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Security Sector Reform in Indonesia:  
The Military and the Police

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## List of Abbreviations

ABRI	<i>Angkatan Bersenjata Republik Indonesia</i> (Indonesian Armed Forces, including the Police)
BAIS	<i>Badan Intelijen Strategis</i> (Strategic Intelligence Body)
BAKIN	<i>Badan Koordinasi Intelijen Negara</i> (State Intelligence Coordination Body)
BIN	National Intelligence Agency
DPN	<i>Dewan Pertahanan Nasional</i> (National Defence Council)
DPR	<i>Dewan Perwakilan Rakyat</i> (House of People's Representatives)
GAM	<i>Gerakan Aceh Merdeka</i> (Free Aceh Movement)
INKOPAD	<i>Induk Koperasi Angkatan Darat</i> (the Army's Cooperative)
INKOPAL	<i>Induk Koperasi Angkatan Laut</i> (the Navy's Cooperative)
INKOPAU	<i>Induk Koperasi Angkatan Udara</i> (the Air Force's Cooperative)
KODAM	<i>Komando Daerah Militer</i> (Regional Military Command)
KODIM	<i>Komando Distrik Militer</i> (District Military Command)
KOPASSUS	<i>Komando Pasukan Khusus</i> (Army Special Force)
KORAMIL	<i>Komando Rayon Militer</i> (Sub-district Military Command)
KOREM	<i>Komando Resor Militer</i> (Sub-regional Command)
KOSTRAD	<i>Komando Cadangan Strategis Angkatan Darat</i> (Army Strategic Reserve)
KOTER	<i>Komando Teritorial</i> (Territorial Command)
MPR	<i>Majelis Permusyawaratan Rakyat</i> (People's Consultative Assembly)
OPM	<i>Organisasi Papua Merdeka</i> (Free Papua Organization)
Polri	<i>Polisi Republik Indonesia</i> (Indonesian National Police)
Sishankamrata	<i>Sistem Pertahanan Keamanan Rakyat Semesta</i> (Total People's Defence and Security)
TNI	<i>Tentara Nasional Indonesia</i> (Indonesian Defence Force)

## **Foreword**

This paper is part of a larger research project, 'Coping with Internal Conflict' (CICP), which was executed by the Conflict Research Unit of the Netherlands Institute of International Relations 'Clingendael' for the Netherlands Ministry of Foreign Affairs. The CICP, which was finalized at the end of 2002, consisted of three components: 'Political Economy of Internal Conflict'; 'Managing Group Grievances and Internal Conflict'; and 'Security Sector Reform'. This paper was written in the framework of the research component 'Security Sector Reform'.

Successful reform of the security sector calls for policies on the basis of good analysis. The purpose of this component was to make such analyses and identify requirements for enhancing democratic governance of the security sector. The studies on Guinea Bissau, Indonesia, Rwanda and Sri Lanka have contributed to the development of an institutional assessment tool for democratic governance the security sector that will help policy makers who would like to engage in security sector reform activities.

# **I. Introduction**

After more than three decades under the military-backed New Order regime led by President Suharto, Indonesia is now in the process of democratic transition. However, although it has now been more than four years since the fall of President Suharto in May 1998, that process continues to be difficult. One particularly challenging area of reform has been the security sector. As security institutions, especially the military and police, primarily functioned as instruments to preserve the previous regime's grip on power, rather than to provide security to the people, reform in this area is imperative. In that context, reforming the military and the police - as the two most important security actors in Indonesia - constitutes one of the most pressing agendas for Indonesia. Indeed, the end result of democratic transition in Indonesia will to a greater degree be determined by the success or failure of security sector reform.

The problem of security sector reform in Indonesia becomes even more complex when one considers the political context within which reform is carried out. Reform has to be undertaken while Indonesia is facing the serious political, economic, and security crises that began at the end of 1997. Economically, Indonesia is virtually on the verge of bankruptcy. Politically, President Suharto left for his successors (B.J. Habibie, Abdurrahman Wahid, and now Megawati Sukarnoputri) a political system in which the practices of bad governance are pervasive. In that context, the process of democratic reform has essentially become elusive and precarious. In other words, the final outcome of democratic transition in the country is highly uncertain. It could either move towards democratic consolidation or even return to authoritarianism.

This report examines the process of security sector reform in post-Suharto Indonesia within the broader context of governance. It is divided into six sections. Section one includes this introduction. The second section examines the political and security context within which security sector reform is carried out. The third section describes various state security actors and their respective responsibilities, with special emphasis on the military and the police as two important security actors in Indonesia, and how they have or have not changed with the transition towards democracy. The fourth section examines the process and problems encountered in undertaking security sector reform, especially the reforms of the military and the police. The fifth section looks specifically at the nature and mechanisms by which the civilian authorities guide and monitor the process of military and police reform. The sixth section investigates the process of professionalizing the military, with special reference to two key issues: financial and organizational management. Finally, the report closes with a conclusions that summarizes the Indonesia's main challenges in exercising democratic civilian oversight over its security actors.

## II. The Political and Security Environment

### Government Legitimacy

After more than four years since the fall of Suharto's authoritarian regime of New Order in May 1998, Indonesia is still struggling to end the economic and political crises that have plagued the country since mid-1997. During the first three years, however, the struggle was very much impeded by political turmoil. Political instability - resulting *inter alia* from continued ethnic and religious conflicts, tension and political bickering among political elites involving mass mobilization, social disturbances, terrorism, and separatism - became the primary context within which democratic reform had to be carried out. Moreover, the process of economic recovery was virtually stalled. Indeed, the leaderships of President Habibie and then President Abdurrahman Wahid failed to lay the foundation for sustainable political and economic recovery that is necessary for the acceleration of the democratic reform process.

The failure of the Wahid presidency can in fact be seen as an irony of democratic reform in Indonesia. Since the end of Suharto's New Order in May 1998, Indonesia has experienced three successive governments. While the legitimacy of the first successor to Suharto, the government of President Habibie, was highly contested, President Wahid's government enjoyed strong legitimacy. He was elected as Indonesia's fourth President in October 1999 in a democratic presidential election, albeit indirectly, by the country's highest legislative body, the People's Consultative Assembly (MPR).<sup>1</sup> The legitimacy of the government was also enhanced by the fact that the MPR itself, except for the 38 seats reserved for the military and police, was formed on the basis of the 1999 general election results - the first democratic general elections since 1955. Indeed, despite the imperfect nature of Indonesia's electoral system, the Wahid government was largely perceived as legitimate because it came to power through a relatively fair process in accordance with the rules set out in the 1945 Constitution.<sup>2</sup>

In terms of its performance, however, the Wahid presidency was fraught with problems. One year after his election, it became increasingly evident that Wahid's government faced a serious problem in implementing its policies and delivering its promises. The government was severely criticized, *inter alia*, for:

- failing to solve the problems of economic crisis and separatism;
- not showing a sense of urgency and priority;

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<sup>1</sup> On the political circumstances surrounding the election of Abdurrahman Wahid, see Rizal Sukma, 'Recent Political Developments and the Problem of Reinventing the State in Indonesia', paper presented at the 'Asia Vision 21' conference, Harvard University Asia Center, Hong Kong, 18-20 May 2000.

<sup>2</sup> The imperfect nature of Indonesia's electoral system is caused by three significant issues. First, the loyalty of Members of Parliament lies more with the party than the constituency. This is due to the adoption of proportional rather than district system, in which the authority to select parliamentary candidates rests with the party leadership. Second, the Parliament still reserves 38 seats for military and police. Third, the President is not elected directly by the people but by the MPR.

- failing to bring an end to communal and religious conflicts; and, more importantly;
- engaging in the practices of corruption.

When Wahid began to challenge his own coalition partners, opposition to his government grew stronger. This eventually led to the removal of Wahid himself from power in July 2001, and Vice-President Megawati Sukarnoputri was confirmed as Indonesia's fifth President. Again, seen in terms of rules of the game set out in the 1945 Constitution, the manner by which Wahid was brought down from power and the rise of Megawati to the presidency was also largely seen as legitimate.

Like its predecessors, however, Megawati's government is also faced with serious challenges in bringing about reforms. While Megawati's rise to the presidency did bring a degree of political stability to Indonesia, there have been no significant improvements in the political, security and economic situation. In fact, after its first 100 days of government, the ability of Megawati's government to bring Indonesia out of the multi-dimensional crisis began to be doubted. Indeed, like her predecessors, President Megawati has been slow in solving cases of human rights violations, in bringing an end to ethnic and religious conflicts, and in dealing with rampant corruption, banking restructuring, legal and judicial reform, and the reform of the military. More importantly, the government has now been criticized for not having a sense of crisis. In short, while Megawati's government has also been described as 'legitimate', there have been concerns over the government's ability to solve Indonesia's economic and political problems in particular, and in carrying out the democratic reform process in general.

### **Threat Perceptions: The Primacy of Internal Security**

Concerns over the external sources of threats have never been high on Indonesia's agenda.<sup>3</sup> For more than three decades of Suharto's rule, Indonesia's threat perceptions were dominated by internal rather than by external concerns. The New Order government believed that as Indonesia was still faced with the difficult task of nation-building, the primary security concerns were necessarily internal in nature. In that context, the primary sources of threats were seen to emanate from state weaknesses ranging from the contested nature of the state, fragile social cohesion, lack of economic development, threats of separatism, to the lack of social cohesion. All these problems boiled down to the excessive fear of threats to national unity and territorial integrity of the Indonesian Republic. The concerns over external threats are expressed in terms of possible foreign intervention in the wake of internal disturbance.

