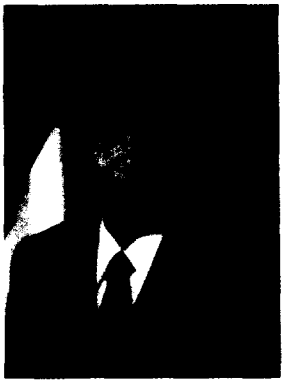
Defending The Country Entering the 21st Century

INDONESIA

INDONESIA

FOREWORD
MINISTER OF DEFENCE, REPUBLIC OF INDONESIA



Assalamu'alaikum Warahmatullahi Wabarakatuh.

Let us praise God Almighty, for the nation of Indonesia never ceases to receive His blessings, guidance, strength and protection in striving to achieve the nation's goals.

Amidst globalization and an ever changing strategic environment, strive of the Indonesian nation in facing security issues poses implications to the life of the nation. In order to anticipate such security issues, the state has administer the defence function, in principle aimed at upholding sovereignty, maintaining territorial integrity of the Republic of Indonesia, and protecting the nation's safety from all threats, both from external and internal sources.

In order to provide direction and a guideline for administering the defence function, a set of formulated policies are required. Inspired by such a concept, the government of the Republic of Indonesia publishes the "White Paper of Defence" which fundamentally incorporates stated defence policies in carrying out defence functions, in the future.

The White paper of Defence of the Republic of Indonesia is title: "INDONESIA : Defending The Country Entering the 21st Century". The title implies that members of the Indonesian nation are willing to sacrifice their lives and material possessions to defend their country. The meaning gains significance as we enter the 21st century, as the threats and challenges faced by Indonesia have not declined.

Defence policies are formulated based on national interests and goals, in consideration of the development of national strategic contexts and objec-

tive conditions. For that reason defence policies are constantly under review and evaluation, and necessary revisions are made to adapt to the latest development. However, such revisions should always be based on the understanding and principles of defence adopted by the Indonesian nation based on Pancasila and The 1945 Constitution.

With the publication of the White Paper, it is expected that the Republic of Indonesian (RI) government apparatus and the people of Indonesia will be able to better understand defence policies.

The Paper is also essential for Indonesia in maintaining international cooperation. Transparency, in particular pertaining defence policies, is one of the efforts made to establish mutual trust with other nations.

In conclusion, as the minister and on the behalf of all members of the RI Ministry of Defence I would like to express my gratefulness to God Almighty, for His guidance and His light have led us to the successful publication of the White Paper as previously planned.

I would also like to express my appreciation and gratitude to all parties who participated in preparing this Defence White Paper. I am certain that such participations are valuable contributions to our beloved country and Nation of Indonesia.

May God Almighty endows His blessings to the people of Indonesia.

Wassalamu'alaikum Warahmatullahi Wabarakatuh.

Jakarta, 31st March 2003

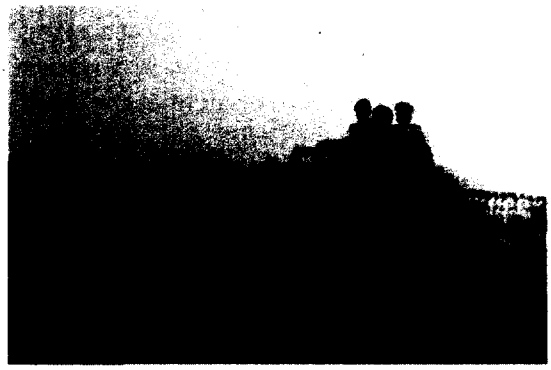
MINISTER OF DEFENCE, RI

H. MATORI ABDUL DJALIL

EXECUTIVE SUMMARY

The Issuance of Defence White Paper

Changing global politics in the era of globalisation has triggered a global competition between nations. This condition has resulted in a competition for influence, at global, regional, and national levels. This development has highlighted changes in the world's security situation which is caused by the presence of new security issues. In the past, the issue of traditional security threats was pre-eminent, i.e. related to geopolitics and geostrategy, in particular pertaining to East and West spheres of influence. The world's main concern then was the development of military strength, strategic weapons and hegemony. Security issues in the present decade are complicated by the escalation in terrorist activities, piracy, smuggling, illegal immigration, illegal fishing, and other trans-national crimes. Such crime has become increasingly complicated as it is controlled by actors with strong trans-national networks, well equipped with the latest technology, and with strong financial support.



In response to global changes, the Reforms Movement aimed at creating a more democratic society, free from corruption, collusion and nepotism practices. To a certain extent national reform has shown positive signs of change, in the lives of Indonesian society, through state administrative system reform, in the fields of politics, law, economics, social, defence, security and public order.

In the field of Defence, fundamental transformations include structural, legal, and cultural aspects. The transformation has been incorporated in Act Number 3 year 2002 on Defence. The Act on Defence has mandated the formulation of defence policies in the form of a White Paper. Following in depth analysis and consideration, the published Defence White Paper is title: **Indonesia: "Defending the Country Entering the 21st Century"**. The title symbolises Indonesian people's determination and spirit to sacrifice their lives and material possesions to defend the sovereignty and territorial integrity of Republic of Indonesia.

National and Defence Reform

National reform is fundamentally a process of transformation driven by the spirit and noble determination of the Indonesian nation to reform and achieve a better future. This noble intention would be achieved through a democratic, clean, and just government capable of upholding the supremacy of law. Through the reformed government, the practices of corruption, collusion and nepotism, which had impeded national development, would be combatted. It is acknowledged that in order to achieve a democratic society, the path is winding and the challenges are great. However, it is believed that the present reform will be an appropriate debate and instrument to bring Indonesia to the desired civil state. In accomplishing the noble intention, hard work and shared efforts are required to create synergy to allow the agreed reform agenda to be pursued and in the right direction. In accordance to the commitment, reform should be safeguarded against anarchy and the contamination of a particular interest group, and for the agenda to be pursued in line with the The 1945 Constitution and principles of Pancasila.

In line with the national reform commitment, reform in defence is conducted conceptually based on Pancasila and The 1945 Constitution. I.e. defence reform is one of the manifestations of the reform commitment to be done gradually and constantly and to include structural, cultural and value reform as an integrated and comprehensive unit of transformation.

Structural reform includes defence organisations related to substantial aspects. Ranging from organisational structure, authority lines, functions and duties of Ministry of Defence and the Indonesia National Armed Forces (TNI : Tentara Nasional Indonesia). Organisational reform is aimed at achieving better effectiveness, in accordance with the development of the strategic environment and the demands of a democratic society. Changes in terms of cultural and values, are directed at the attitude and behaviour of the defence administration, in pursuance of its role and duties as a professional defence authority.

TNI's commitment to carry out reform is part of TNI's political determination and intention to achieve professionalism in performing a role as the state apparatus in the field of defence. As a professional armed force, TNI has demonstrated its commitment to stay away from practices of politics, and to stay within the democratic framework. As a professional Armed Force, TNI expects to be non-policital, to operate under the authority of the government elected by the people through constitutional and democratic means, to be well trained and well educated, adequately equipped, and to have proper welfare arrangements.

As the people's military, TNI has to be close to society. TNI should live together and try to get to know the people. Therefore, efforts to separate TNI from the people is a denial of TNI's nature as armed forces formed from the people, who struggles together with the people, for the people's interests. This is one of the pinciples of the territorial functions carried out by TNI to maintain its proximity to the people and territories.

Strategic Contexts

The dynamics of strategic contexts have been nuanced by various political and economic issues, influencing global, regional and domestic security. Political, economic, and security issues are inter-related aspects which are inseparable.

On a global scale, the end of cold war has not guaranteed the accomplishment of global security and stability. The world is still confronted with traditional security issues such as territorial disputes and the proliferation of nuclear and weapons of mass destruction. The complexity of global security issues has escalated with the practice of hegemony, developed through the strengthening of alliances, military capacity, technological and economic advantage.

It is recognised that international relations based on mutual trust and respect could minimise potential conflicts. However the discrepancies found between developed and developing countries in terms of economics, technology and military strength, could act as an impediment in maintaining international relations. As a result, the rivalries between hegemonies are a potential source of conflict in the world today.

Anxiety and uncertainty faced by nations in the world increases in complexity due to the emergence of new security issues i.e. non traditional security issues such as terrorism, ethnic conflict, sea piracy, plane hijacking, smuggling, drugs trafficking, illegal immigrants, and other transnational crimes. After the World Trade Centre (WTC) tragedy on the 11th September 2001, international terrorism became a tangible threat to the world. Many countries have expended much effort in combating terrorism; however it seems that the efforts have not been entirely successful in eliminating terrorist groups or in stopping their actions. Even a year after the WTC tragedy, terrorist action re-occurred in the Bali bombing tragedy 12th October 2002. Giving witness to the estimation that for some time to come the threat of international terrorism will shadow the world. Therefore terrorism has to be eliminated by the coordinated action of all nations in the world, denying terrorism groups safe heaven.

