: KODAHAN I in Sumatera; KODAHAN II in Java; KODAHAN III in Kalimantan; KODAHAN IV in Sulawesi-Bali-Nusa Tenggara; and KODAHAN V in Maluku and Papua.

The strategic plan of KODAHAN is yet to be implemented to restructure Indonesia's defence posture development. However, what is most important is the formulation of the document and other defence policy documents related to defence structure has been developed with the aim of devising a joint defence posture that integrates land, sea, and air forces into one integrated defence posture.

<sup>26</sup> Fraksi Kebangkitan Bangsa-DPR RI (2004): *Daftar Isian Masalah RUU TNI*, Jakarta, Komisi I DPR-RI.

<sup>27</sup> The proposal of KODAHAN advocated by FKB is based on the study published by ProPatria in 2004. See Widjanto, Andi (ed.) (2004): *Reformasi Sektor Keamanan Indonesia*, Jakarta, ProPatria, ch.5.

<sup>28</sup> Departemen Pertahanan Republik Indonesia (2007): *Sistem Perencanaan Pertahanan Negara Yang Efektif*, Jakarta, Departemen Pertahanan.



### 3. Defence Economics

The economic dimension of the SSR or Security Sector Reform agenda is concerned with the consumption of resources for the security forces, and revenue collection mechanisms. The SSR agenda calls for the introduction of effective accounting, financing and budgeting of the security sector in order to support appropriately sized and equipped military forces.

In Indonesia context, the SSR economic agenda poses two challenges. First, the state budget targeted for security sector is in poor shape which leads to a second challenge i.e. such a situation is a product of both state and society sectors are compromised by financial mismanagement and such attitudes have permeated into the realm of defence spending. It is generally agreed that the government does not give sufficient funds needed by the military in order to function as effective guardians of security.

To determine how much is enough for military will always be a point of contention. Indonesia is not likely to have a significant increase in military budget in the near future. To solve this problem, many argue that TNI has relied on off-budgetary income from extensive commercial operations, as well as extortion and corruption.

This has not been the case for Indonesia. I argue that this off-budgetary income is not likely to contribute to the creation of an autonomous, self funded military.<sup>29</sup> The existence of an autonomous, self funded military is overstated. If we accept that a combined profit of all military business ventures is approximately \$60-120 million a year, then TNI's off-budget sources only covers 3% - 5% of defence spending and will never serve as the substitution of state's military budget. Thus, as long as there is no significant increase in the military budget, the military will remain as a poorly funded institution. This poorly funded institution has been regularly monitored by civil society organizations and government institutions.<sup>30</sup>

The budgetary decision-making hub, for example, resides deep within the chambers of the Finance Minister. The ministry of finance has actively involved in implementing the principle of fiscal constraint management. The ministry of finance creates various procedures in order to ensure that the armed forces will not be able to conduct an autonomous military modernization and mobilization. It is here, not in the defence ministry or military headquarters that the process of allocating resources begins and ends. It is here that the limits for defence spending are established and where officers are told what they can and cannot purchase. And it is here that all of the fiscal military planning and control resides.

As of 2004, there were 26 political regulations in various levels that regulate uses of the defence budget. Table 2 shows the complete list of these regulations which indicates the existence of systematic effort of the government to regulate allocations of defence budget

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<sup>29</sup> Widjanto, Andi and Keliat, Makmur (2006): *Reformasi Ekonomi Pertahanan*, Jakarta, INFID-PACIVIS, pp. 117-118.

<sup>30</sup> Several civil society organizations such as LOGOS, the Indonesian Corruption Watch, the RIDEP Institute, KONTRAS, and the Indonesia Institute conducted research on the military involvement in business sector. The Indonesia Institute created a working group which came up with a policy recommendation on how to eliminate military-owned businesses. This recommendation was presented to the Departemen of Defense between February-June 2006. In June 2006, two members of the working group (Jaleswari Pramodhawardani and M. Fajrul Falaakh) were appointed as members of task force of the Department of Defence to formulate a draft of Presidential Decree to empower the government to take over all military-owned businesses.