One of the biggest problems facing Megawati's government has been the ongoing internal conflicts that began during the later years of Suharto's rule and have worsened since his downfall. In this regard, the problems of secession in Aceh and Papua provinces, and the ongoing inter-ethnic and inter-faith tensions in several areas of Indonesia, constitute two pressing issues that continue to form the core of Indonesia's threat perceptions. While the erratic rule of President Wahid worsened the situation, the rise of Megawati was initially marked by high expectations that she would take more

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<sup>3</sup> For a brief discussion on Indonesia's threat perceptions, see *inter alia* Dewi Fortuna Anwar, 'Indonesia: Domestic Priorities Define National Security', in Muthiah Alagappa (ed.), *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998), pp. 477-512; and Ian MacFarling, *The Dual Function of the Indonesian Armed Forces: Military Politics in Indonesia* (Sydney: Australian Defence Studies Centre, 1996), pp. 135-136.



effective measures to solve the problems. However, the problems continue to drag on, and there have been no signs yet that they will be resolved soon.

The secessionist problem in Aceh, which began in 1990 and has escalated since Suharto's downfall in 1998, has become the most devastating conflict in today's Indonesia. Until the end of 2002, several attempts to stop the violence and end the conflict had failed.<sup>4</sup> During the first year of the Megawati presidency, the government did not devise any clear blueprint on how it intended to solve the problem. It was only in early December 2002 that the prospect for a peaceful resolution, with the signing of the agreement on the Cessation of Hostilities between Indonesia and the Free Aceh Movement (GAM), has become more encouraging. The overall situation, however, remains uncertain. The military, for example, has begun to issue threats that they might withdraw from the agreement due to several incidents that occurred in mid-January 2003.<sup>5</sup>

Meanwhile, the situation in Papua is no less worrying. Independence aspirations continue to be voiced by important segments of Papuan society. While the level of violence in Papua has not yet reached that in Aceh, the Free Papua Organization (OPM) also poses an armed challenge to Indonesia's security authorities. The problem is becoming increasingly more serious when Indonesia's security forces, especially the police, continue to commit various violations of human rights in their attempt to quell the separatist movement. In terms of solving the problem, Indonesia's government is even less prepared. Except for the offer for special autonomy and the continuing use of force, nothing has been devised by the central government to deal with the growing demand for independence through peaceful means. When a leader of the independent movement, Theys Eluay, was murdered in November 2001, the prospect for an immediate resolution to the conflict became even more remote. The prospect for resolution has also been complicated by the possibility that elements of the military were involved in the killing of two Americans in Timika.

If the two problems raise worries about Indonesia's territorial disintegration, the inter-ethnic and inter-religious conflicts in several areas pose a serious threat of social disintegration. For example, the outbreak of bloody conflict in Maluku since early 1999 has clearly shattered the foundation of Indonesia's social and political stability. Bloody clashes ensued for several months between the two religious groups. The arrival of Muslim groups from Java to fight alongside their local Muslim fellows has also exacerbated the situation. While the violent conflicts seemed to have subsided by the end of 2001, and more so since the peace accord in February 2002, the general situation remains extremely volatile as sporadic clashes continue to occur. Meanwhile, similar religious conflicts between Muslims and Christians have also occurred in Poso, Central Sulawesi. Indeed, since Indonesia was hit by the economic crisis, inter-ethnic conflicts have resurfaced to an unprecedented scale, with devastating results, both in terms of human life and physical costs.

In addition to the problems of national disintegration, both in terms of territorial and social senses, Megawati's government is also facing a delicate problem of dealing with past violations of human rights committed by the security apparatus, especially the military. These cases came to light within weeks after Suharto's departure in May 1998. In this regard, there are at least six major cases that receive most attention from civil society, namely East Timor, Aceh, Papua, incidents surrounding the fall of Suharto in May 1998 (especially the killing of four students, kidnapping of pro-democracy

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<sup>4</sup> For a comprehensive discussion on Aceh, see Rizal Sukma, 'The Acehnese Rebellion: Secessionist Movement in Post-Suharto Indonesia', in Andrew T.H. Tan and J.D. Kenneth Boutin (eds), *Non-Traditional Security Issues in South-East Asia* (Singapore: Select Publishing for IDSS, 2001).

<sup>5</sup> *Koran Tempo*, 18 January 2003.

activists, the May 1998 riots themselves, including the alleged mass rape of Chinese Indonesian women), the Tanjung Priok (Jakarta, 1982) and Lampung (Sumatra, 1990) incidents, and the 1965-66 killings. In all these cases, public opinion suggests that the military leadership, and also former President Suharto himself, are two main parties that should be held responsible and brought to justice. And, like her predecessors, President Megawati has been under constant public pressure to take necessary actions to solve all these problems. However, the process has been extremely slow and disappointments have begun to be voiced.<sup>6</sup>

The slow progress in addressing the problems mentioned above is closely related to the process of security sector reform in the context of incomplete democratic transition. The rise of new power centres in Indonesia's politics during the transition towards democracy has not entirely been followed by the demise of old political forces. The position of two important pillars of New Order regime, the military (TNI) and Golkar, remain strong. Both the TNI and Golkar played an important role in bringing down President Wahid in July 2001. And, the rise of Megawati to the presidency was also made possible by the support of TNI and Golkar. Moreover, the most important feature of post-Suharto politics has been the fact that none of the political parties are prepared to challenge the problem of impunity for fear of antagonizing the military. Indeed, the problem of security sector reform in Indonesia should be understood within that internal political context.

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<sup>6</sup> See, for example, polling on the performance of Megawati's government in *Kompas*, 11 December 2001.

### III. State Security Actors: The Primacy of the Military

#### Security Actors Under Suharto's Authoritarian Regime

##### *The Military*

During the New Order era, the Indonesian armed forces or ABRI was the most important security actor in Indonesia. It officially served both political and defence functions, and was responsible for internal and external security. Since its creation, the military, especially the army, has strongly developed a sense of entitlement to a political role, expressed in the forms of *dwi fungsi* doctrine (dual functions). As concerns over external threats were never high on the national agenda, ensuring internal security of the state, especially by suppressing and eliminating any challenge to the regime, became the main function of the military. The military came to view itself as the only force capable of not only maintaining the order, stability and unity of the Republic of Indonesia but also providing prosperity to its people. Consequently, ABRI became the violent tool of power for President Suharto in ensuring his political supremacy and complete control over society. Demands for political rights and reforms were violently suppressed. Indeed, ABRI served as the backbone of Suharto's New Order regime, and its presence was felt in almost every aspect of social, political, and economic life.

The paramount importance of the military as a security actor became more evident when it managed to penetrate and control state bureaucracies and institutions, especially those responsible for security matters. Important governmental posts, such as Home Affairs, Justice, Defence, the Attorney General, and even Speaker of the House of People's Representatives (DPR) were all filled by military generals. The DPR simply became a tool of the military and a rubber-stamp institution for the government. Intelligence agencies, including the civilian intelligence institution BAKIN (State Intelligence Coordination Board), were also controlled and staffed by military officers. The military also created a number of companies disguised in the form of *yayasan* (foundations) to serve its corporate economic interests. With such an extensive reach into every aspect of life, the paramount importance of the military as a political and security actor was unchallenged for more than three decades.

##### *The Police*

During this period, the Indonesian Police (Polri) force was part of ABRI, together with the navy and air force. Officially, the police were charged with the task of maintaining law and order. However, that role was often overshadowed by the dominant position of the army, which intruded into police work whenever it perceived the security of the regime to be at stake. The police also played a role as an instrument of control under the New Order government,<sup>7</sup> especially through its role as an institution from which any permission should be sought for any social and political activities. The New Order was rather paranoid in ensuring that every independent activity of society was void of political intent.

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<sup>7</sup> Muhammad Fajrul Fallakh *et al.*, *Implikasi Reposisi TNI-Polri di Bidang Hukum* (Yogyakarta: Fakultas Hukum Universitas Yogyakarta, 2001), p. 170.

For example, a preacher, before he delivered his Friday sermons, was obliged to consult with the relevant police authorities about the content of the sermon. Even a person who wanted to throw a party to celebrate the wedding of his/her daughter or son, let alone to organize a political gathering, was required to seek official permission from the police. In that context, rather than functioning as the protector of society and law enforcer, the police played a role as the guardian of the New Order regime by keeping an eye on social and political activities of society.

### *The Intelligence Community*

The intelligence community also plays an important security role in Indonesia, and two agencies are of paramount importance. The first is the military intelligence institution or BAIS (*Badan Intelijen Strategis* or Strategic Intelligence Body). The second is BAKIN (*Badan Koordinasi Intelijen Negara* or State Intelligence Coordinating Board). BAKIN is supposed to be a civilian intelligence body, but during the New Order period it was dominated by the military. Both institutions gathered information on sources of threats within society and provided internal security assessments to the government. Their information and analysis often served as the instrument by which the government exercised tight control over society and suppressed those who challenged the regime.

### *The Parliament (DPR)*

Officially and formally speaking, the DPR also has a role to play in security-related issues. In carrying out that role on a daily basis, the responsibility rests in the hands of Commission I. During the New Order period, however, the DPR was not able to serve its function due to the dominance of the military in politics. Rather than functioning as a force that controlled the military and other state security actors, the DPR was subject to strict control by them. As the influence and power of the security forces has been shaken by the arrival of the democratic wave, however, the DPR is now becoming increasingly more assertive in carrying out its functions. However, when it comes to defence and military-related issues, the DPR's ability to exercise its legislation, monitoring, and budgeting functions effectively is still limited.

### *Attorney General*

The role played by the office of the Attorney General (AG) cannot be overlooked. Like the intelligence agencies, under the New Order government the AG's office was also dominated by military men. With such organizational characteristics, it is hardly surprising that the primary function of the AG's office was to serve the regime's security interests. Under the New Order, it became the judicial arms of the government through which the regime prosecuted, silenced, and punished its opponents, and protected its allies. In that context, the AG's office functioned no more than as the legal protector of the New Order regime and its supporters, especially the military. Cases that involved top military and government officials, for example, rarely went to a public court.