The intensity of illegal activities in the form of trans-national crime has also escalates sharply in the re-

cent decade. Piracy and robbery, migrant trafficking, smuggling of illegal weapons, drugs trafficking, illegal migration poses a serious challenge to regional stability and international relations. Intensified transnational illegal activities have been triggered by the presence of international networks. In some regions, trans-national crime networks have become tangible, organised threats. The crime is initiated by actors backed with technological and financial support, and wide networks in certain countries.

In this region, global trends and developments are ones of the influencing factors determining regional security dynamics. The emerging trend in the region is the shift of regional security issues, illustrated namely by the presence of conflicts pertaining territorial claims, maritime communication channels, and maritime trade routes. Non traditional security issues occuring in the global scale have also become major issues at the regional level. The interaction and dynamics of major countries such as the United States, China, Japan, Russia and European Union, will become an influential factor in the security map of Asia Pacific.

On the domestic scale, Indonesia as a nation located in the middle of the globe, could not escape from global and regional developments. Political, economic, social and security dynamics in the region, are among influential factors for social political and security developments in Indonesia. Domestic security issues which have surfaced in the recent decade, cannot be separated from the contribition of external factors, directly or indirectly. Apart from external factors, there are internal factors which are potentially threats to national security. Such factors namely, ethnic heterogeneity in Indonesia, the economic crisis situation and political and social factors. The accumulation of external and internal factors manifests itself in varying forms of threats and distubances to national security, which on a larger scale could pose threats to the regional stability.

Threat Prediction and the Strategic Defence Interest

Indonesia's geopolitical situation as an archipelago situated between the Asian and Australian continents and between the Pacific and Indian Oceans, means that the nation is heavily influenced by developments in strategic context. This may imply contradicting interests between Indonesia and other nations. As a result of the dynamic of the strategic context, at the global, regional and domestic scale, Indonesia in the future may face traditional and non traditional threats. Traditional security threats may manifest themselves in the form of invasion or aggression from other countries, although this is highly unlikely. The role of UN and the international world's reaction

is assessed as being capable of preventing, or minimising the use of the armed forces of a nation to invade other countries.

External threats, which are more probable, may come from trans-national organised crimes committed by non state actors taking advantage of conducive domestic conditions. Estimated future threats and disturbances faced by Indonesia range from terrorism, separatism, cross border crimes (smuggling, illegal fishing, pollution and destruction of the ecosystem, illegal migration, and piracy), radicalism, communal conflicts, and the impact of natural disasters.

As stated in the Preamble of 1945 Constitution, Indonesia's national interest is to safeguard and protect the sovereignty of the state, the territorial integrity of the Republic of Indonesia, the nation's safety and pride, and to actively involve in efforts to create world peace. Based on the mandate given by 1945 Constitution, thus Indonesia's strategic defence establishment should be able to ensure the accomplishments of national interests. In essence, future strategic defence interests include permanent strategic interests, urgent strategic interests, and international cooperation in defence.

There are permanent defence interests of Indonesia which are defence administration efforts to safeguard and protect the sovereignty and territorial integrity of the Republic of Indonesia and the safety and dignity of the nation from all forms of threats, both coming from external or domestic sources. Even though threat estimates have demonstrated that external physical threats to sovereignty are unlikely, as an independent, sovereign and dignified nation, the strategic capability to defend ourselves must be maintained whether the threats are present or not.

Urgent strategic defence interests may not be separated from permanent strategic interests. Actual security issues, such as previously described, have demonstrated significant escalation in the recent decade. Therefore, urgent strategic interests are directed to address the actual security issues required to defend the nation's territorial integrity, safety and dignity. Hence the priority of defence administration should be placed at addressing non traditional security issues across borders, including domestic security threats.

As part of the international community, Indonesia cannot not escape external interference. Therefore future defence policies, will also be directed at establishing good relations with other nations, on a regional scale or broader scale.

Defence cooperation with other states is based on the principles of

Indonesia's foreign relations policy, and directed towards the development and empowerment of defence sector, and to create regional and global security and stability. The involvement of the defence sector in physical terms will be carried out based on the political decision of the government.

Strategic Policies for Defence Implementation

Pursuant to the nature of threats faced by Indonesia, apart from national and defence interests, Indonesia's defence policies entering the 21st century include policies on the use of defence force, development of defence force and international defence cooperation.

The use of defence force is directed to face threats or disturbances againts national security, and to assist the government in efforts to perform national development and international duties.

In anticipation of external threats in the form of foreign military forces, TNI carries out Military Operation (MO). Even though it is estimated that traditional threats of aggression or invasion from other countries is very unlikely, defence preparedness should be maintained. In this context, defence effort is directed to preventive measures, to prevent and overcome greater security impacts through the presence and preparedness of TNI's forces.

The majority of threats faced by Indonesia are estimated to root from non traditional threats, both domestic and trans-national. Therefore, strategic defence policies should be directed at facing and overcoming urgent non traditional threats, which should be prioritised. When implemented TNI takes charge through Military Operations Other Than War (MOOTW). TNI carries out MOOTW together with other national components in implementing coordinated measures comensurate with the level of escalating threats faced. Against security threats and disturbances, TNI will constantly put forward preventive measures in order to avoid escalating numbers of victims and more severe impacts.

The use of TNI's forces in performing MOOTW is to address urgent defence interests. Such urgent interests are namely combatting terrorism, facing separatist groups in Aceh and Papua, facing radical groups, resolving communal conflicts, fighting piracy, illegal migration, overcoming illegal fishing and sea pollution, illegal logging, assisting civil government in addressing impacts of natural disasters, handling refugees, providing Search and Rescue assistance, safeguarding vital objects, carrying out duties to maintain world peace.

The use of defence force, apart from handling domestic security is-

sues, is also aimed at performing international duties. Defence cooperation is one of many important strategic defence policies. Appropriate international cooperation would contribute to the success and development of defence force. Defence cooperation is carried out as integral part of Indonesia's foreign policies. International cooperation in the defence sector is a bridge to cultivate trust among nations and to achieve regional stability and security. Regional issues would be resolved by emphasizing the spirit of togetherness and balance of interests, built based on equality of rights, mutual respect, and non interference.

The development of Indonesia's defence force is an inevitable necessity. Urgent security issues cannot be resolved unless defence force's capacity and strength are adequate. TNI's current personnel and material conditions mean the development of TNI is an urgent matter. Conditions are appalling in terms of quality and quantity, while future duties become more difficult and complex. Similarly in other defence components, such as reserve and supporting components, preparation and management are far from fulfilling expectations.

The formulation of defence policies is made after consideration of geographic and demographic factors; the availability of natural and artificial resources, social factors and state's financial condition. Apart from that, other major considerations in formulating policies on defence force development include the level of technological ability, especially in terms of main weaponry equipment systems, real and potential threats faced by the country, and the development of strategic contexts looking at ideological, political, economical, social and cultural aspects.

The direction and target of Indonesia's defence development is not to increase strength, but to fill gaps present. In facing state budgetary constraint, and estimated unlikelihood of foreign invasion, the development of defence force is focused on establishing the minimum required essential force. Minimum Re-

quired Essential Force in this context is the TNI's strength and capacity required to address urgent security threats. In accordance with the efforts to develop TNI as a main component of defence, the development of reserve and supporting force should also be done gradually.

Budgetary Support

One of the supporting factors to achieve considerable defence force is the budgetary support to fulfill urgent requirements. At the present, the state has only managed to allocate defence budget at an annual average of under 1 % of the Gross Domestic Product (GDP). As a comparison, South East Asian nations generally allocate more than 2 % of GDP. For nations with higher threat estimates, defence budget allocation may range from 4 % - 5 % of GDP. With less than 1 % of GDP it is not only difficult to develop an adequate defence force, it is also difficult to maintain the established minimum strength required.

Development will not try to enlarge TNI's strength from the existing structure, unless urgent and essential matters surface. Replacement of personnel and materials are required to replace depreciated materials, also to fill the gap between real conditions and Table of Organisation and Equipments/Lists of Personnel and Equipments. Apart from that it is also directed to prepare reserves and complementary components gradually to ensure the availability of the main component's (TNI) support.

It needs to be understood that defence requires rational budgetary support. TNI's professionalism is demanded as times change. The demand to be professional is not merely targeted at the interests of the TNI's interest, but also for the entire nation's interest. It has to be acknowledged that TNI's professionalism will be achieved if TNI soldiers are well trained, well equipped, and have decent living conditions.