Table 2: Political Regulations for Defence Budgeting Process

No.	Political Regulations
<b>National Level</b>	
1	Undang-Undang No.23 Tahun 1999 tentang Bank Indonesia
2	Undang-Undang No.24 Tahun 1999 tentang Lalu Lintas Devisa dan Sistem Nilai Tukar
3	Undang No.24 Tahun 2000 tentang Perjanjian Internasional
4	Undang-Undang No.25 Tahun 2000 tentang Program Pembangunan Nasional 2000-2004
5	Undang-Undang No.17 Tahun 2003 tentang Keuangan Negara
6	Undang-Undang No.1 Tahun 2004 tentang Perbendaharaan Negara
7	Undang-Undang No.3 Tahun 2004 tentang Perubahan Atas Undang-Undang No.23 Tahun 1999 tentang Bank Indonesia
8	Undang-Undang No.25 Tahun 2004 tentang Sistem Perencanaan Pembangunan Nasional
<b>Defense Sector</b>	
9	Undang-Undang No.3 Tahun 2002 tentang Pertahanan Negara
10	Undang-Undang No.34 Tahun 2004 tentang Tentara Nasional Indonesia
Presidential Decree / Executive Order	
11	Keputusan Presiden No.59 Tahun 1972 tentang Kredit Luar Negeri
12	Keputusan Presiden No.13 Tahun 2001 tentang Kedudukan, Tugas, Fungsi, Kewenangan, Susunan Organisasi dan Tata Kerja Departemen
13	Keputusan Presiden No.42 Tahun 2002 tentang Pedoman Pelaksanaan Anggaran Pendapatan dan Belanja Negara
14	Keputusan Presiden No.80 Tahun 2003 tentang Pedoman Pelaksanaan Pengadaan Barang/Jasa Pemerintah
15	Peraturan Presiden No.32 Tahun 2005 tentang Perubahan Kedua Atas Keputusan Presiden No.80 Tahun 2003 tentang Pedoman Pelaksanaan Pengadaan Barang/Jasa Pemerintah



<b>Presidential Decree / Executive Order</b>	
N.A	
<b>Ministrial Decisions</b>	
16	Keputusan Bersama Menteri Koordinator Bidang Kesejahteraan Rakyat dan Menteri Koordinator Bidang Perekonomian No.12/KEP/MENKO/KESRA/03/2004 dan No.KEP-21/M.EKON/03/2004 tentang Tim Penyelesaian Proyek-Proyek Pinjaman Luar Negeri
17	Peraturan Menteri Keuangan No. 571/KMK.06/2004 tentang Petunjuk Teknis Penyelesaian Daftar Isian Pelaksanaan Anggaran (DIPA) Tahun Anggaran 2005
<b>Defence Minister Decisions</b>	
18	Surat Keputusan Menhankam/Pangab Nomor: SKEP/1254/M/XI/1998 tentang Tata Cara Penyelenggaraan Pengadaan Barang dan Jasa dengan Dukungan Fasilitas Kredit Ekspor (KE) di lingkungan Dephankam dan ABRI
19	Keputusan Menteri Pertahanan No: KEP/16/M/XI/2000 tentang Pedoman Pelaksanaan Pengadaan Barang/Jasa di Lingkungan Departemen Pertahanan/Tentara Nasional Indonesia
20	Keputusan Menteri Pertahanan No: KEP/19/M/XII/2000 tentang Susunan Organisasi dan Tata Kerja Departemen Pertahanan
21	Surat Keputusan Menteri Pertahanan No: SKEP 447/M/VII/2001 tentang Rencana Strategis Pembangunan Pertahanan 2000-2004
22	Surat Keputusan Menteri Pertahanan No: SKEP/1679/XII/2003 tentang Pokok-pokok Penyelenggaraan Kelaikan Komoditi Militer untuk Mendukung Pertahanan Negara
23	Surat Keputusan Menteri Pertahanan No: SKEP/1680/XII/2003 tentang Pokok-pokok Penyelenggaraan Standarisasi Komoditi Militer untuk Mendukung Pertahanan Negara
24	Surat Keputusan Menteri Pertahanan No: SKEP/420/VI/2004 tentang Pedoman Pelaksanaan Pengadaan Barang/Jasa Militer di Lingkungan Departemen Pertahanan dan Tentara Nasional Indonesia
25	Keputusan Menteri Pertahanan No: KEP/01/M//I/2005 tentang Tata Cara Pengadaan Barang/Jasa Militer Dengan Fasilitas Kredit Ekspor di Lingkungan Departemen Pertahanan dan Tentaran Nasional Indonesia
26	Keputusan Menteri Pertahanan No: KEP/15/M/II/2005 tentang Pedoman Pelaksanaan Pengadaan Barang/Jasa di Lingkungan Departemen Pertahanan/Tentara Nasional Indonesia



One important regulation listed in Table 3 that is important to mention is the Minister of Defense Decision No. SKEP/01/M/I/2005. This document introduces the concept of an integrity pact, defined as a “letter of statement signed by the user of goods/services, procurement committee and interdepartmental team and provider of goods/services declaring resolution to prevent and not to commit collusion, corruption and nepotism in the procurement of military goods/services.”<sup>31</sup>

The Integrity Pact is the operationalization of the anti-corruption movement in Indonesia led by several civil society organizations such as the Indonesian Corruption Watch (ICW), Transparansi Internasional Indonesia (TII), and Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI). This pact was published based on (1) People’s Consultative Assembly Decision No. VIII/MPR/2001 on Public Transparency of Information for Public Participation in Eradication of Corruption; (2) Law No. 5 of 1999 on Prohibition of Monopoly and Unhealthy Business Competition; and (3) Law No. 20 of 2001 on Amendment of Law No. 31 of 1999 on Eradication of the Crime of Corruption. The integrity pact was initiated by referring to OECD’s anti-bribery mechanism adopted on February 15, 1999 by OECD members and Argentina, Brazil, Chile, Bulgaria, Estonia and Slovenia. This instrument evolved from four anti-bribery guidelines set by OECD beginning in 1996, i.e. (1) Recommendation of the Council on the Tax Deductibility of Bribes to Foreign Public Officials (1996); (2) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); (3) Revised Recommendation of the Council on Combating Bribery of Foreign Public Officials in International Business Transaction (1997); and (4) OECD Guidelines for Multinational Enterprises (2003).