### *The Ministry of Defence and Security*

Under the New Order regime, the Ministry was very much part and parcel of military institutions. It was a practice for the Commander-in-Chief of the armed forces at the same time to hold the position of Minister of Defence. The Ministry, rather than serving as a defence and security policy-making

institution, primarily functioned as an administrative body for the ABRI. While it was officially also charged with recruitment, planning and budgetary functions, it was difficult to say that the Ministry acted independently of the military headquarters. In fact, all personnel of the Ministry, at every level except for lower administrative jobs, were drawn from the military.

### **Beyond Suharto: Changes and the Persistent Influence of the Military and the Police**

When the New Order regime collapsed in May 1998, the military -which later in April 1999 changed its name into TNI or *Tentara Nasional Indonesia* or Indonesian Defence Force - soon found itself on the defensive. Its role as the praetorian guard of Suharto's regime made the military the primary target of criticisms by pro-reform forces. Demands that the military withdraw from politics and reform strengthened. However, the importance of the military as a security actor has not diminished altogether. The successive civilian governments of President Habibie, Abdurrahman Wahid, and now Megawati have continued the habit of giving key cabinet posts to the military, especially those related to security matters. The three successive Presidents, for example, have continued to appoint an army general as Coordinating Minister for Political and Security Affairs. President Megawati, while maintaining the newly-established practice of appointing a civilian as Minister of Defence, returned the post of Minister of Home Affairs to the military. The civilian intelligence agency, which changed its name from BAKIN to BIN (National Intelligence Agency), is still headed by a retired military general, a practice that began in 1966. Such appointments clearly reflect the belief among the civilian elite that only figures with military background have expertise and understanding on security matters.

Since the fall of the New Order regime, the role of the police as a security actor has become equally important to that of the military. As part of the military reform, the police was separated from the TNI in 1999. That separation was seen as necessary, as the TNI officially no longer serves the internal security function. That function has now been officially assigned to the police. With new power entrusted to it, the police took no time in trying to establish itself, and consolidate its position, as the main security actor in Indonesia. This new-found police enthusiasm soon proved to have generated a number of problems for the overall process of security sector reform in Indonesia (this issue is discussed in the next section).

The separation of the police and the TNI, however, constitutes the most important development in security sector reform. While the decision to separate the police and the military was made by the TNI itself in April 1999, the legal basis was provided by the MPR through its Decree (TAP MPR) No. VI and VII/1999. While TAP MPR No. VI/1999 mandates the separation of the police from the military, TAP MPR No. VII/1999 sets out to distinguish the functions that the police and the military should perform. The MPR Decree No. VII stipulates that the (internal) security function (*keamanan*) is now assigned to the police, while the military is only responsible for defence (*pertahanan*). The role and functions of the military and the police are then defined further in two new acts: State Defence Act and the Indonesian National Police Act. According to the State Defence Act No. 2/2002, the TNI is 'a defence instrument of the unitary Republic of Indonesia' (Article 10). The Act also stipulates that the military has four main functions:

- to uphold national sovereignty and maintain the state's territorial integrity;
- to safeguard the safety of the people and the nation;
- to undertake military operations other than war; and

- to participate actively in international and regional peace-keeping missions.

Meanwhile, the National Police Act No. 2/2002 stipulates that the police are an instrument of the state responsible for guarding public security and order and are tasked to protect, guide, and serve the public as well as uphold the law. It also clearly stipulates that the police is a civilian force responsible for internal security matters.

The nature of change regarding the role of the intelligence community has been ambiguous. The military intelligence body, BAIS, continues to serve under the TNI. Unlike during the New Order era, however, BAIS is no longer preoccupied with domestic intelligence roles. It now functions as a strategic and defence intelligence agency whose main concern is related to the defence needs of the country. The status of BIN, however, was upgraded when its head was granted ministerial status by President Megawati. While its organizational nature remains civilian, BIN continues to be headed by a retired army general. More worrisome, Indonesia has not yet promulgated a legal instrument by which it can regulate the role and functions of the intelligence agencies.

Officially and formally speaking, the DPR also has a role to play in security and defence-related issues. However, the DPR's ability to exercise its legislation, monitoring, and budgeting functions effectively is still limited.<sup>8</sup> While the State Defence Act provides the basis for a greater role for the DPR in influencing defence policies, it is not immediately clear how it will carry out its functions. For example, the Act stipulates that any decision by the government to deploy the military for military operations should be approved by the DPR (Article 14). However, this has not yet been put into practice. The only area where the DPR has actively played a significant role is on the question of appointment and dismissal of the Commander-in-Chief of the TNI. The Act requires the President to seek approval from Parliament for the nomination of a Commander-in-Chief (Article 17). While the DPR is given the right to demand that the government explains its policies on defence and military issues (as part of its oversight function provided for in Article 24 of the Act), in practice it has never been critical of government policies in this area.

The AG's office is also undergoing some changes. Except during the Habibie interregnum government (May 1998-October 1999), the position of the AG is no longer given to a military general. When Wahid became President, he appointed a civilian politician as AG. President Megawati continued this practice. However, it is not immediately clear whether the appointment of a civilian AG would help to promote civilian control of the military. For example, there are still lingering doubts about whether the AG would be able to solve high-profile cases of human rights violations involving top military officers. The ongoing proceedings of the East Timor trial serve as an important test case in this regard. The AG's office has not taken any significant initiatives to resolve cases of human rights violations committed by the military in Aceh during 1990-1998. In fact, after the signing of the peace accord on 9 December 2002, Megawati's government has made it clear that the time is not yet right to raise such sensitive issues. The TNI Chief himself has stated that he is worried that a human rights trial would jeopardize the peace process.

There were significant changes regarding the role, functions, and organizational nature of the Ministry of Defence and Security. First, in line with the separation of the military from the police, it has been renamed the Ministry of Defence. Second, the Ministry is now accorded as a civilian institution, and since the fall of Suharto, the position of the Minister of Defence has been given to

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<sup>8</sup> This issue is discussed in greater detail in the section on civilian oversight.

civilians. However, the presence of the military continues to be dominant, as the majority of the staff is still drawn from the TNI. It is important to note that the main reason for this is the lack of expertise on the part of civilians on defence and military issues. Third, Article 16 of the National Defence Act also accords greater policy-making power to the Minister of Defence, especially in assisting the President in formulating defence policy (point 2), in formulating the policies regarding force deployment (article 5), and in preparing the budget (point 6).

The most important development regarding the security actors, however, has been the introduction of a National Defence Council (*Dewan Pertahanan Nasional* or the DPN). The provision for the establishment of this new institution is provided for in the State Defence Act 2002 (Article 15). The Act stipulates that the President serves as the Chairman of the DPN, which is comprised of permanent and non-permanent members. The permanent members of the DPN are the Vice-President, Minister of Defence, Minister of Foreign Affairs, Minister of Home Affairs, the Commander-in-Chief of the armed forces, and national police chief. The right to appoint non-permanent members, which can be drawn from governmental and non-governmental organizations, is reserved for the President. The DPN serves as an advisory body to the President and assists the President in formulating national defence policy and in making decisions regarding force deployment. Even though the DPN opens up a greater opportunity for the government to influence defence policy directly, and hence exercise greater civilian control over the military, this provision has not been put into practice. At the time of writing, the President had not issued an executive order for the establishment of the DPN as mandated by the Act.

**Table 1. Characteristics of Security Actors Under Suharto's New Order Regime**

	Organizational Nature		Dominant Elements	
	Military	Civilian	Military	Civilian
TNI (including Police)	X		X	
BAKIN		X	X	
BAIS	X		X	
AG		X	X	
DPR		X	X	X
Ministry of Defence	X		X	

**Table 2. Characteristics of Security Actors Post-Suharto**

	Organizational Nature		Dominant Elements	
	Military	Civilian	Military	Civilian
TNI	X		X	
Police		X		X
BAKIN		X	X	
BAIS	X		X	
AG		X		X
DPR		X		X
Ministry of Defence		X	X	

## IV. Operationalizing Security Reform: Process, Progress, and Problems

It has been mentioned earlier that the military, especially during the last ten years of the New Order period, played a role as ‘the guardian of the palace’. ABRI became the violent tool of power for President Suharto in ensuring his political supremacy and complete control over society. Demands for political rights and reforms were violently suppressed. Therefore, when the New Order regime collapsed, the public immediately pointed to the military, and also former President Suharto himself, as the two main parties that should be held responsible for all the nation’s problems. Indeed, within weeks of Suharto’s departure from power, countless cases of human rights abuses during the New Order period came to light. In such circumstances, the military became the target of severe criticism from almost all segments of society due to its role as the main perpetrator and willing executioner of Suharto’s anti-democratic policies.

The attacks and criticisms on the military have been centred primarily, but not exclusively, around the *dwi fungsi* doctrine which manifested in ABRI’s extensive and dominant role in politics. As cases of the military’s abuse of power began to be revealed publicly, primarily in the form of various violations of human rights, civil society came to the conclusion that the military should be subject to civilian control. That led to increasing demands for a fundamental restructuring of civil-military relations in order to establish objective civilian control over the armed forces. Consequently, the military’s role in politics, and indeed the *dwi fungsi* doctrine itself, was seen as an obstruction to democracy in Indonesia and should therefore be abolished. It was now maintained that the military should focus more on developing its professionalism in carrying out external defence functions, while the task of maintaining internal order and public security should be given to the police.

Indeed, many ordinary Indonesians and the civilian elite had lost faith in an institution once revered as ‘the people’s army’. For ABRI itself, the abrupt end of President Suharto’s rule came as a shock. It was obvious that the ABRI leadership had failed to anticipate the scale of the political crisis and the depth of resentment against Suharto’s New Order government that had enveloped Indonesia since the end of 1997.<sup>9</sup> In such circumstances, and as the central pillar of Suharto’s power, ABRI found it difficult to escape the charge of being guilty by association. Seen from this context, ABRI’s close association with Suharto’s authoritarian rule has cost the institution dearly. With the departure of Suharto from power, its privileged position within the state guaranteed by the New Order regime was now seriously contested. Indeed, for the first time since the country’s independence, the Indonesian military was presented with a high degree of uncertainty regarding its place and future role in post-Suharto Indonesia.