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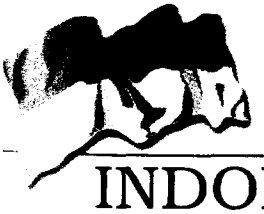
The Issuance of White Paper



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Chapter One
The Issuance of White Paper

Progress in information, telecommunication, and transportation technology has generated changes in various aspects of human life making the world becoming more transparent and open. This openness has made it possible for universal values to penetrate and interact with the values of nations and cause the formation of a global community. One of the characteristics of a global community is inter-dependency among countries, which often draws countries of the world into close competition. Along with this, the world's political map tends to develop towards the domination of international influence on regional as well as global perspectives.

The implications of global and regional development changed the world's security situation which caused new security issues. Security issues in the past, which tended to emphasis geopolitical and geostrategic aspects such as the expansion of military force, strategic weapons and hegemony, have shifted and become more complex. Security issues such as terrorism, piracy, hijack, human and weapon smuggling, and other forms of crime have increased severely and have become worldwide security issues. The form of crimes has also become more complex because it is led by actors with good international networks, with technological ability and financial support. In addition, domestic security issues such as armed separatism, radicalism and communal conflict challenge several countries, especially developing countries. These world security issues need comprehensive handling. Thus, the conventional methods of dealing with security issues are less effective.

Along with the global development, there is a process occurring all over Indonesian, from Sabang to Merauke through the format of the Reform Movement. The Reform Movement demands comprehensive change to enable the establishment of a democratic community.

Cross relations which occur in the process of global, regional, and domestic changes have caused a spectrum of complex, multidimensional threat and challenge to Indonesia's national security. For national development to occur national security and stability has to be created, therefore this situation cannot be ignored and has to be addressed and overcome.

TNI and Police, which in the past were accommodated in one institution as the Armed Forces of the Republic of Indonesia (ABRI : Angkatan Bersenjata Republik Indonesia), have undergone a reformation with the separation of the two institutions, followed by role reorganization of both institutions. The Act No.3/2002 on Defence has mandated the government to publish Defence White paper as a Defence Policy which needs to be recognized by the public, including the international community.

Defence Policy is based on the objective conditions faced by Indonesia which is related to the regional and global strategic context. Indonesia's present national security issues are very complex and have a serious effect on the unity of Indonesia and the safety of the Nation. The concrete threats which challenge Indonesia are increasing and come from outside (International) and from within the country (Domestic). These security issues need serious and urgent action thus became the priority in the Defence Policy.

On the other hand, regional and global security issues also require the active involvement of all countries to create world peace and order. In order to stop the threat of terrorism and other international crime, we need unity in international cooperation. Therefore, besides developing Defence Policy directed to handle actual domestic security issues, we also need security cooperations with other countries. International cooperation should be created on the prin-

ciples of mutual trust and respect for each others sovereignty, and without intervening on other country's internal affair. For Indonesia, security cooperation with other countries is based on Indonesia's foreign policy 'active and free' and Indonesia as an independent country. That cooperation is directed towards bilateral interest and at the same time creating regional security and world peace.

Hence, this Defence White paper has two important meanings. First, to give a complete understanding of Indonesia's Defence and of its implementation. Second, to communicate Indonesia's Defence Policy to the international community. Through the comprehension, trust and respect of all components of Indonesia and among countries in the region and internationally, security can be created.

The government accepts this heavy load, even under present conditions, where it is facing multidimensional problems and challenges. Under the current circumstances, it is undeniable that future Defence will face difficult challenges. The realization of Defence target needs the support of all parties and all components of the nation, as the manifestation of rights and responsibility of all citizens in defending their country. Therefore, the active participation of all components of the nation in Defence is Indonesia's essential strength in ensuring the existence of the Republic of Indonesia.

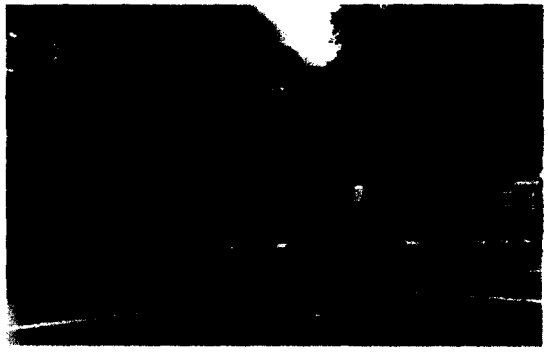
National and Defence Reform

INDONESIA

Chapter Two
National and Defence Reform

National Reform

The noble spirit and objective to reconstruct lives and to strive for a brighter future has driven all of Indonesian people to carry out the Reform process. The essence of national reforms is to achieve a transformation in all aspects of the lives of the people towards a better life. The transformation has a national dimension and is carried out in all the regions of the Unitary State of the Republic of Indonesia (NKRI : Negara Kesatuan Republik Indonesia), and by all components of the Nation. The course and aim of this reform is at one with the objective of the August 17th, 1945 Proclamation of Independence, and is in harmony with the nation's cultural and universal values.



The noble objective of reform can only be achieved through the establishment of a democratic, clean, and authoritative government. The desired government is one that could manage a democratic life and establish the supremacy of law, bring an end to corruption, collusion and nepotism and all other deviations, which hinder development and damage the national interest. The effort to strive for this noble objective is neither simple nor easy. There are challenges and obstacles, which face Indonesia, including the economic and monetary crisis, and various conflicts which have yet to be totally resolved. The desired objectives have had consequences in other aspects of life. The problems to be faced have become more complex, because the developing political climate, and together with a lack of political maturity has tended to bring about a mood of democratic euphoria.

The depiction of conditions above, illustrates how the path towards a democratic nation is still very long with difficult challenges along the way. However, we believe that the reforms that have been carried out now are necessary as the exact means and instrument, to lead Indonesian people to the desired civil society.

Even though facing difficult challenges, faith in the integrity of the national reforms has generated the spirit to continue the reform process. The effort to bring to fruition the objectives of the reforms needs the strong determination and support of all the Indonesian people. This determination and support demand hard work and collective effort in synergy, so that the reform agenda, which has been agreed upon, can continue and be kept on the right track. Along with that commitment, any action which could hinder or stop the reform must be avoided; and the reform movement must be kept away from anarchy and efforts to serve group interests. The national reforms must be maintained and carried out within the frame of The 1945 Constitution and Pancasila philosophical values.

Defence Reform

Along with the commitment to national reform, reform in the field of defence is carried out conceptually, and based on The 1945 Constitution and Pancasila philosophy. Defence Reform is the nation's commitment carried out step by step and continuously; covering the arrangement of structure, culture, and value as a whole and integrated transformation.

The agenda of structural rearrangement has so far covered the arrangement of defence organization that touches on a substantial number of aspects. This arrangement covers organizational structure, authoritative structure, the functions and duties of the Ministry of Defence and the functions and duties of the TNI. The organization of this rearrangement is done so that the conduct of Defence can be more in accord with the development of the strategic environment and within the framework of a democratic society. In aspects of culture and value, transformation is directed towards the attitude and behavior of Defence organizers to enable them to position themselves according to their role and tasks. The transformation is applied to all personnel in the Ministry of Defence and TNI, from the highest rank to the lowest.

The reform in the field of defence began with People Consultative Assembly (MPR : Majelis Permusyawaratan Rakyat) Decree No.VI/2000, on the separation organization of TNI and Police (Polri : Kepolisian Republik Indonesia), and MPR Decree No.VII/2000, which defined the roles of TNI and of Polri. One part of the implementation is The

Act No.3/2002 on Defence, replacing The Act No. 20 / 1982. The Act No.20/ 1982 on the Basic Principles of Defence and Security is no longer in accordance with the reform. The Act No. 3/2002, besides controlling the rearrangement of the defence authority, also conducts a basic transformation of future state organization to support the national interest, in accordance with the objectives of the reform and for the achievement of the national goal.

Substantially The Act No.3/2002 regulates the authority and responsibility of the Defence Minister, defines the roles and duties of TNI, the authority and responsibility of the TNI Commander, democratic values, human rights, environmental protection, the role of the House of Representative (DPR : Dewan Perwakilan Rakyat) in defence, the rights and responsibilities of the citizen in defending the country. Briefly, it regulates as follows:

Authority and Responsibility of the Defence Minister

- The Defence Minister determines the policy for execution of defence policy, based on the general policy set up by the President.
- The Defence Minister sets up the Defence White Book and determines the policy on bilateral, regional, and international cooperation within his field.
- The Defence Minister formulates the general policy on the use of TNI and other Defence Force components.
- The Defence Minister determines the policy on budget, procurement, recruitment, national resource management, and training in defence technology and industry needed by TNI and other Defence components.

