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Indonesian Democratic Transition:

Implications for United States Policy

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Conclusions

- Broad consensus exists within Indonesian political circles on the need for major reforms aimed at building effective political institutions and establishing civilian control over the Indonesian national military, the Tentera Nasional Indonesia (TNI).

- Recognition is growing within TNI that political reform is essential and that it must b accompanied by military reform. Differences exist, however, on the content, scope, and pace of reform. Opposition by powerful, senior officers has caused President Wahid to proceed carefully while seeking support from a majority of the military leadership.

- TNI reservations stem from three factors: its historical self-image as being responsible for and to the nation rather than to the state; fear that the emerging drive to hold TNI accountable for past abuses will damage the institution as well as a number of retired and serving officers; and, concern about the military budget.

- TNI would accept civilian control more willingly if its leaders were to believe the civilia government is capable of maintaining national unity, which includes ensuring territorial integrity, making appropriate use of the military and police, and reinvigorating Indonesian economic life. Government actions in Aceh, Ambon, and the Moluccas and success or failure in jump-starting the economy will be key long-term tests of civilian effectiveness.

- Integrating TNI into the national polity will require as long as a generation to accomplish. Even then, the military is likely to retain significant political influence throughout the country.

- Military reform and political reform are inseparable from each other, and both depend o economic recovery.

Introduction

The onset of the Asian economic crisis in May 1997 assured the end of the tottering "New Order" regime of President Suharto. Economic collapse re-energized social and political grievances long muted by the cumulative effects of steady economic growth and political repression. In May 1998, the discredited Suharto regime collapsed. In June 1999, democratic elections led to the formation of a reform government led by President Abdurrahman Wahid.

The Wahid administration did not begin from a position of great strength. It has relied on a coalition of forces (the so-called Axis Force) whose continued support is uncertain. Wahid's party gained only slightly more than 10 percent of the parliamentary vote held in June 1999, so he needs to maintain alliances with other parties in order to get legislation passed.

Also, fearing national disintegration, Wahid selected a national unity cabinet that, while representing many regions, ethnicities, and religions, has been criticized for being inexperienced and lacking internal cohesion. In effect, Wahid is operating a parliamentary-style government within a presidential system. This complicates his challenge.

The Wahid government must restore the economy, maintain the unity of the Indonesian state, and reform Indonesian political, economic, and military institutions. Crucial to success in all three areas is the need to redefine the roles and missions of Tentera Nasional Indonesia (TNI), the Indonesian national military, in the national polity. Wahid's success or failure bears directly and indirectly on important interests of the United States.

The immediate test for the Wahid government is to hold TNI accountable for its long record of human rights abuses and economic corruption during the Suharto era. This requires institutional change as well as punishment of individual officers.

United States Interests

Indonesia is important to U.S. military strategy. The largest nation in Southeast Asia, covering some 2 million square kilometers and stretching nearly 5,000 kilometers from east to west, the Indonesian archipelago straddles the critical sea lines of communication that run from the Persian Gulf to Northeast Asia.

More important, Indonesia has provided the political and strategic center of gravity for Southeast Asia. In an area that defines interstate relations hierarchically, Indonesia's location, size, and resources have made it the acknowledged leader of the subregion.

For more than three decades, Jakarta has used its clout to help achieve and maintain regional stability and to support economic development. A linchpin of the Association of Southeast Asian Nations (ASEAN) and the ASEAN Regional Forum (ARF), Indonesia also made major contributions to the diplomacy of the Paris Accords on Cambodia and the territorial disputes of the South China Sea, resisting strong pressures in the late 1970s and early 1980s from Vietnam, Russia, and China. Indeed, Southeast Asian opposition to Chinese assertiveness in the South China Sea has served as a restraining influence on Beijing. Jakarta also has supported the U.S. regional military presence.

Indonesia's future is critical to the stability of Southeast Asia and a matter of vital national interest to two U.S. allies, Australia and the Philippines, and to friendly Thailand and Singapore. Positive U.S. relations with a stable Indonesia help Washington manage its position in the region.

Southeast Asia is already becoming less cohesive and more sensitive to external influences, in part due to uncertainties in Indonesia. Should Indonesia become unstable or fragment, the consequences would ripple across the region. The effects probably would include a destabilizing refugee exodus and could strengthen Islamist opposition in Malaysia and the Philippines and, in some cases, separatist movements. An increase in piracy also would be likely.

Economic interests are similarly important. U.S. exports to Indonesia during the 1990s grew by slightly more than 60 percent, rising from $25.869 billion to $41.694 billion. In 1997, two-way trade with Indonesia totaled more than $97.5 billion and direct investment reached more than $8 billion. Indonesian economic relations with Japan are even more important, directly to the latter and indirectly to all of Southeast Asia and to the United States.

The impact of the 1997 Asian economic crisis and the subsequent political crisis has been devastating for Indonesia, which is the world's fourth most populous country. The World Bank estimates that 14 percent of the population, more than 30 million people, now live below the poverty line. Unemployment is estimated by the International Labor Organization to run between 8 and 11 percent. This has generated strong political dissent, fanned the flames of discontent, and increased secessionist sentiment in various parts of the country. Continued economic decline will make matters much worse, no matter what political reforms are attempted.

The United States is thus fully justified in focusing particular attention and resources on helping Indonesia to overcome its challenges, install a functioning, prosperous, democratic system, and resume its critical role as the region's political, economic and security center of gravity. Priority attention is needed to help jump-start the flagging economy and carry out political and military reforms.