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<sup>9</sup> Patrick Walters, ‘The Indonesian Armed Forces in the Post-Suharto Era’, in Geoff Forrester (ed.), *Post-Soeharto Indonesia: Renewal or Chaos?* (Leiden: KITLV Press, 1999), p. 60.



## TNI and the Promise of Change: The Quest for A New Role

Aware that its future was very much dependent upon its own response to public demands and pressures, ABRI leaders set out a new path through which the institution sought to restore its image and secure a new place in a changing Indonesia. Even though the prospect of losing privilege and power was certainly not the preferred choice, the military also realized that it must adjust itself under the overwhelming public pressure for political change since the fall of Suharto. The need for change became even more pressing due to allegations that a series of events prior to the fall of Suharto - the abductions of anti-Suharto student activists, the killings of students at Trisakti University, and the massive riots that broke out across the country in May 1998 - had been engineered by elements of the military, especially by the Army Special Force (KOPASSUS) led by Suharto's son-in-law Maj. Gen. Prabowo Subianto.<sup>10</sup>

Under General Wiranto (both as Minister of Defence and ABRI Commander-in-Chief), ABRI soon embarked upon a series of initiatives aimed at restoring its image. The attempt started immediately after the fall of Suharto with the dismissal of Maj. Gen. Prabowo Subianto from his post as Commander of KOSTRAD and later from the military altogether. It also accepted a reduction in the number of its representatives in the DPR from 75 to 38 seats. More importantly, ABRI also promised to adjust itself through the introduction of *Paradigma Baru ABRI* or ABRI's New Paradigm. All these initiatives were meant to convince the public that ABRI was indeed undertaking *reformasi internal* (internal reform) in support of the *reformasi* movement. However, public scepticism of ABRI's sincerity in changing itself remained high. This is not only due to the slowness of the *reformasi internal* process itself, but more importantly, also due to the military's continued reluctance to accept civilian authority or supremacy.

### The Military's New Paradigm

The New Paradigm, adopted in September 1998 in Bandung at an armed forces seminar, serves as the formal guidance for the military in carrying out internal reform during the transition period. It envisages that ABRI's *reformasi internal* would be based on four principles:

1. it is not always necessary for the military to be at the forefront of politics;
2. the military no longer seeks to 'occupy' positions in the state but would only 'influence' government decisions;
3. the method to influence the political process would be changed from 'directly' to 'indirectly';
4. the military would act upon the principle of 'role-sharing' (a partnership in making decisions on important state and governmental affairs) with other national components.<sup>11</sup>

<sup>10</sup> For these allegations, see *Tajuk*, 1-13 September 1998.

<sup>11</sup> See, *TNI Abad XXI: Redefinisi, Reposisi, dan Reaktualisasi Peran TNI Dalam Kehidupan Bangsa* [The TNI in the Twenty-first Century: Redefinition, Reposition, and Reactualization of the Role of the TNI in National Life] (Jakarta: Headquarter of Indonesian Armed Forces, 1998), pp. 16-17. It is important to note that some English translations of the Indonesian version have been misleading, especially on the first principle. Many foreign analysts understood the first principle as 'the military's retreat from the forefront of politics'. In fact, the original statement in the Indonesian version reads as follows: 'it is *not always necessary* for the military to be at the forefront of politics' (italics added). Such formulation clearly suggests that there might be times when it is imperative for the military to come back to the forefront. As discussed later in this section, recent developments

Through the introduction of this New Paradigm, the military leadership clearly expected that ABRI's tarnished image would soon be restored and the institution's place in a new Indonesia secured. In operational terms, the *reformasi internal* is translated into a number of programmes:

1. the separation of the police and the military;
2. the liquidation of social-political posts within the military at national and regional levels;
3. the replacement of the office of Social and Political Affairs (Kassospol) with Territorial Affairs (Kaster);
4. the liquidation of the posts responsible for assigning active members of the military to undertake civilian positions;<sup>12</sup>
5. the requirement for military officers to choose between military or civilian careers, either through early retirement or tour of duty;
6. the reduction of the number of military representatives in the national and local parliament;
7. the termination of ABRI's involvement in day-to-day politics;
8. the severance of organizational ties with Golkar and a stance that takes an equidistant position with all political parties;
9. the exercise of neutrality in elections;
10. change of the relationship between the TNI and the TNI's big family;
11. revision of the TNI doctrines according to the spirit of reform and the role of TNI in the twenty-first century;
12. changing the name of ABRI into the TNI.

The other important aspect of the New Paradigm was ABRI's official attitude, which publicly acknowledged its misdeeds and wrongdoings in the past. There has been a general consensus within the military that under the New Order, ABRI's involvement in politics was too deep and too long, so that it became a tool of power (*alat kekuasaan*) for President Suharto. In the words of an army general, the TNI 'has become the backbone of power which served to protect the interests of President Suharto'. And, 'in serving the interests of the ruler, the army often resorted to coercive methods'.<sup>13</sup> In this context, the implementation of the New Paradigm was also marked by a public apology from the military leadership. For example, General Wiranto apologized publicly for the abuses committed by what he called 'individual soldiers' in Aceh. Other high-ranking military officers, including the army's Chief-of-Staff, have also expressed similar apologies. Such acknowledgment of past mistakes and apologies, which were unimaginable under Suharto, clearly indicate that the military is indeed on the defensive.

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in Indonesia suggest that it is likely that the military might once again come back to the forefront of politics if the situation warrants. For misleading understandings see, for example, Jun Honna, 'Military Doctrines and Democratic Transition: A Comparative Perspective on Indonesia's Dual Function and Latin American National Security Doctrines, Discussion Paper no. 22 (Canberra: Australian.

National University, Department of Political and Social Change, 1999); and also Terrence Lee, 'The Nature and Future of Civil-Military Relations in Indonesia', *Asian Survey*, vol. XL, no. 4 (July/August 2000), p. 699.

<sup>12</sup> For a discussion on this function of the military, see MacFarling, *The Dual Function of the Indonesian Armed Forces*, chapter 7.

<sup>13</sup> See, for example, Maj. Gen. Saurip Kadi, *TNI-AD: Dahulu, Sekarang dan Masa Depan* [The Indonesian Army: The Past, The Present, and The Future] (Jakarta: Grafiti, 2000), p. 12.

In such circumstance, it is not surprising that the primary objective of *reformasi internal* was to display the military's commitment to adjusting its role in the post-authoritarian era. It was also meant to convey the message to the public that the TNI was responsive to the popular demands and people's aspirations. The most significant element of this declaratory display of commitment to reform was expressed in the willingness of the military to relinquish its social-political role. At a practical level, some of the promises for change have indeed been fulfilled. For example, the military has taken a number of measures to fulfil its promises, among others:

- it has reduced the number of military representatives in the national and local parliaments;
- it has liquidated social-political offices within its organization;
- it has exercised a relatively neutral stance, first in the 1999 general elections, and then in the power struggle between President Wahid and his opponents in July 2001;
- it has introduced doctrinal and curriculum changes;
- the liquidation of the position of Chief of Territorial Affairs in January 2002;
- the introduction of the regulation that obliges military officers to resign from the service before taking up jobs in civilian positions.

These measures clearly constituted no small achievements for a society that had just departed from an authoritarian rule with a dominant military's role in national politics.

### **The Residual Problems in Military Reform**

The transition towards democratic civilian control of the military, however, is still far from complete. It is too early to conclude that the military has ceased to be a significant force in Indonesia's internal politics. In this regard, it has been noted that 'despite its attempts at reform, the Indonesian military continues to be politically omnipresent and still wields significant political clout within the country'.<sup>14</sup> Indeed, the reform of the Indonesian military is still an ongoing process. And there has been evidence to suggest that the reform process has not progressed as smoothly as expected. There are still a number of residual problems that need to be addressed. Of those problems, five are of paramount importance:

- the need for further legislation;
- doctrinal and organizational adjustments;
- defence strategy and policy;
- the problem of impunity; and
- the military's involvement in business.

The *first* problem comes from the fact that not all legal instruments needed are already in place. The State Defence Act 2002 is not meant to provide an overarching regulatory framework for the military. Instead, the law provides general provisions on the nature of Indonesia's national defence and ways by which it should be managed. It also delineates areas of responsibilities for key state institutions and stipulates the main functions of the military. Therefore, due to its general nature, a number of

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<sup>14</sup> Lee, 'The Nature and Future of Civil-Military Relations in Indonesia', p. 701.

supporting legislations are still needed. For example, it is not yet clear how the TNI might be employed for internal security matters, by whom and with what mechanisms. It is clear that the State Defence Act 2002 needs to be complemented with other legislation such as bills on the TNI, the use of the TNI in internal security affairs, and other related laws such as the Emergency Law, Anti-terrorism Law, and National Intelligence Law. Some of these supporting laws are now being drafted by various governmental ministries and agencies. In this regard, it is important that the TNI does not dictate the terms and processes of these supporting legislations.

The *second* residual problem is concerned with doctrinal and organizational adjustments of the TNI. Despite the pressing need for doctrinal change, a new military doctrine has yet to be finalized. Previous doctrine, which gave the TNI the dual function of a political and defence role, clearly needs major revision, if not to be changed entirely. The debate on this issue within the military itself, however, has not reached a conclusive result and is still ongoing. The problem became evident when, in early October 2001, President Megawati requested the TNI to revise its doctrine on its own initiative. Such a request clearly reflects the lack of understanding on the part of the President that it is the responsibility of the government to provide guidance for the TNI in formulating its doctrine. It should not be left to the military alone.