Role and Duty of TNI

- TNI has a role as an instrument of Indoensia's Defence.
- TNI has the duty to carry out Defence policy to:
  - Maintain the sovereignty of the State and the unity of the regions.
  - Protect the honor and security of the Nation.
  - Carry out Military Operations Other Than War.
  - Actively participate in the task of regional and international peace keeping.

Authority and Responsibility of the TNI Commander

- TNI Commander leads TNI.
- The TNI commander organizes the planning of military strategy and operations, the training of military as a professional force and maintains operational vigilance.
- The TNI Commander has the authority to use all Defence components in the carrying out of military operations by law.
- The TNI Commander answers to the President in managing Defence components and cooperates with the Defence Minister in fulfilling the needs of TNI.

Democratic Values, Human Rights, and the Environment

- Defence is based on the principles of democracy, human rights, public welfare, environment, national law, international law and international customs, and the principle of living side by side in peace.
- The use of all natural and man-made resources must give attention to the simultaneous principles of diversity and environmental productivity.

DPR's Involvement

- The President has the authority and responsibility for the conscription of TNI's forces. In the matter of conscripting TNI forces to tackle the armed threat, the President's authority must have the DPR's approval.
- The President appoints and dismisses the Commander TNI with the DPR's approval.
- The DPR supervises the implementation of Defence general policy.

People's Involvement

- The essence of Defence is an all encompassing universal defensive effort (total defence); its implementation is based on the recognition of the rights and responsibilities of the citizens and faith in self strength.
- The Defence System, in facing a military threat, places TNI as the main component, supported by reserve and support components.
- The reserve component consists of citizens, natural resources, artificial resources, and national means and infrastructure which have been acquired through a mobilization, in order to expand and strengthen the main component.
- The support component consists of citizens, natural resources, artificial resources, and national means and infrastructure, which can directly and indirectly increase the strength and capability of the main and reserve components.

TNI's Internal Reform

Along with the commitment to Defence Reform, TNI also carries out internal reform. Essentially, TNI reform is TNI's determination and commitment to carry out the reformation of TNI through constructive measures, along with the development of a democratic Government and Nation. The improvement is carried out conceptually to rearrange its functions and duties as mandated in The Act No. 3/2002. The internal reform requires TNI's to create a professional TNI institution, gradually and continuously. In accordance with this, TNI has made various efforts to return to its initial identity as an army which comes from the people, fights for the people, and protects the security of the people. The people's spirit is TNI's spirit; therefore TNI must always maintain its unity with the people, who are the main strength of Indonesia's Defence.

The spirit and the zest for improvement always reside within TNI, responding to the challenges and dynamics of the environment. This commitment has been achieved, among others, through activities of gathering various strategic thinking materials through seminars, discussions, and examinations; conducted within TNI or together with other parties. From these activities TNI has compiled a strategic thinking concept, a concept of internal reform known as 'New Paradigm of TNI's Role'. The New Paradigm of TNI's Role consists of a document on Redefinition, Repositioning, and Re-establishment of TNI's Role in the Life of the Nation in the Future. This document was signed by the Minister of Defence and Security/ Commander of Indonesian Armed Forces (ABRI) on October the 5th, 1998. The will and commitment to reform, was later formally accommodated by the people's representatives through MPR Decree No. VI/MPR/2000, regarding the Separation of TNI and Polri, and MPR Decree No. VII/MPR/2000, regarding the Role of TNI and the Role of Polri.

The Implementation of TNI's reform covers:

- TNI submits to the political authority of the government chosen by the people according to democratic values based on Pancasila and The 1945 Constitution. In carrying out its duties TNI always conducts state duties for the sake of national interest.
- TNI's duty to carry out Defence policies as regulated in Article 10 The Act No.3/2002 on Defence is determined by the Government's political decisions. Therefore TNI's political responsibility is in the hands of the National Leadership.
- TNI has the duty to carry out Defence policy by making plans for military strategy and operations, by the training of the military profession and military forces and by maintaining vigilance. (Article 10, 14, and 18 of The Act No.3/2002 on Defence).
- TNI, as a part of the National system, does not take an exclusive position but always maintains collaboration with other components of the Nation.
- TNI carries out its duties in accordance with the level of involvement determined by the government.
- Several structural changes are: Separation of Polri and TNI once joined together as ABRI. This change was followed by the elimination of the positions of Chief of Social Politics Staff TNI and Chief of Teritorial Staff TNI, the elimination of ABRI's Dual function, the liquidation of TNI's productive function and social & political functions, the elimination of the TNI/Polri Fraction in the legislative body by the year 2009; and changes in TNI's doctrine and organization. TNI and Polri's separation also had implications for the Defence and Security Ministry which has become The Defence Ministry.

TNI's commitment to carry out reform is TNI's political will and the determination directed at creating a professional army, playing its role as a state instrument in the field of Defence. As a professional army, TNI already has the commitment to move away from involvement in practical politics, and to be under the command of a government that is democratically and constitutionally chosen by the people.

TNI's wishes as a professional army, requires a TNI which does not practice politics, is under the command of a government chosen by the people in a democratic and constitutional way, is well educated and well trained, is sufficiently equipped, and a TNI whose budget and welfare is properly provided for.

As the people's army, TNI has to always be close to the people. TNI has to know and live with the people. Hence, efforts to separate TNI from the people are denials of TNI's nature as an army that comes from the people, fights with the people, and for the people's interest. This is the essence of the territorial function discharged by TNI to maintain its closeness with the people and its territory.

Strategic Context

INDONESIA

Chapter Three
Strategic Context

At the strategic level, issues of politics, economy, and international illegal conduct have national, regional, and global repercussions. These issues are also influential factors in national, regional, and g lobal security. In the strategic context, issues of politics, economy and security are closely connected and affect each other; furthermore these issues will always have the attention of the International Community as they are related to the national interests of each country.

Indonesia, as an open country, also feels the effect of global and regional change. Indonesia's political, economic, social, and security condition is affected by external factors and does not stand on its own. Domestic issues faced by Indonesia in the last decade are also affected by external factors, whether direct or indirect; therefore the importance of global and regional interdependence should not underestimated.

Global

The end of the Cold War does not guarantee World security and peace. Inter-ethnic and racial conflicts, terrorism, money laundering, human smuggling and illegal drug trafficking are nontraditional threats to domestic, regional, and global security. Meanwhile, traditional threats such as weapons of mass destruction, international disputes, and arm races are still latent issues. Both traditional and nontraditional threats remain the concern of the International Community because these threats to World peace could increase and become of real concern.

World security tends to be dominated by flourishing nontraditional security issues, but traditional security issues still cannot be completely ignored. The complexity of global security increased with the effort to develop and maintain hegemony through alliance reinforcement, the advance of military capability, tech-

nological advancement, and also through continuation of economic superiority.

Globalization, supported by the advance of information technology, has brought about a big change in the lives of world community. Access to information becomes faster and easier, instantly reaching other places regardless of distance and state borders. Countries' borders have become less clear, as though creating a world without borders. The essence of National sovereignty faces a challenge because a country's authority is reduced in certain areas. For example, a country cannot fully control information flow which affect the conduct of its citizens.

The simplicity acquired in the globalization process urges inter-dependency among countries, but on the other hand triggers interpersonal, inter-group, and international competition. Countries and nations with superiority might be able to win the competition, and thus be able to pursue national interest in an effort to improve the welfare of its people. Along with the improvement, international crime and illegal conduct rises in the form of new threats such as terrorism, human smuggling, and well-organized drug-trafficking.

Relationships among the International community are based on mutual trust and respect. Mutual trust and respect creates a very good opportunity for dialog in dealing with difficult issues. Dialog and diplomacy are important means to help soften conflicts and reach a solution peacefully. However the differences between developed and developing countries in the fields of economy, technology, and military remain a complicating factor in any dialog. Efforts to gain support from other countries, or to win influence over another country, or to develop and maintain hegemony in various fields, can more often than not become a source of potential international conflict.

Since the WTC tragedy in USA on September 11, 2001, international terrorism has become a new form of war, an asymmetric and concrete threat for the World. The definition of international terrorism and the related UN resolution to overcome it is an effort by the International Community to battle international terrorism. The global campaign to fight ter-

rorism is conducted intensively and with concrete measures. Each country must identify terrorist groups, identify and stop the terrorist's source and flow of cash, then report it to the UN. Developed countries give technical aids and training to improve other countries' ability in handling terrorism. Concrete efforts and hard work have not been able to completely stop acts of International terrorism. One year after the WTC tragedy, terrorists came back in action with foreigners in Bali, Indonesia, as their target. This is known as the Bali Tragedy October 12th 2002.