Reform: TNI Centrality

For the Wahid government, economic recovery, political reform, and military reform are inseparable. Movement in one area requires nearly simultaneous change in each of the other two. Ending the violence that plagues the country and establishing a permanent, law-based order is key to economic recovery and political reform. Also, effective military and police are required to manage protest and maintain order. Consequently, the task of military reform-establishing civilian control over the military and improving the performance of TNI in internal security-is particularly urgent.

Indonesian Military

The Tentera Nasional Indonesia (TNI) was born from the revolutionary army that fought the Dutch and gained independence for Indonesia. The roles and missions for TNI and its place in Indonesian society grew from this experience. Under Presidents Sukarno and Suharto, the roles and missions of TNI were primarily: (1) support, security, and empowerment of the President, and (2) assuring national unity. The second has proven to be much more important than the first. Most senior members of TNI continue to believe that Indonesia owes its independence, status as a national power, and very existence to TNI.

Holding TNI accountable for past excesses in dealing with separatists (East Timor and Aceh) and with protestors (students at Trisakti University in Jakarta) is an essential first step. Successful political reform requires the elected President and legislature to demonstrate to Indonesian political parties, to the public at large, and to the world that real change is occurring. This can only be demonstrated by removing the

officers responsible for the well documented abuses and bringing them to justice. Similarly, a clear demonstration that long-held grievances are being addressed could do much to reduce separatist pressures.

Imposing discipline on the military is not enough. Retraining of both TNI and the police is also necessary. The task of creating an effective national police force should begin immediately, but it will likely require a decade or more to complete. In the meantime, TNI remains the only institution with the potential to respond effectively to the separatist and political demonstrations that might challenge public order in the next few years.

In fact, although its record is blemished, TNI has always had a constabulary mission and has designated 10 military area commands to deal with civil disturbances in addition to their other missions. This type of command, Komando Daerah Militer (KODAM), parallels, with slight variations, civil government structures down to the village level. However, KODAM units have no special training for their tasks and all too often have resorted to firing upon crowds. It is essential to train these units in a full range of constabulary functions and skills so that lethal force will cease to be viewed by soldiers and civilians alike as the only means of crowd control.

Although little has been done with respect to training, President Wahid may be achieving progress on the issue of accountability. Regarding East Timor, he has promised that officers, including former military chief, General Wiranto, who are found guilty will be punished. In February 2000 Wiranto was retired and forced to resign his position as Cabinet Minister with Special Responsibility for Coordination of Security Affairs. The issue of bringing him to trial for his role in the East Timor repression has yet to be resolved.

Wahid had already taken steps to diminish the relative political power of the army. He appointed an admiral as TNI commander-in-chief, and put air force officers into high-profile posts at the main military intelligence unit and as military spokesman. He also ordered the removal of the TNI spokesman who had suggested publicly that the military was not beholden to the government of the day.

Many have speculated that civilian-military relations are deteriorating to the point where some officers might initiate a coup. Most analysts consider a coup highly unlikely for the foreseeable future. However, as dangerous and politically and economically damaging as a coup would be, the greater danger, at least for the time being, appears to be the threat that the Indonesian security apparatus will be incapable of bringing order to unruly regions.

President Wahid faces a difficult dilemma. On the one hand, he recognizes that democracy in Indonesia will remain fragile until the military is squarely under civilian control. To accomplish this, Wahid must hold TNI accountable for its abuses in places such as Aceh if he is to have any chance of fending off secessionist movements. On the other hand, Wahid needs TNI support. He must govern an agitated country struggling to deal with long bottled-up grievances and doing so in a climate of economic deprivation and weak political institutions. In many cases, these conditions have produced violent clashes, some of which threaten to spiral out of control. Violence between Christians and Muslims in the Moluccas has spread to Lombok and Sulawesi. For better or worse, TNI and police assets are the only means Wahid has to quell the unrest and restore stability.

Wahid needs to find a solution that will enhance TNI accountability and punish guilty individuals while preserving some semblance of dignity for the military as an institution. A failure in the first task will undermine the democratic transition and strengthen separatist demands. A failure in the second will

likely cost the military support that Wahid needs in countering regional unrest and restraining sectarian violence.

Recommendations

- Recognize the fact that TNI can make or break the civilian and military reform process Understand what military reform does and does not mean in the Indonesian context. Be willing to accept Indonesian reforms that may not fully embrace U.S. ideals.

- Establish a priority of concerns and avoid excessive concentration on single issues such a: atrocities in Aceh and human rights reform.

- Proceed simultaneously on two tracks. Provide economic and technical support for the civiliar authorities; and, help TNI and the police to identify and encourage officers who support and are willing to work to achieve higher levels of professionalism.

- Enhance the professional competence and the esteem of TNI by focusing on modest projects. For example, the U.S. Coast Guard and U.S. Navy might help the Indonesian navy develop antipiracy patrol and surveillance capabilities. The U.S. Judge Advocate and Adjutant General Corps might work with TNI on military law, management, and administration issues.

- Take advantage of U.S. strengths by increasing the number of TNI officers enrolled i professional military education institutions in the United States, especially junior and mid-grade officers. Although there is no guarantee that the lessons of the American experience take, history shows that exposure is important. The National Defense University in Washington and the National Resilience Institute in Jakarta could enter into a dialogue and exchange on relevant aspects of professional military education. The Asia-Pacific Center for Security Studies in Honolulu in conjunction with U.S. Pacific Command could offer a special version of its senior executive course for TNI officers.

- Work with regional friends and allies. Japan's direct economic and strategic interests in Indonesia exceed those of the United States. Washington and Tokyo should take the lead in providing and coordinating regional economic assistance. The armies of the Republic of Korea and Kingdom of Thailand have made an effective transition to civilian control. They should be encouraged to help TNI come to terms with its past and develop the capabilities necessary to discharge its constabulary functions.

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