The *third* important problem that needs to be addressed as an integral part of military reform is defence strategy and policy, and its formulation. The ongoing military reform is largely *ad hoc* in nature and not based on a comprehensive defence review. It is difficult, for example, to imagine how the professionalization of the armed forces can be undertaken without such a review. Indeed, it has been more than twenty years since Indonesia conducted such a review. The absence of defence reviews clearly adds to the confusion and uncertainty in the security sector reform. The ongoing debate on the future of the territorial command structure (KOTER), for example, is illustrative. In September 2001, Minister of Defence Matori Abdul Djalil maintained that the KOTER system would be gradually abolished.<sup>15</sup> However, when in January 2002 the military indicated that it wanted an expansion of KOTER, by establishing a new Regional Military Command (KODAM) in Aceh, it was also the same Minister of Defence who was quick in giving his support and approval.

This episode clearly demonstrates not only the lack of the government's political direction, expertise and the desire to control the policy agenda, but also the absence of comprehensive and long-term defence planning. Consequently, this problem leads to uncertainty regarding who should have the authority to shape the military territorial organization. In fact, as the KOTER system constitutes a form of force deployment, it should stem from government policy regarding 'the future mission, size, shape and organization of the defence forces rather than being determined by the TNI...'<sup>16</sup> However, the government seems to hold the view that the authority to formulate policy on these issues remains the prerogative of the military itself.

The *fourth* issue is the problem of impunity. There have been signs of resistance in the TNI's response to public criticisms of its past records in particular and to the call for reform in general. This is clearly evident in the TNI's attitude on the resolution of cases on human rights' violations. On this issue, many within TNI - active or retired - are of the view that past violations of human rights by elements of the military should be understood in the context of the existing political atmosphere at the

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<sup>15</sup> *Koran Tempo*, 25 September 2001.

<sup>16</sup> *Indonesia: Next Step in Military Reform*, International Crisis Group (ICG), Asia Report no. 24, October 2001, p. 11.

time.<sup>17</sup> They have argued that the military did not participate in making political decisions that led to the violations of human rights. It merely carried out the decisions made by the government. In that context, they maintained that the military as an institution could not be held responsible. Based on this logic, they claimed that only those who committed the actual violations, not their commanding officers, could be held accountable for their misdeeds.

It is therefore hardly surprising that the investigations and the legal processes on cases of human rights violations cannot reach the highest level of the military leadership, and the ongoing investigation would stop only at low-level officers and soldiers. In other words, a meaningful reform is still hindered by the problem of impunity, and concrete measures from the TNI's leadership to solve this problem are still slow in coming. Indeed, both the government and the TNI leadership have not been able to bring major cases of human rights' violations to court. When a case did come to court, the proceedings were widely seen as not credible. For example, the trial of several officers involved in the brutal killings of more than 50 people in an Islamic boarding school in Aceh only strengthened people's pessimism when the key officer responsible for the operation - an army lieutenant colonel - was declared missing by the TNI leadership, thus thwarting the possibility of bringing other higher commanding officers to justice.

The *fifth* is the military's involvement in business. As demands for military reform strengthened, the question of the military's involvement in business life remains problematic. Critics maintain that the military should not be involved in business because it has unfair advantages. Moreover, military involvement in business will surely result in conflict of interests and also undermine the process of military reform itself. On the other hand, however, the military faces serious budgetary constraints both for its operation and the welfare of the soldiers. The military has always used this reality to justify its business activities. In the current context, the economic crisis has seriously undermined the government's ability to provide adequate funds for the military. In this regard, the government should be able to find ways that would, on the one hand, end military involvement in business, but on the other hand address their concerns over defence budgets.

Progress in the five areas discussed above has been slow. Responsibility for the slowness in military reform, however, cannot be attributed to the TNI alone. The dynamics of domestic politics at the national level and the absence of clear policy guidance from the government have also contributed to a degree of uncertainty in the direction of change in the process of democratizing civil-military relations in Indonesia. Indeed, problems and weaknesses encountered by civilian political institutions in guiding and managing the security sector reform contribute to that uncertainty (this issue is discussed in Section V).

### **The Problem of Reforming the Police**

Reforming the police, which was in the past part of the armed forces, also poses another set of problems for Indonesia's security sector reform. The tainted image of the organization, especially due to its role as an instrument of control under the New Order government, has made it one of the most distrusted state institutions in the country.<sup>18</sup> Rather than functioning as the protector of society and the law enforcer, the police played a role as the guardian of the New Order regime. Like the military, the

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<sup>17</sup> See, for example, statements by General Wiranto, *Jakarta Post*, 22 August 1998 and 5 October 1999.

<sup>18</sup> Muhammad Fajrul Fallakh *et al.*, *Implikasi Reposisi TNI-Polri di Bidang Hukum*, p. 170.

Indonesian police has also been subject to severe criticisms of past abuses of human rights. Worse, the police is also seen as the most corrupt security institution in the country. Indeed, the Indonesian police has been ‘trenchantly criticized for being ineffective, inefficient, brutal and corrupt’.<sup>19</sup> Therefore, like the military, the police has also been subject to public demands for reform.

With the fall of the New Order regime, attempts at reforming the police have also been under way. In line with reform of the military, police reform is based on the MPR Decree No. VI/2000, the MPR Decree No. VII/2000, and also on the new Police Bill adopted by the DPR in December 2001. While MPR Decree No. VI/2000 mandates the separation of the police from the military, the MPR Decree No. VII returns internal security functions to the police, and defines the police’s status as a civilian police force and its role as the state institution responsible for maintaining law and order. The Decree also places the police under the President. Despite its separation from the military, however, there has not been any significant improvement in the way that Indonesia’s police performs its function. The process of police reform, like in the military, has also been slow and subject to resistance from certain quarters within the police itself.

Indeed, as noted in a report by the International Crisis Group on police reform in Indonesia, ‘separating the police from the armed forces is a fundamental prerequisite for reforming the police, but it is only the first step in a long journey’.<sup>20</sup> There are still a number of issues and areas of reform that need to be taken if any meaningful and significant improvements are to be made. For that, the police has released one book and a paper outlining the plan for police reform in July 1999 and then in December 2000.<sup>21</sup> While the first book addresses the need to overcome cultural, instrumental, and structural challenges of the reform, the second book outlines the progresses and problems of reform in areas such as manpower requirements, structure, personnel management, and community policing issues. However, it has been noted that ‘both the book and the paper are normative and aspirational documents rather than detailed plans for implementing reform’.<sup>22</sup> In other words, police reform has not yet been based on a concrete plan of action.

In reality, the pace, content and the state of reform has been far from satisfactory. *First*, in terms of professionalism, three problems remain pervasive within the police. The first is obviously the problem of corruption. As mentioned earlier, the police is seen as one of the most corrupt institutions in Indonesia. This image is partly caused by the fact that many low-ranking police officers are involved in petty corruption on a daily basis, such as ‘collecting on-the-spot payments in lieu of fines from passing motorists, demanding free meals from food stalls, demanding pocket money for various reasons from business operators, demanding fees for law enforcement services, and demanding free services from the illicit service sector’.<sup>23</sup> As there is no transparency about how the funds allocated to the police are used, the level of corruption within top-ranking police officers is probably much higher. The second problem is the police’s commitment and ability to respect human rights. According to *Kontras* (Commission for Victims of Violence and Missing Persons - an Indonesian human rights NGO), the police continue to commit abuses of human rights. During the period from January-June 2000, for example, data collected by *Kontras* revealed 149 cases of violation of human rights by the

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<sup>19</sup> See, for example, Kunarto, *Merenungi Kritik Terhadap POLRI* (Jakarta: Cipta Manunggal, 1995).

<sup>20</sup> *Indonesia: National Police Reform*, ICG, Asia Report no. 13, Jakarta, 20 February 2001, p. 4.

<sup>21</sup> *Reformasi Menuju POLRI Yang Profesional*, 1 July 1999; and *Peran dan Strategi POLRI Dalam Mewujudkan Supremasi Hukum dan Pemeliharaan Keamanan*, 18 December 2000.

<sup>22</sup> *Indonesia: National Police Reform*, p. 13.

<sup>23</sup> *Indonesia: National Police Reform*, p. 10.

police, with the death toll reaching 112 people. The data also shows that the use of torture is still common within the police force.<sup>24</sup> Third, the police still needs to improve its skills and capacity, especially in handling civil disturbances, riot control, and mass demonstrations. In fact, in dealing with these problems, it is still prone to the use of excessive force, leading to abuse of police power.

*Second*, the problem of accountability and control has not yet been solved, and there are no signs that this problem will be overcome soon. As the police is now largely an independent force, subject only to existing laws and regulations, it has often acted on its own judgement and interests, without any other force capable of exercising a degree of control. When, for example, former President Abdurrahman Wahid ordered the Police to release a number of Papuan leaders, arrested in late November 2000 for suspicion that they would reaffirm the 1 December 1961 declaration of Papuan independence, the order was simply overruled. Like the military, the culture of impunity is also present. The problem is exacerbated by the absence of effective oversight mechanisms and the lack of a sanctions mechanism.

*Third*, while the placement of the police under the President signifies an important step to free it from military control, it has also opened up the opportunity for massive presidential abuse of power. The recent episode when former President Wahid tried to defend his rule by creating divisions within the police clearly demonstrates the point. Moreover, it has been noted that:

‘Indonesian police remain highly politicized .... The police, together with the military, have retained seats in the legislature and reluctant reformers have had some success in regaining access to channels of political influence.’<sup>25</sup>

*Fourth*, the police are also faced with a serious problem in performing their internal security functions. As they are very poorly funded, inadequately trained, and insufficiently equipped, they have been completely incapable of fulfilling their duties, particularly in hot spot areas such as Aceh, Papua, Maluku, Kalimantan, and Central Sulawesi. When the military is called in to support the police in those areas, it serves to heighten the growing rivalries that often escalate into street battles between the two organizations. In 2001 alone, there were more than four shooting incidents between police and military personnel reported by the media. There are also concerns in Indonesia, and obviously within the military, about whether the police are suitable to deal with armed separatist movements in Aceh and Papua. Indeed, the police are ill prepared to perform that function; a fact that has been acknowledged by the police themselves.<sup>26</sup>

*Fifth*, police reform cannot be expected to proceed smoothly without necessary reform in other related areas of the security sector. That would require coordinated and simultaneous measures to reform the judiciary, legal system, and more importantly the military. However, due to the lack of government direction, it is not surprising that the police ‘has shown little interest in substantive reforms that are a necessary complement to justice reforms characteristic of democratic societies’.<sup>27</sup>

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<sup>24</sup> *Siaran Pers KontraS: Evaluasi Kinerja Kepolisian Sepanjang Tahun 2000 (Realitas Kekerasan)*, KontraS, Jakarta, 29 June 2000.