Besides the two world-shaking tragedies, acts of small-scale terrorism occur in various countries. Terrorism invariably brings casualties for civilians and innocent people, and the risk of chaos that threatens the security of the nation and its sovereignty. Conflicts in the Middle East, South Asia, and South East Asia still show forms of terrorism, thus the International terrorist threat is still shadowing the World. International terrorism is the enemy of all the World community; therefore it has to be fought together by International community.

Illegal activities and international crime such as human and weapon smuggling, illegal drug-trafficking, money laundering, and illegal immigration, show sharp increases. Illegal conduct and international crime normally cause damage to other countries and may well disturb regional security and international relationships. These increases, among others, are encouraged by political difficulties, economic disparity, and the existence of international crime networks. Political upheaval and economic disparity in several countries have caused the large-scale migration of people trying to find work and better living conditions in other countries. In addition, economic difficulties and unemployment have forced people into extreme measures to survive. A systematic effort and international cooperation is required to overcome international crime, which is conducted in an organized way, within an International network and conducted by actors who have technological and financial support.

The collapse of Soviet Union was followed by drastic changes in the World's power structure. What used to be bipolar became multipolar and United States emerged as the only super power. The world is dominated by the power of the United States, but Russia, European Union, China, and Japan are large countries who have the power to influence international community. With the political, economic, and military power they possess, those countries cannot be overlooked and have significant abilities in determining regional security and world peace.

Besides polarization of power, international organizations such as the

United Nations and the Non-aligned Movement can have a significant role in keeping world order. The United Nations continues to make efforts to increase its presence and role in solving international problems in various regions. In the last decade, the UN has striven to develop a human security concept. This concept is directed to save humans from malicious conduct. In this concept, UN Charter Chapter VII can be used as an instrument to legitimate humanitarian intervention in the regions of a country and disregard that country's sovereignty. However, UN Charter Chapter VII has not been accepted by all countries, especially because there are differences of interest and because the characteristics of countries differ.

Together with the advance in information technology, which brings ease in information access, economic activity grows fast beyond state borders. This improvement has encouraged economic globalization and formed free markets. Regional economic alliances quickly developed with the formations of economic alliances such as Asia Pacific Economic Cooperation (APEC), Asian Free Trade Agreement (AFTA), North America Free Trade (NAFTA), and European Union (EU). Free market and free trade create close competition and force each country to develop competitive and excellent products.

Limitations, especially in the capital sector, in the quality of human resource and technology, and strict market regulation have caused anxiety for the developing countries. Despite the inability of developing countries to compete they are still markets for the products of developed countries. The disproportionate economic competition between developed and developing countries can cause dissatisfaction and acts of protectionism, which might trigger conflict and crisis which can threaten security and stability.

Issues of environment destruction have escalated and drawn the attention of the World community. The Environment and Development Summit (Earth Summit) in Rio de Janeiro in 1992 and Johannesburg Summit in 2002 proclaimed the adoption of sustainable development principles. Sustainable development principles are intended to save the environment from irresponsible conduct. In exploiting the environment to fulfill their needs, people are expected not to destroy the environment, causing damage for human beings now and in the next generation. However, in reality, practices such as forest burning, forest exploration without paying attention to the ecosystem, and waste disposal by some countries in another country's waters still continue and cause further environmental damage.

Deforestation is currently not balanced by emission reduction and there is even a tendency for the Kyoto

Protocol to be observed half-heartedly by certain countries. On-going environmental destruction will cause scarcity of natural resources, which in turn might urge mass development of nuclear energy in the future. This would invite danger which has to be faced by human. Environment destruction without any constructive effort in restoration will cause inevitable misery. Increasing awareness has made environment an important global issue.

Regional

Increasing globalization is one of the factors affecting the dynamics of regional security. Other influential factors are the roles and interests of large countries, and, added to that, are the problems of inter-state relations within the region.

The Role of Major Countries

In South East Asia, there is a shift in regional security issues, for example in various conflicts which started from territorial disputes, the security of sea communication and trading lines through the sea, and also nontraditional security issues such as terrorism, hijacking and piracy at sea, weapon smuggling, illegal migration, and illegal fishing. Besides affecting the countries within the region, the dynamics of regional security, especially in South East Asia, is affected by the power of large countries because of their interest in South East Asia.

The United States, the only super power, has substantial interests in all regions of the world, including South East Asia; which includes political, economic, and security interests. The US determination to maintain and achieve its interests is beyond doubt, because it has the capability to do so. US superiority as the World power is supported by technological mastery, economic strength, military force, and domestic politics. The US will maintain this superiority and achieve its national interest. Therefore, US is still interested and still has a significant role in South East Asia regional and global security issues.

The People's Republic of China's great economic progress has positioned itself as one of the big and important states, both regionally and globally. To maintain this progress, China will make efforts to achieve its national interest. These efforts will reach out to different parts of the world and China will use all the instruments of international relations. Large and smaller countries in the Asia Pacific region cannot ignore China's role in regional security, because of its clear interest and strong military forces. It is reasonable to say that China's interaction with the main forces of the region, namely US, Japan, Russia and European Union, is an influential factor in the map of regional security, especially in Asia Pacific. Regarding regional security, there is still tension between Taiwan and China, and there has not been

any sign of peaceful resolution. The China - Taiwan relation is still a focus of attention for the international community. The uncertainty of a peaceful resolution between China and Taiwan will colour security prospects in Asia Pacific region and the World in general.

Japan is a powerful economic force and supplier of industrial products, as well as a major importer of oil and natural gas. Japan's economy reaches the whole world and its international trade represents part of the effort to pursue its national interest. The security of Japan's economy is very much affected by the security of its international trade and therefore Japan pays great attention to regional and global security. Thus, Japan has a strong interest in the World security and stability. Japan also has influence on efforts to achieve regional and global security. Therefore, Japan's political stand will always be calculated by large countries in the world, and will be an equalizing force for the stability of regional security.

The European Union (EU) is an organization whose members are mainly industrial countries; it has great economic power and a large role and influence in the global economy. Economic relations between EU members and countries in South East Asia region have developed in such a way that EU members have substantial political and economic interest in South East Asia, both as a market and as a supplier of raw material. Therefore South East Asia is of strategic value for the EU.

The Issues of Regional Waters Security

Based on the year 2001 data from the International Maritime Bureau (IMB) Kuala Lumpur, 213 reported hijacking and piracy cases happened in Asia and Indian Ocean waters, with 91 of the cases taking place in Indonesian waters. However, Indonesian Government data shows that in the year 2001 there were 61 cases, which were categorized as hijack and piracy and which took place in locations spread in all regions of Indonesia. Even though there is difference in numbers declared by the 2 institutions, the data shows that security in Indonesian waters in the last decade has faced threats and serious security disturbances, which now need immediate action.

International Maritime Organization (IMO) declared that acts of piracy in Asia Pacific waters, especially South East Asia region, are at the highest level in the world. Pirates use both traditional weapons and high technology equipment. Security at sea is complex, as one country's effort to defeat piracy cannot be effective and security efforts must involve many countries and international organization. Therefore, the effort to achieve security in the sea needs close international cooperation.

Besides piracy, human smuggling through Asia Pacific waters also increases. Australia, on the southern flank of South East Asia, is one of target countries of illegal immigrants. This means South East Asian, including Indonesian waters, becomes a sea lane to Australia. Human smuggling should not be regarded as a simple matter, on the contrary, it is very complicated because several countries are involved, and each may have different interests, especially in security, humanity, economy, and politics. Large scale illegal migration is often carried out by mafia organizations with international networks. Illegal migration has a negative impact on both the destination country and transit countries and often causes political and socio-economic problems and international tension. There have recently been cases of the smuggling of workers, babies, and women.

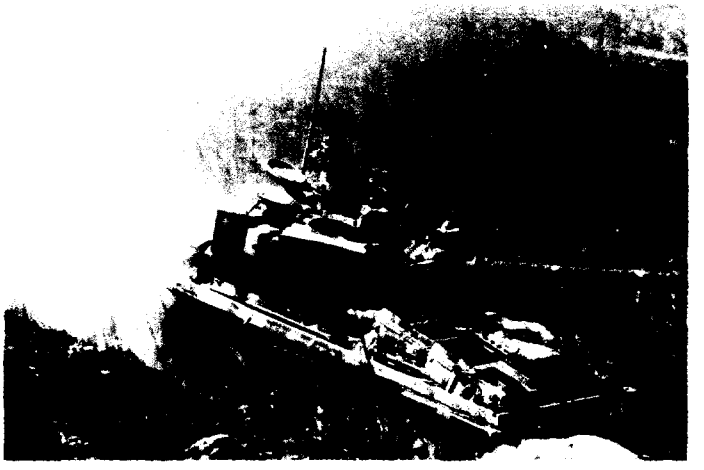
Smuggling activities in South East Asian international waters have been widespread in the last decade; and include smuggling of weapons, ammunition and explosives. This illegal activity has political, economic, and security repercussions in the destination country. In particular weapon smuggling can create a serious problem, threatening the stability of the destination country.