The integrity pact is intended with several objectives (a) protect officials, commission members, secretariat and employees from bribery; (b) protect officials, commission members, secretariat and employees from the crime of corruption which is punishable by prison; (c) allow auction participants or contractors to provide their services without bribes; (d) assist institutions or agencies in reducing high-cost economies; (e) assist in increasing institutional credibility; (f) assist in increasing public trust in the procurement of services and goods; and (g) assist in the quality implementation of programs with appropriate logistical support in aspects of quality, timing and costs.<sup>32</sup> These objectives can be reached using the integrity pact system to ensure that all processes of the procurement of goods/services are done transparently. The transparency of the integrity pact system is guaranteed by requirement of oaths made by the officials and employees of public institutions/agencies involved and the supplying corporation, written in an Integrity Pact.

Based on Minister of Defense Decision No. SKEP/01/M/I/2005, at least three parties must sign an integrity pact for the utilization of defense export credit facilities. The first is the user of the goods/services. The user includes Department of Defense officials having authority or receiving delegation to be responsible on the procurement of military goods/services in order to fulfill needs for certain goods/services for defense uses.<sup>33</sup> The second is the supplier of the goods/services, who may have the status of: (1) manufacturer of the military goods/services; (2) foreign distributor/regional agent/vendor officially appointed by the manufacturer or those capable of providing military goods/services required by the

<sup>31</sup> *Ibid.*, Chapter II General Rules, Article 14.

<sup>32</sup> Transparansi Internasional Indonesia (2003): *Modul Pakta Integritas dan Sistem Pemantauan Pelaksanaan Barang dan Jasa di Lingkungan Institusi/Lembaga Publik*, Jakarta, Transparansi Internasional Indonesia.

<sup>33</sup> Minister of Defense Decision No. SKEP/01/M/I/2005 on Guidelines on Procurement of Military Goods/Services using Export Credit Facilities in the Department of Defense and Indonesian Armed Forces, Chapter I Introduction, Article 5g.



Department of Defense or TNI from the manufacturer.<sup>34</sup> Third, the procurement committee and the interdepartmental team, part of the military goods/services procurement project organization, directly chaired by the Minister of Defense.

To strengthen the transparency and accountability of the defence budget execution, the empowerment of the Department of Defence must be done, both through the legal framework and the strengthening of the skill capacity of the officials. Until now, the Department of Defence is still dominated by TNI officials who are psychologically and institutionally attached to the Military Headquarters.<sup>35</sup> This will complicate the division of authority between the Department of Defence and Military Headquarters, which will then result in the difficulty for the Department of Defence to control the Military Headquarters. Positions in the Department that are held by civilians are not significant in terms of defence policy formulation and the procurement of weaponry. The General Directory of Defence Strategy, Empowerment, Defence Potentials, and the General Inspectorate of the Department of Defence must always be led by military officials. More fundamentally, the defence policy formulation process, although under the guidance of the Minister of Defence, must be led by TNI personnel.

In this situation, it is crucial to strengthen civilian capacity within the Department of Defence. First, there must be clear criteria in terms of skill and capacity for civilian officials in the Department of Defence. Secondly, civilian empowerment in the Department of Defence must also be done through more education and training for civilian officials and the general public. And thirdly, a more intensive network with NGOs, universities, and think tanks must be made, both in terms of policy making and the development of legal instruments in defence sector.

## Conclusion

Transforming the role of the military constitutes one of the most important tasks for a post-authoritarian state. For Indonesia, the challenges are particularly formidable and complex because the transformation process takes place, or has to be carried out, during a period of political transition from an authoritarian to a democratic rule.

The process of democratisation in Indonesia will never be completed until the military's role and function undergoes significant transformation. The transformation process should include not only the restructuring of the relationship between the military and the political actors, but also the redefinition of the role and function of the military as an instrument of national defence within a democratic political order.

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<sup>34</sup> *Ibid.*, Article 5i.

<sup>35</sup> Prasetyono, Edy: "Tata Pemerintahan yang Baik dalam Bidang Pertahanan", in Prasetyono, Edy (ed.) (2006): *Laporan Penelitian Kaji Ulang Pertahanan Indonesia*, Jakarta, CSIS.