<sup>25</sup> Lesley McCulloch, ‘Police Reform’, *The Conflict, Security and Development Group Bulletin*, March-April 2001, p. 4.

<sup>26</sup> *Indonesian Observer*, 18 December 2000.

<sup>27</sup> *Indonesia: National Police Reform*, p. 14.

## **V. Guiding and Managing Reform: The Problem of Civilian Control and Oversight**

This section examines the problem of establishing democratic mechanisms to control security actors. Such mechanisms demand the presence of not only effective political control and solid civilian oversight, but also the role of international institutions. In the case of Indonesia, three civil oversight actors are of paramount importance: civilian government (including parliament and political parties); civil society; and international institutions. The civilian government is important because the legal authority to control security actors at the end rests in the hands of the government. Civil society, as an agent of democratic change, is also important due to its role in balancing the power of the state, including its security institutions. Finally, as Indonesia will remain dependent on assistance from the international community in overcoming the ongoing crisis, international institutions will also play an important role in influencing the direction of security sector reform in the country.

The slowness of security sector reform in Indonesia cannot entirely be blamed on the military's reluctance to accept the supremacy of civilian government authority. It is also caused to a considerable degree by civilian incompetence and inexperience in defence-related issues. This is reflected in weak civilian institutional and functional control over the military. The civilian political forces, especially political parties, are still facing a number of structural constraints and limitations in playing a strategic role in creating democratic civil-military relations, especially in strengthening civilian control over the military. Even though civilian political forces are now relatively free from military intervention and influence, and indeed are in a better political position, they have not been able to maximize that new position. This is hardly surprising, because both governmental institutions and civilian political forces are still constrained by formidable problems at strategic, policy, and technical levels in exercising their authority over the military.

### **Strategic Constraints**

At strategic level, the civilian weakness is reflected in the absence of a common view, let alone a common approach, on the question of redefining the military's role either during the period of democratic transition or in the broader context of democracy in general. For example, there are still fundamental differences within the civilian forces regarding the place and role of the military in the overall national political system. Public debate on this issue still centres on what types of civil-military relations should be applicable and appropriate for Indonesia. Worse, there has not been a consensus among civilians, the political elite or other forces in society about how and who should take the initiative in the process of restructuring civil-military relations. In that circumstance, it is hardly surprising that the initiative to formulate the New Paradigm was taken by the TNI alone, without significant contribution from civilians.

The above problem is made even worse by protracted tension and competition among civilian political forces and elites. Many of these civilian forces continue to expect the military's support in the



context of their rivalry with each other. Therefore, with the object of strengthening their own political position, there is a tendency among civilian political forces to give concessions to the military as a way to win such support. Consequently, the bargaining position of the civilians is often compromised and their position is ambiguous. For example, on the one hand, there is MPR Decree No. VI/2000, which limits the role of the military to defence only. However, on the other hand, the MPR also decided at the time to extend the presence of military representatives within the MPR until 2009.<sup>28</sup> Frictions among the civilians, and the politicizing of the role of the military, serve as a major constraint to the process of democratizing civil-military relations. Indeed, as acknowledged by former Minister of Defence Juwono Sudarsono (himself a civilian), it was the civilians that served as impediments to the process of restructuring civil-military relations in Indonesia.<sup>29</sup>

In addition, there is also another weakness regarding civilians that brings serious disadvantages to their positions in directing security sector reform and in influencing defence policy. When it comes to security, military and defence-related matters, there is a tendency among political parties to leave the matter to retired military officers who had joined the parties after the downfall of Suharto. Those retired generals often act as spokespersons for their respective political parties on military and defence issues. Almost all of the major political parties include military figures in their leadership.<sup>30</sup> This attitude clearly inhibits an improvement in the ability of civilian politicians to improve their knowledge on military and defence matters. Meanwhile, such knowledge is required if the attempt to establish civilian authority or supremacy is to succeed. Indeed, the lack of awareness and expertise on the importance of civilian control of the military among political parties reduces the political pressure otherwise needed to encourage the military to subordinate itself fully to civilian authority.

## Policy Constraints

At a policy level, there are two major problems encountered by the civilians. First, despite the fact that the post of Defence Minister is now held by a civilian, the government is still weak and not in a position to formulate policies regarding the military in particular and defence in general. This is partly due to bureaucratic dualism within the cabinet resulting from the separation of the TNI on the one hand and the Ministry of Defence on the other. In this structure, the Commander-in-Chief still holds a ministerial status within the Cabinet and is not under the Minister of Defence.<sup>31</sup> Moreover, the Ministry of Defence itself is still dominated by military officers. The Minister of Defence, despite his civilian background, has been criticized as ‘a puppet of the military’.<sup>32</sup> Therefore, many military and defence policies still come from the TNI’s Headquarters, rather than from the Ministry of Defence of the Minister. For example, the formulation of the TNI’s New Paradigm by the TNI itself, rather than by the civilian government or legislative, is a case in point.

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<sup>28</sup> As the result of a constitutional amendment in August 2002, however, it was agreed that the reserved seats for the TNI in MPR would end in 2004.

<sup>29</sup> *Tempo*, 7 January 2001. See also, *Kompas*, 17 August 2000.

<sup>30</sup> For example, Lt. Gen. (rtd) Tuswandi in Golkar, Maj. Gen. (rtd) Suwarno Adiwijoyo in PAN, and Lt. Gen. (rtd) Theo Sjafei in PDI-P.

<sup>31</sup> On this issue, it is important to note that the TNI itself was prepared to be put under the Ministry of Defence. However, this plan was thwarted by a decision of the MPR in August 2000 when it issued Decree No. VII, which places the TNI directly under the President.

<sup>32</sup> See, for example, the interview with Damien Kingsbury, *Jakarta Post*, 29 December 2000.

In fact, the Minister of Defence in particular, and other civilian ministers within the cabinet in general, can have a direct role in shaping defence policies through the National Defence Council (DPN). The provision for a DPN, as mandated by the State Defence Act 2002, is actually meant to resolve the ambiguous relationship between the Minister of Defence and the Commander-in-Chief of the armed forces. While the full authority of the Minister of Defence over the military and defence policy is constrained by the fact that the Commander-in-Chief of the TNI is not responsible to him, the civilian Minister of Defence, and indeed the government as a whole, can exercise a greater say through their membership in the DPN. However, as mentioned earlier, the DPN has not yet been established.

Encouraging trends, however, are not entirely absent. There have been positive signs within the Ministry of Defence, albeit from top officials with military backgrounds, that they are now more prepared to take up their proper roles, especially in formulating policy guidance for the military. For example, there has been strong awareness on the part of the Ministry on the need for a comprehensive defence review, which will form the basis for a comprehensive and well-planned military and defence reform. As a first step, the Ministry is now planning to draft a defence white paper, which will hopefully include an assessment of challenges facing Indonesia's defence forces, and how it should adjust itself to meet those challenges, especially in terms of its impact upon the mission, strategy, posture, and force structure.

Second, the role of the DPR in setting the direction of military reform is still weak. While it has the power to oversee defence issues through Commission I, which also oversees foreign affairs, human rights and information, none of the Commission members are known to have sufficient knowledge on defence issues.<sup>33</sup> Moreover, this Commission is more preoccupied, and indeed more comfortable, with foreign affairs than with defence issues. Reflecting the weakness of the civilian in general, the DPR has not played a significant role in pushing the military to accelerate the *reformasi internal*. So far, although ineffective, its role is still limited to either investigating a few cases of past human rights' abuses by the military or discussing the problem of military politics in general.

Indeed, it is worrying that the civilian elite within legislative bodies has not played a major role in shaping the direction of reform of civil-military relations, especially through legislation, monitoring, and budgetary functions of the parliament. Neither major political parties, nor Commission I, have a clear agenda and platform on how the process of military reform should be accelerated and brought about. Civilian politicians have not shown any interest in engaging in policy debates that set the guidelines for defence and security policies.

### Technical Constraints

The problems at strategic and policy levels mentioned above can be seen as direct consequences of the lack of civilian expertise on technical aspects of defence issues. Many civilian politicians are unfamiliar with critical issues such as defence budgets, defence strategies and priorities, military doctrine, force levels, size, military posture, defence requirements, and weapon acquisitions. As mentioned earlier, the debate among the civilians on the role of the military is still focused on the question of military politics, not so much on defence policies. There is little awareness that in a democratic system, defence and security issues are too important to be left only to the military. Indeed, it should be the civilians who play an active role in shaping the direction of defence policies. And, in

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<sup>33</sup> *Kompas*, 12 April 2000. However, a number of TNI MPs are also in this Commission.

the Indonesian context, very few politicians realize that sufficient expertise on technical aspects of defence matters, such as on defence budgets and weapon acquisitions, serves as an effective instrument through which civilian control over the military can be strengthened. Indeed, this lack of expertise on the civilian side is often used by the military to justify its privilege in defence policy-making.

### **Effects of Civilian Weaknesses on Legislation**

These three civilian weaknesses or incompetence at strategic, policy, and technical levels have been clearly evident in the case of legislative process. Three legislation cases are of particular interest here, namely the State of Emergency Bill (RUU PKB), State Defence Bill (RUU HAN), and National Police Bill. First, in September 1999, the DPR passed the RUU PKB, despite the fact that several provisions in the Bill are fraught with problems, incompatible with human rights and democratic values, and are seen as a new instrument by which the TNI can oppress government critics.<sup>34</sup> The DPR clearly failed to anticipate the extent of public opposition to the Bill when a wave of demonstrations forced the government to delay its ratification.