Piracy and smuggling described above are illegal actions which cause losses for both the countries in the region and the countries that use the waters. These illegal actions are organized carefully, and thus need international cooperation to overcome them.

The Issues of Borders

Uncertainty regarding the delineation of borders can be the source of international disputes. In addition, border crossing and control problems, the stealing of natural resources and other geographical considerations

also have the potential to agitate international relations.



In South East Asia region, border issues exist between several countries and there are concerns in the South China Sea. Indonesia also has border problems with other countries, and shares borders with 10 neighboring countries: Malaysia, Singapore, Thailand, India, the Philippines, Vietnam, Papua New Guinea, Australia, Palau, and Timor Leste.

• *Indonesia - Singapore Border*

Sand mining around the area of Riau Island - an area which has a direct border with Indonesia - has been going on since the year 1970. This activity has dug out millions of tons sand and caused tremendous destruction of coastal ecosystem. Destruction of the ecosystem caused by sand mining has eliminated some means of livelihood of Indonesian fishermen.

Sand mining also threatens the existence of several small islands; such as in the case of Nipah island. Small islands sink and represent a great loss for Indonesia, because changes on coastal geographic conditions will result in determining the maritime demarcation line with Singapore in the future.

• *Indonesia - Malaysia Border*

Indonesia - Malaysia maritime line have not been agreed upon in several areas of the Malacca Straits. Unclearness of this maritime line often causes frictions between field officers, Indonesian fishermen and Malaysians.

Similarly in Kalimantan; several border points have not been completely agreed by both parties. Other problems between the two countries are border crossing, illegal logging, and smuggling. The General Border Committee (GBC) and Joint Indonesia Malaysia Boundary Committee (JIMBC) are formal bilateral forums which could solve the border problems between the two countries.

• *Indonesia - Philippines Border*

One of the issues to observe is the fact there is yet no agreement on the

maritime line between Indonesia and the Philippines in the North and South of Miangas Island. The RI-The Philippines Forum, Joint Border Committee (JBC) and Joint Commission for Bilateral Cooperation (JCBC) have regular meetings which could be optimalized to bridge the problems of state lines bilaterally.

• *Indonesia - Australia Border*

State line agreement between RI and Australia covers the Continental Shelf Agreement and Exclusive Economic Zone which refers to RI-Australia agreement signed on March 14th 1997. The RI-Australia new state line around the area of Timor gap should be discussed trilaterally with Timor Leste.

• *Indonesia - Papua New Guinea Border*

Indonesia and PNG have agreed on maritime and land borders. However, there are some cultural obstacles which could cause misunderstanding. Cultural similarities and family bonds among people who live on both sides of the border may cause claims on traditional rights that might develop to be a complex problem in the future.

• *Indonesia - Vietnam Border*

The border area between Sekatung Island in Natuna archipelago and Condore Island in Vietnam has a distance of less than 245 miles, and contours the continental shelf with no continental border. This still creates different comprehensions between the two countries. At the moment both parties are negotiating to decide how to delineate the continental shelf in the area.

• *Indonesia - India border*

The State line between the two countries lies between Rondo Island in Aceh and Nicobar Island in India. The maritime border on the continental shelf has been agreed by both countries. However problems sometimes occur due to violation of territory by both countries, especially by fishermen.

• *Indonesia - Thailand Border*

Geographically, state line issues between RI and Thailand are not very complex; because the distance between the tip of Sumatra and Thailand is great. RI - Thailand already have a continental shelf agreement based on 2 particular coordinates in northern part of Malacca Strait and Andaman Sea. Fishing by Thai fishermen in Indonesian territory is a matter of sea security and indeed, fishing by foreign fishermen is a socio-economic issue due to the existence of Indonesia's coastal community.

• *Indonesia - Republic Palau Border*

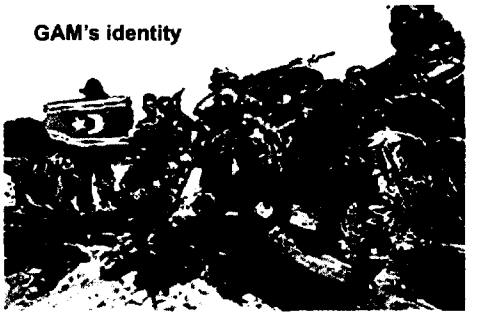
So far both countries have not agreed on the Exclusive Economic Zone of Indonesia and Palau, which is located north of Papua. This causes frequent disagreement over territorial violations between fishermen from both countries.

• *Indonesia - Timor Leste Border*

Currently, a number of Timor Leste citizens who live on the border still use the Rupiah, the Indonesian language, and interact socially and culturally with Indonesian community. Similarities in culture and family bonds among villagers who live on both side of the border, could cause claims based on traditional rights and develop into a more complex problem. Furthermore, a large number of refugees from Timor Leste still live in Indonesian territory. This could become a border problem in the future.

National

Careful observation of national progress and developments in the areas of politics, economy, and security show that domestic issues are related to external influence, both global and regional. Besides external influence, there are also some domestic factors which have the potential to disrupt the stability of national security. These factors are, among others, negative side of heterogeneity nature of Indonesia's population, poor economic conditions, and political and social factors. Accumulation of external and internal factors can escalate as threats to national security and large scale disturbances can disrupt regional stability.



GAM's identity

Armed Separatist Movements

One kind of domestic threat is action by separatist groups in several areas of NKRI. At the moment there are 2 separatist groups who are trying to part from NKRI; they are Free Aceh Movement (GAM) and Free Papua Organization (OPM).

The actions of separatist groups in the form of crime and violence have resulted in disruption of the order of society and have caused not only caused material losses and casualties, but also people have evacuated and governmental functions have been disrupted.

The government's concern and priority in the effort to create a better life for the people in those areas is not shared by the separatist groups. The resolution of separatist issues has become more complex because the separatist groups hide behind human rights issues, and seek support from outside the country.

Terrorism

Terrorism has become a concrete threat to the safety of the nation, even a threat to democracy and civil

society. Since the year 1999 until the bombing in Bali on October 12th 2002, terrorist activity in Indonesia has increased.

The following is a list number of terror acts which occurred in Indonesia:

- Bombing of Toserba Ramayana Jakarta on January 2nd 1999.
- Bombing of Kelapa Gading Mall in Jakarta on February 9th 1999.
- Bombing of Hayam Wuruk Plaza Jakarta on April 15, 1999.
- Bombing of Istiqlal mosque in 1999 which destroyed several rooms and facilities in the mosque.
- Bombing of GKPI Church in Medan on May 28th 2000 and Catholic Church on Jalan Pemuda Medan on May 29th 2000.
- Bombing of the Attorney General Office building in Jakarta, July 4th 2000.
- Bombing of General Election Committee Office in Jakarta on July 1st 2000.
- Bombing in front of the Philippines Embassy on August 1st 2000, killed 2 people, injured 22, caused material loss including destroying 29 vehicles.
- Bombing in front of Department of Agriculture office building on August 30th 2000, destroyed 1 passenger bus.
- Bombing of Jakarta Stock Exchange Building on September 13th 2000, killed 15 people, injured 37 and destroyed 81 vehicles.
- Bombing of Atrium Senen building in Jakarta, on December 11th 1998, August 1st 2001 and September 23rd 2001.
- Bombing of a number of churches on Christmas Eve year 2000 and 2001.
- Bombing in Bali on October 12, 2002, killed and injured more than 200 foreign citizens and Indonesian citizens, and caused material loss.
- Bombing of Mc Donald's in Ratu Indah Mall in Makassar on December 5th, 2002, killing 3 people.
- Bombing of Wisma Bhayangkari in the Police Headquarters Complex, South Jakarta on February 3rd, 2003.

The Issues Communal Conflict

The composition of the Indonesian community is heterogeneous, together with the geographical characteristic of an island-nation, makes it easy for communal conflicts to happen. Communal conflict could be triggered by ethnic , religious, racial,

and inter-group exclusivity, and the social-economic gap. In addition, mass migration from one area to another area affects the local culture and way of life, and could become a source of conflict. Conflicts which happened in Maluku, South Sulawesi (Poso), Kalimantan (Sanggau Ledo, Sampit, Sambas), are concrete examples of communal conflict. The loss caused by communal conflict is enormous; it causes waves of evacuation, tremendous suffering for the people, casualties, and large material loss. The biggest risk of a communal conflict is ruined national solidarity and the bond of unity as a nation. Apart from that, large-scale damage to infrastructure, social facilities and public facilities disrupts governmental activities, interrupts community service activities, and disrupts education.

The people of Indonesian are prone to provocative actions, thus making it easy for communal conflict to develop fast and widely, and creating a hindrance to public order which might escalate and disrupt stability of national security. Heterogeneous community structure, low education level, and the residual economic crisis, create an opening which could be used by groups who want to disrupt national stability.

Radical Group Movements

Indonesia's history of struggle is filled with experiences in terminating various radical movement inside the country, such as DI/TII, PRRI, Permesta, and PKI. These movements have different backgrounds: religion, ethnicity or locality, ideology and politics. The government succeeded in eradicating these movements by using military force.

Entering the 21st century, ideological issues are driven aside by global issues: democratization, human rights, and environment. So strong is the World's attention to global issues that ideological issues are shifted and no longer popular. For developed countries whose people are already mature in politics, ideology is no longer a matter of dispute. This is not however the case in developing countries such as Indonesia; ideology often becomes a national matter. Ideology is even manipulated to gain special interest or political goals.

Indonesian history since independence to this day - shows that ideological issues emerge from time to time. When Indonesia declared its independence, Pancasila was declared

as the state ideology. However, there have always been groups who tried to change Pancasila with other ideology. Different efforts were made by these groups, through political methods or through armed struggle. These groups' efforts still continue to the present day, and will likely continue in the future.

The ambiance of democratic freedom and respect for human rights seem to give opportunities for radical movements to resurface. By manipulating popular issues during the reform era, radical groups use new methods or sneak into certain groups so they appear as if they support the reform movement. Some of the radical groups existing today are incarnation of groups which in the past felt left out. These groups have a network spreading all over Indonesia, even abroad. There is possibility that they are a part of an international terrorist network.

Besides those rooted on ideology, there is also radicalism in another form; for instance religious radicalism. Conflicts in Maluku and Poso showed the existence of such groups. Religious faith has been manipulated deviously to influence and convince some groups of believers that their fight is holy, so that they do not hesitate to use whatever means to achieve their goal. These groups are known as Radical Groups; their existence disrupts public order and in turn will obstruct national security.

Social Unrests

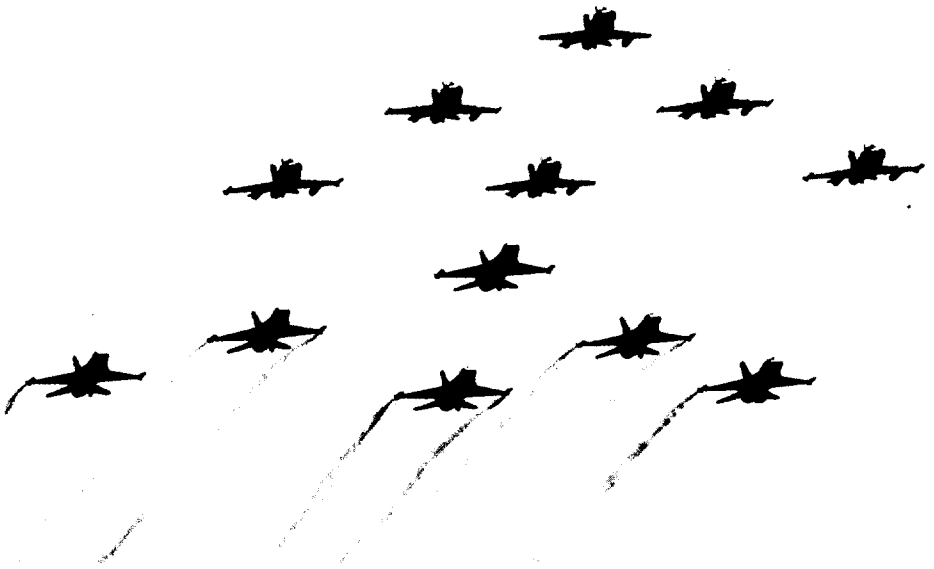
Indonesia's economic condition has not yet fully recovered from the monetary and economic crisis in 1997 and has caused several crucial problems. Lack of employment in the midst of a growing workforce Indonesian, labor issues, fluctuating value of rupiah, investment issues, free trade issues, and other issues, has placed a greater burden on the government. Even though these issues started from economic issues, they could develop into political issues. Political issues which create worry and distrust of the government and in the future, finally could create mass unrest which could escalate to be a disturbance to national stability and threaten national security. The widening of economic gap has the potential to create social insecurity, especially if manipulated by certain groups who want to shatter Indonesia.

Maritime Security Disturbance

Indonesia, with more than 17,500 islands, is the biggest island-nation in the world. Two thirds of Indonesian region is the sea, with 81,000 km coastline and 4 million square meters of Exclusive Economic Zone.

International trade and transportation activities through Sea Lane of Communication (SLOC) and Sea Lane of Transportation (SLOT) in Indonesia's waters keep on increasing. The increase in water activities gives the sea a very important role in the life of the Indonesian people and the international community. The importance of the sea is not limited to the wealth of natural resources, but also as a tie for the islands spread in the Indonesian region. Therefore, sea security is vital to Indonesia.

Lately, sea security issues have required serious attention. Sea security issues cover violence threat (hijacking, piracy, and terror of vital object), navigation threat (lack of and theft of navigation instruments), resource threat (destruction and pollution of the sea and its ecosystem), and law and sovereignty threat (illegal fishing, illegal immigrant, illegal exploration and exploitation of natural resources, including treasure taking, products and weapon smuggling, and wood smuggling via the sea).



Sea security issues have the ability to disrupt Indonesia's international relations.

Data shows that illegal fishing in Indonesia's sea territory keeps on increasing, with total loss if US$2 billion per year. From smuggling, Indo-

nesia bears the loss of US$1 billion per year. Illegal sand exploitation costs Indonesia more than 2 trillion rupiah each year. Meanwhile illegal logging costs Indonesia around 30 trillion rupiah. This worrying loss requires systematic efforts by the people and government to improve security and use of Indonesian waters.

Air Security Disturbance

Indonesia's strategic position in international air traffic, makes Indonesia vulnerable to different air security threats. Potential air security issues in the future include violent threats (air hijack, vital object sabotage, terror), air violation threat (illegal flights and surveillance of Indonesian territory), resource threat (usage of air territory by other country), and law violation threat through the medium of air (illegal migration and human smuggling). In foreseeing and securing air territory from all kinds of disturbance and threat, Indonesia still has many weaknesses, including human resource, and infrastructure.

Security of the sea and air is not merely Indonesia's interest, but also in the interest's regional and international security.

Threat Prediction and Strategic Defence Interest

INDONESIA

Chapter Four
Threat Prediction and Strategic Defence Interest

Threat Prediction

Indonesia's geographic situation as an archipelago between Asia and Australia and between the Pacific and Indian Oceans makes Indonesia an area of interest for countries of many regions. This strategic position means that political, economic, and security conditions at both regional and global levels are influential factors in assessing Indonesia's position in the region and the world. In the era of globalization which is the 21st century, the progress of regional and global strategies are even more influential on the nation, due to the acceptance of universal values such as free trade, democratization, human rights, and environment.

The existence of large countries' interest in the region promotes strong mutual relations between domestic and foreign affairs. Information on internal occurrences can quickly spread round the world, following which other countries will respond according to their national interest. On the other hand, information about happenings abroad, especially those in large or influential countries, or in the countries in this region, will quickly reach all areas of the country and will affect national opinion.

This is also the case with security issues; threats from outside and inside the country are inevitably linked and should not be regarded in isolation. Distinction can only be made in the context of the form and organization of threat; while distinction based on the source of threat is very difficult to determine. Proceeding from this fact, defence effort does not only refer to traditional security issues - that is to say the possibility of invasion and aggression from another country - but also to

nontraditional security issues - that is any action that threats the sovereignty of the country, unity of the region, and safety of the nation and NKRI.

The current strategic environment renders the threat of invasion or military aggression low. Indonesia's objective condition, the role of UN, and international opinion are preventive factors, or at least constrains on the use of armed force against Indonesia. The largest foreign threat to Indonesia is from organized crime, done by non-state actors to gain profit by manipulating domestic conditions and the shortcomings of government apparatus.

There has been dynamic change in Indonesia since 1998 which has affected community, nation, and state. In this time span, there have been three changes of national leadership illustrating a frail body of national leadership and a political order yet to be fully established. Political institutions are still searching for the right political order, and the political ethics and system to meet the needs of Indonesia.