Second, the role of civilian politicians and even parliamentarians in guiding and determining the content of the State Defence Bill was minimal. Nor did they show great interest in it. The draft Bill was proposed by the Ministry of Defence, with major inputs from representatives of academia and civil society. There was no attempt by Members of Parliament to initiate public debate and discussion on the draft. During the debate in Parliament, no substantial issues were raised by members of the DPR. The focus of the debate has been more on trivial issues such as on the definition of the terms and concepts contained in the Bill.<sup>35</sup> The bill, which was passed in late December 2001, did not even receive wide coverage in Indonesia's media.

Third, regarding the National Police Bill, the role of the DPR was even worse. Parliamentary debate on the Bill, which was drafted and proposed by the police itself, failed to highlight and examine crucial passages contained in the Bill that would give the police overwhelming power in carrying out internal security functions. Even though the completion of the Bill was delayed after strong opposition from civil society, the Bill was finally passed without major revision. The role of civil society in making an impact on the content of the Bill was minimal. In this regard, it is certainly an irony that the police, which is now a civilian force, is becoming less open than the military in dealing with input from civil society.

### **The Role of Civil Society: Prospects for Civil-Military Cooperation**

The three cases clearly demonstrate the lack of awareness on the part of civilian-dominated legislative bodies regarding the importance of civilian involvement in drafting legislation that will set the direction of change in security sector reform. However, prospects for carrying out successful reform in this area are not altogether bleak. The TNI leadership, for example, has repeatedly invited civilians to come up with the desired legal and policy frameworks through which civil-military relations in the country should be restructured, and security sector reform be carried out. Unfortunately, so far the

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<sup>34</sup> *Tempo*, 3 October 1999.

<sup>35</sup> Personal observation.

civilian government, political parties and the DPR have not been able to meet the challenge. Consequently, the direction of change and reform remains uncertain and still set by the relevant security actors themselves. In other words, Indonesia is still in the process of searching for the best practices of reforming its security sector. It is here that elements of civil society - especially the media, NGOs, and intellectuals - can contribute positively to ensuring that the search will continue.

Indeed, civil society in Indonesia has over the last ten years grown into a dynamic force. It played an instrumental role in paving the way for Indonesia to move towards democratic transition, especially through its role in challenging the New Order's legitimacy. Even though civil society in Indonesia is still far from being vibrant and solid, its role in influencing the process of democratic reform, and determining its outcomes, cannot be overlooked. However, like other civilian elements within the political elite's circles, the ability of Indonesia's civil society to exercise objective control of security actors, especially the military, are also constrained by their lack of expertise and knowledge on defence and military-related issues. Their focus has been largely confined to military politics rather than defence issues. For example, they are more concerned with the possible return of military political domination than with the problems of legal and policy instruments through which the return of the military's involvement in politics can be prevented.

Academics and NGOs, especially those interested in defence issues, can certainly play positive supporting roles in security sector reform. The case of the State Defence Act 2002, for example, is illustrative. When the draft bill was first introduced to the public by the Ministry of Defence in June 2000, it was heavily criticized by civil society 'for ignoring the guidance of the amendments to the Constitution and the MPR decisions, particularly those relating to civilian control, policy direction and parliamentary oversight'.<sup>36</sup> Consequently, the Minister of Defence, Mahfud MD, commissioned a new drafting committee tasked with revising the draft. The new drafting committee was composed of both academics and representatives of NGOs and military officers. Before the final draft - which reflected substantial inputs from civil society - was submitted to Parliament, it went through a series of public consultations. Indeed, the bill was passed into law by the Parliament with substantial inputs from civil society.

Such interactions between community groups and the military clearly served as a promising start in establishing democratic civil-military relations over the long term. The trend is indeed encouraging. The TNI headquarters are also now more open to working together with elements of civil society. As the headquarters are now preparing an Armed Forces Bill, it actively seeks inputs from civilian academics and NGO activists. Indeed, the active role played by civil society in this regard can complement the weaknesses encountered by the Parliament in exercising influence over defence and military-related matters. To facilitate such a process, however, there is an urgent need for community groups to deepen their expertise on defence-related issues. Moreover, as it is not immediately clear whether the same process can be sustained in the future, this process needs to be institutionalized.

## **The International Community**

The international community also has a role to play. It can play two important roles in helping security sector reform in Indonesia. First, the international community has clearly played a role in raising the awareness of both Indonesia's government and Indonesia's security institutions regarding the

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<sup>36</sup> *Indonesia: Next Step in Military Reform*, p. 8.

importance of security sector reform and the need for an objective civilian control of the military. Second, and more practically, it can also contribute to the reform process by providing much-needed financial and technical assistance to the government, security institutions, and civil society. Improving civilian expertise in defence issues, for example, constitutes one area where international assistance is certainly needed. Training and education programmes for the military, and also cooperation in areas of common interest such as combating piracy and terrorism, could be beneficial for the reform process.<sup>37</sup>

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<sup>37</sup> *Indonesia: Next Step in Military Reform*, p. 22.

## VI. Professionalizing the Military: Financial and Management Issues

This section analyses two key issues in professionalizing the military and the police in Indonesia, namely the issues of financial management and the problem of organizational management.

### Financial Management Issues

Financial management is one of the most fundamental issues in professionalizing the TNI. According to some sources, including military officers, it is estimated that the government provides only 25-30 per cent of funds required by the TNI.<sup>38</sup> The current defence budget is approximately US\$ 1 billion which is less than 1 per cent of Indonesia's GDP. This amount is far from adequate to develop the TNI's current force. This is especially true as 70-75 per cent of the budget is allocated for personnel expenditure. As a result, the TNI's skills' levels have become degraded. For example, as the Chief of the air force stated, only 105 of his 233 aircraft were operational. The TNI needs US\$ 6 billion to maintain the existing force and modernize its infrastructure and equipment. This amount accounts for 4.6 per cent of GDP and is about the same as Singapore's defence budget. In light of financial and economic crises, the defence budget appears to be a difficult problem facing the government. Cutting the forces to fit the budget would leave Indonesia with inadequate forces. Meanwhile increasing the budget, without budget transparency and accountability, would be a waste of money due to corruption and inefficiency.

As long as there remains a huge gap between the minimum requirements and available funds, the military will continue to seek funding from other sources. One of the sources is military business by creating a number of companies disguised in the form of *koperasi* (cooperatives) and *yayasan* (foundations) and by running commercial enterprises. Each service has its own cooperative: INKOPAD (*Induk Koperasi Angkatan Darat*, the army's cooperative); INKOPAL (*Induk Koperasi Angkatan Laut*, the navy's cooperative); and INKOPAU (*Induk Koperasi Angkatan Udara*, the air force's cooperative). Units within the TNI such as KOSTRAD (Army Strategic Reserve) and regional commanders are involved in business practices using military influence and facilities. Most of the TNI's businesses enjoy monopoly and oligopoly that bring about negative implications for the Indonesian economy and the development of a professional TNI. PT Bogasari is a good example in this case. PT Bogasari is a wheat flour producer that has established a political and economic connection with the military to serve their mutual interests in the Indonesian political economy. It is estimated that 20-25 per cent of the company's profit goes to two foundations, namely *Yayasan Harapan Kita* owned by the late Mrs Tien Suharto and *Yayasan Dharma Putra* owned by KOSTRAD.<sup>39</sup> In addition, there is a suspicion that TNI is also involved in the cement industry. Many

<sup>38</sup> The figure is based on personal observation and discussions with military officers in Jakarta.

<sup>39</sup> See Anas S. Machfudz and Jaleswari Pramodhawardani (eds), *Military Without Militarism: Suara Dari Daerah* (LIPI: Jakarta, 2001), p. 281.

suspect that unstable cement prices that have often hit the Indonesian economy are part of the game played by the military to serve its economic interests.<sup>40</sup>

The military business creates political economic connections between the military, businessmen, and politicians. This connection makes it difficult for the public, political parties, and the DPR to create transparent accountability mechanisms to control the flow of funds used and generated by the military business. The military's *yayasan* and *koperasi* have never been publicly audited by an independent body. Even worse, with no accountability and effective control, the practice of fund-raising outside the official budget, especially *yayasan* and *koperasi*, give no contributions to the welfare of soldiers. Instead, with these activities the military has resources for its political involvement and operations. An audit conducted by the late Lt. General Agus Wirahadikusumah, former KOSTRAD commander, revealed how funds could become available to military commanders and senior officers through various channels and practices. For example, the audit disclosed irregularities in the withdrawal of US\$ 20 million by the Commander of KOSTRAD from Mandala Airlines, a company owned by KOSTRAD. It should be underlined that there are other off-budget fund-raising organizations for the military apart from *yayasan*, *koperasi*, and commercial enterprises. Many suspect that some commanders and soldiers have been involved in money laundering and counterfeiting, and other illegal businesses such as smuggling and the promotion of gambling. Some of them have also been employed by private sectors.

In light of this situation, financial management has significant implications for the professionalization of the TNI in two ways. *Firstly*, it institutionalizes the allocation of funds through transparent budgetary mechanisms for a minimum military requirement to create professional armed forces. This means that all funds needed by the TNI should be provided by the state. Some defence analysts suggest that the state allocates 3.75 per cent of GNP to develop a professional TNI. This amount could be provided only if the government is able to prevent leakage from the state budget due to inefficiency and corruption.

*Secondly*, military financial management would prevent the TNI from being involved in politics and other illegal business to finance its political operations and at the same time to secure its financial resources. The involvement of the TNI in politics and business has proven to degrade its skill and capability to serve defence functions. More fundamentally, this involvement has shaped a mentality within the TNI that is preoccupied more with non-defence interests. Many within the TNI have justified this phenomenon on the basis of the legacy of Indonesian history, particularly during the independence war against Dutch colonial rule. This demonstrates that the political involvement that is institutionalized in the form of territorial command structures is one of the main causes of the TNI's financial and business problems. This issue will be discussed in detail in the next session. The point is that financial management to professionalize the TNI includes political measures, especially restructuring the TNI's territorial command, which has brought about negative impacts on politics and military business.

As long as fund-raising outside the state budget is concerned, the financial management of the military requires a broad-base approach. It includes transparency and accountability, overhauling military acquisitions, transparency in and privatization of military businesses, regulating contributions from other departments and private enterprises, allocating defence budgets in accordance with defence policy, and applying rule of law to all areas. For these purposes, in 2001 two international accounting

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<sup>40</sup> Machfudz and Pramodhawardani (eds), *Military Without Militarism*.

firms were commissioned to conduct an audit. They came up with recommendations for financial management reform of the TNI. These include: selling military business interests; professional management arrangements and accounting procedures; and ensuring the allocation of funds for the general welfare of soldiers rather than for other purposes. These measures would have detrimental effects on senior officers. However, this problem can be addressed by structuring salaries and other benefits and by broad reforms that would put the military under public scrutiny.

## Organizational Management

The problem of organizational management of the TNI focuses on professionalizing the military by restructuring the existing territorial command. The territorial command is based on the political conception of dual function of the military, total people's defence and security system (*Sishankamrata, Sistem Pertahanan dan Keamanan Rakyat Semesta*), and the military interpretation of Indonesian history. These factors had been used during the Suharto era to justify the military's political involvement. Thus from the very beginning the TNI's territorial structure and command was laden with political interests and purposes. This raises the question of whether the TNI can serve and fulfil its defence function with its territorial structure.

The TNI is organized into two main commands, namely centralized commands and territorial commands. The centralized commands are KOSTRAD, consisting of two divisions and an independent brigade with 32,000 personnel; and KOPASSUS, with about 6,000 members. As for the territorial commands, there are at present eleven regional commands (KODAM, *Komando Daerah Militer*) with a total of 140,000 personnel. A KODAM is headed by a Major General and is divided into sub-regional commands called KOREM (*Komando Resor Militer*), headed by a Colonel and based in the major town of the region. Each KOREM is then divided into district military commands (KODIM, *Komando Distrik Militer*). A KODIM is headed by a Lieutenant-Colonel and is based on *kabupaten* (districts of civil administration). Each KODIM is divided into smaller sub-district military commands (KORAMIL – *Komando Rayon Militer*) headed by captains or lieutenants and based on *kecamatan* (sub-district civil administrations). Finally, at the bottom of this TNI structure are soldiers placed in villages as Village Guidance NCOs (*Babinsa, Bintara Pembina Desa*).

This top-down centralized military structure is parallel with civilian bureaucracy, underlining the military's involvement and control over the Indonesian political system. Territorial command is rationalized by the concept of total people's defence and security system, which is based on guerrilla warfare during the independence war against Dutch colonial rule. The doctrine of guerrilla warfare constitutes the core of the TNI's military strategy. *Sishanta*, which is based on the continental strategy of land warfare, does not fit with the geostrategic position of Indonesia as an archipelagic state that requires the development of naval and air forces. Besides the geostrategic perspective, a territorial command or structure would be no match for modern warfare. Furthermore, the nature of international relations characterized by globalization, interdependence and advanced technology have made territorial war irrelevant to the pursuit of states' interests. This means that guerrilla warfare and territorial command would not serve the TNI's defence function. It is no more than a political tool for the TNI to exercise political control over society.

Another aspect of territorial command, the guerrilla warfare doctrine and total defence system is that they indicate that threat perceptions are very much shaped by internal factors: economic, social, political, and ideological problems. With a population of more than 200 million people, consisting of



hundreds of ethnicities and local languages, internal threats arising from interactions of social, economic, and political factors constitute great concerns for any government in Indonesia. The governments have been faced with various questions about striking a delicate balance between democratization, stability, and economic development. The problem is that this situation was used by the TNI to justify its political and economic role in such a complex Indonesian society. However, it does not necessarily mean that a new strategic concept focused on external threat would make the TNI more professional. Internally oriented strategic concepts based on a comprehensive conception of security could be developed into a *defensive defence* or *non-provocative defence*, as has been the case with Japan's defence policy. Professionalizing the TNI is not a matter of internal and external threat perception. The crux of the problem has been the TNI's corporate interests, which are pursued through its domination in the Indonesian political system. TNI reform should therefore be placed in a broader context of reforming the political system, not just the military.

With the fall of Suharto, territorial command came under strong pressures and criticism from both civilians and military officers. The future of the territorial command has been debated within the military. Some have argued for a rapid contraction and others for the retention of the structure. No decision has yet been taken regarding the future of the TNI's territorial structure. However, there seems to be consensus that the territorial command would be restricted to defence matters. The problem is that even if territorial command concerns itself only with defence matters, as stated by the army's former Chief of Staff General Tyasno, this would not be able to create a professional TNI, simply because its doctrine and strategy, which are based on land warfare, cannot defend the archipelagic state of Indonesia.

Many in the army, especially conservative generals, argue that the territorial command is still needed to maintain order and prevent social, ethnic and religious conflicts. In this line of argument, territorial command can only be reduced in line with an increase in the number and capacity of the police dealing with internal security issues. In addition, the elimination of the territorial structure would create the problem of transferring tens of thousands of soldiers currently serving territorial units. If some of them were transferred to the police force, this move would be unpopular and create psychological problems among soldiers.

With this in mind many argue that dismantling the TNI's territorial structure should be a gradual process. Lt. Gen. Agus Widjojo, for example, envisaged a phased contraction over seven to ten years that should be adjusted to specific conditions in each region. In light of social and political instability in Indonesia, Lt. Gen. Widjojo argued for maintaining the existing territorial structure in the short term but without excessive military intervention in politics. For this purpose, and for defence and military strategy, the bottom three rungs of territorial command would eventually be dismantled, that is the village non-commissioned officers and sub-district and district headquarters. It seemed that the rationale behind this idea was that these three bottom structures had directly controlled and been involved in political operations. In addition, they are from the military operation strategy, which cannot serve a defence function for the TNI. Unlike Lt. Gen. Widjojo, Major General Bibit Waluyo, Jakarta's military commander, believes that the TNI's current territorial structure should be maintained.

There are certainly strong reasons behind these conflicting arguments regarding the territorial structure. In some areas the TNI plays a role in preventing conflicts. However, when local government is well established, when democratic institutions have worked, and when the police has the capacity to

assume stability and the internal security role, there is no reason for the retention of the territorial structure.

Since the existence of the territorial structure and command has been laden with political interests from the very beginning, its elimination would take into account political and defence considerations. This cannot be done in isolation from the broader political system and economic growth. Dismantling the structure would also depend on progress in the national police reform and the state's capacity to provide funds for the TNI, especially adequate salaries to military personnel. As long as the territorial structure is still there, the TNI would have an instrument that was used during the Suharto era to further the military's political objectives and interests. Indeed, with the fundamental changes within society and the democratization process, the TNI is contemplating a long, phased adjustment of the territorial structure and internal reform. However, it should be underlined that the form, scope and timetable for reform of the territorial structure should not be left to the TNI. The reform of the TNI's territorial structure should be placed in the context of a comprehensive security and defence review initiated by the civilian government, not by the military themselves.

## VII. Conclusions

It is also true that the military is now more on the defensive and has conceded to relinquish its privileged status as a central political player within the state. The introduction of the New Paradigm for internal reform partly reflected the declining role of the military in Indonesian politics. The TNI's leadership has also declared that *dwi fungsi*, which justified the military's deep involvement in politics, no longer serves as an official doctrine for the military. From the above analysis, however, it is clear that the process of security sector reform in Indonesia is far from complete. For example, after more than four years since the fall of President Suharto in May 1998, Indonesia is still struggling to establish democratic civilian control over the military. That effort has to be taken during Indonesia's difficult transition towards democracy. Various problems, ranging from internal stability to in-fighting among civilian elites, have made that process difficult. Consequently, the military has not ceased as a significant political force in Indonesia.

The completion of reform is, among other things, still hampered by the difficulty in dealing with a number of residual problems. First, there is still a gap in the reform of institutional bases for the TNI's transformation into a professional force that functions only as a defence force. More new legislation needs to be drafted and passed, and some old legislation needs to be abolished. Second, there have been attempts to revise the doctrines and restructure the organization of the military. This process, however, has not yet resulted in anything concrete. Third, the Indonesian government needs also to review its defence strategy and policy. This process, which in fact has been under way since mid-2002, still lacks focus and is hampered by the limited capacity of the Ministry of Defence. Fourth, the government has not been able to address the problem of military impunity. Fifth, civilian capacity to perform an oversight role is also weak. Finally, the military's involvement in business has also served as a major problem in Indonesia's attempts to reassert civilian control over the military. The state's limited ability to provide an adequate military budget has forced the TNI to act independently of the government in securing its own extra-budgetary sources and fulfil its own needs.

Reform of the police is also struck by similar problems. Since its separation from the TNI, the police has been slow in improving its capacity. It has come under fire due to its clumsy work in dealing with internal security problems. Its image is also tainted due to human rights' violations in conflict areas. This problem, however, should be understood in terms of the sudden transfer of authority in dealing with internal security from the military to the police in early 2000. Like the military, the culture of impunity is also present, and the problem is exacerbated by the absence of effective oversight mechanisms and the lack of sanctions mechanisms.

The future of security sector reform, however, is not without positive prospects. Both the TNI and the police have been more open to suggestions for improvements and criticisms from civil society in particular and the public in general. The two institutions have even opened themselves and worked with elements of civil society, especially in the area of reforming legal instruments. In that context, support from the international community has also been welcome. Indeed, a triangular initiative of civil society, the international community, and the military and police themselves would provide greater incentives for the success of security sector reform in Indonesia.