The reform process which aims to produce a democratic life and clean and good government, faces difficult challenges. The road to reach the objectives of reform appears to become longer. The spirit of reform slowly fades the emphasis that surfaces is only rhetoric and reform euphoria. The right of freedom of speech is often abused and can insight violence and mass demonstration. The systematic efforts of pressure groups irritate government, creating insecurity and making the government position unstable. National security management is weakened adversely affecting national security.

The unresolved economic crisis has impacts on other fields, on political stability and national economics, and increasing security disturbances. The numbers in the work force escalates rapidly as a result of the increase of population, while work opportunity is limited. A number of companies are unable to survive and have to stop their business, making the employment environment worse and increasing unemployment severely. The increase in unemployment contributes to the increase in crime figures.

On the other hand, the growing fanaticism of ideologies other than Pancasila obstructs governmental and social functions and to a certain extent might grow into radicalism. The government essentially strives to increase the quality of life for example by the declaration of nine-year compulsory education, improvement of health arrangements and other improvements in the quality of life. However, the quality of human resource is still unsatisfactory and far from ideal. As a result, people are easily manipulated and influenced by certain party's provocative actions, and may even be easily encouraged to actions outside the societal norms. The unavoidable impact of globalization weakens the ties of unity of the nation and defence. Unstable domestic conditions and multidimensional problems faced as a result of the unresolved national crisis, gives an opportunity for the escalation of national security disturbances.

Unless dealt with appropriately, the disturbances described above will have a serious and negative impact on the sovereignty, unity and safety of the nation, and then become a national security issue. Public order disturbances such as terrorism, communal conflicts with primordial background (ethnic, religion), radicalism, chaos or mass protest, the drugs trade, gambling, and other crimes can escalate and become threats to national security. The changes which occur as consequences of reform and

which weaken the management of national security may have negative implications for the stability of national security. It is anticipated that this situation will pertain for some time to come.

In a strategic context, Indonesia's defence interest may be affected in future by the following predicted threats and disturbances:

- International terrorism which combines an international network and support within the country.
- Separatist movements which try to part from NKRI especially armed separatist movements, which threaten the sovereignty and unity of Indonesia.
- Radicalism with primordial background of ethnic, race, and religion, and ideologies other than Pancasila, whether on its own or having connection with foreign influences.
- Communal conflicts, which may have their basis in social and economic matters, can develop into large-scale inter-ethnic, inter-religion, or inter-race conflicts.
- International crime such as smuggling of products, weapons,

ammunition and explosives, human smuggling, drugs, money laundering and other forms of organized crime.

- Illegal immigration where Indonesia may be both a destination and a stepping stone to get to other countries.
- Sea security threats such as hijack and smuggling, illegal fishing, pollution and destruction of ecosystem.
- Air security threats such as air hijack, violation of air territory, and terrorism through means of air transportation.

- Destruction of the environment such as forest burning, illegal forest exploitation, disposal of dangerous and poisonous waste.
- Natural disaster and its impact on the safety of the nation.

National Interest

In the essence, Indonesia's national interest is to guarantee the welfare of all of Indonesian people who are within NKRI, which is based on Pancasila and The 1945 Constitution. Therefore, it is important to maintain NKRI with national jurisdiction from Sabang to Merauke. Indonesia consists of 17,504 islands in a very strategic position between Asia and Australia, and between Pacific and Indian oceans. On account of Indonesia's strategic position, many countries, especially large countries, have an interest in Indonesia's stability and security. The importance of Indonesia means that other countries maintain a high level of interest in its stability and security.

Furthermore, Indonesia's large population (around 210 million) and high plurality (ethnic, religious, racial groups), have both positive and negative dimensions which help to formulate Indonesia's national interest. Therefore, the unity of the nation and the wholeness of Indonesia's region are Indonesia's geopolitical interests. These geopolitical interests develop two dimensions of basic thoughts: area as a reality, and community life as a life phenomenon. The struggle to fulfill national interest is still based on two dimensions of thought. As inscribed on the preambles of The 1945 Constitution, Indonesia's interest is to protect the sovereignty of the country and maintain the unity of Indonesia, protect the safety and honor of the nation, and actively take part in the efforts of world peace.

Indonesia's Strategic Defence Interest

The strategic aim of Indonesia's defence is basically to achieve a defence organization which is capable of guaranteeing the national inter-

est. Therefore, defence has the role and function to maintain Indonesia's existence from every threat and disturbance, both from outside and inside the country.

Based on threat prediction and Indonesia's national interest, the future strategic interest of defence covers permanent strategic interest, urgent strategic interest, and international cooperation in the field of defence.

Permanent Strategic Interest

Permanent strategic interest of defence is the administration of defence to guard and protect the country's sovereignty and the unity of Indonesia and the country's honor from every threat, from outside as well from inside the country.

Even though the threat prediction shows little possibility of outside physical threat directed at sovereignty, as a country which is independent, has sovereignty and dignity, it is a duty and strategic interest to be prepared to defend the country without regard for the argument as to whether or not a concrete threat exists. Furthermore, development of defence forces will take longer than the political dynamic which may produce a threat.

In carrying out permanent defence interest, Indonesians will always maintain a love for peace, independence and sovereignty. The use of defence force for war is a last resort after diplomatic efforts fail. In resolving every conflict and dispute, Indonesians will always first put forward the use of peaceful means. Along with this principle, Indonesians are against any form of colonialism and intervention in other nation's sovereignty. Therefore, Indonesia chooses an active defensive in its defences.

To guarantee permanent interest, defence administration is done with integrated system; involving all people and resources, and national means and infrastructure in unity of defence. Involvement of all people in defence is the right and responsibility of all citizens as instructed by

The 1945 Constitution, and reflects the dignity and responsibility of a nation which believes in its own capability. As a result, Indonesia's defence is based on principles of democracy, respect for human rights, public welfare, environment, national and international law, and the principle of peacefully living side by side with other countries.

Urgent Strategic Interest

Urgent strategic interest of defence is basically inseparable from the permanent strategic interest of defence. Urgent strategic interest is directed to overcome actual security issues, which are actions which can disrupt Indonesia's sovereignty and unity, and disturbances to the nation's safety and dignity. Observing present national situation, there are several concrete threats and disturbance which threaten national stability, particularly in several areas of Indonesia. These concrete threats and disturbances are in the form of nontraditional threats and a number of actual issues which emerge within the country.

Urgent strategic interests of Indonesia's defence covers:

- Fighting and overcoming the international terrorist threat at home and abroad by working together with other world forces.
- Overcome the threats and disturbances of armed separatism, prioritized in Aceh to face the Free Aceh Movement; and in Papua to face the Free Papua Organization.
- Counter radicalism which has a background of ethnic, race, religion, and ideologies other than Pancasila and which can endanger the safety

and dignity of the nation and the government.

- Solve communal conflict and help rehabilitation in several areas-Maluku, South Sulawesi (Poso), and Kalimantan (Central and West). Besides that, strategic interest of defence is also directed to prevent any possibility of new communal conflict in all areas of RI.
- Overcome and prevent international crime which might occur on land, in the sea or in the air.
- Assist Civil Government (Regional Government) in handling natural disaster, terrorism, communal conflict, social unrest or any other acts which cause disruption of governmental functions and community services (such as transportation, education services, and health services).

International Cooperation Interest

As a part of the international community, Indonesia cannot release itself from a connection with the world in the effort to achieving its national interest. Therefore, defence policy is also directed towards having good relations with other countries, regionally as well as globally.

International cooperation is based on the principle of government-to-government cooperation, focused on development and advancement in the sector of defence, and also to achieve regional and global stability and security. In this area, Indonesia's defence sector will always contribute strategic thought in order to solve security issues, or contribute physical involvement under the UN. Involvement in the sector of defence outside the UN can be carried out as long as it is not against the law and principles of Indonesia. Physical involvement in the sector of defence is carried out after the government's political decision.

Strategic Policies for National Defence Implementation

INDONESIA

Chapter Five
Srategic Policies for National Defence Implementation

Strategic Concept

The struggle of the Indonesian people has succeeded in freeing the Indonesian people from colonization, founding the Unitary State of the Republic of Indonesia (NKRI), free and sovereign, with territory from Sabang to Merauke. The freedom and sovereignty which is very precious and invaluable is the inheritance of the nation. It is the honor and the self-respect of the Indonesian people. All components of the Indonesian people are obliged to guard and protect their freedom and sovereignty for national development.

In entering the 21st century, Indonesia's defence has three main pillars which are: the use of defence force; international cooperation in the field of defence; and development of defence force. Therefore, the main guidance to keep defence at a strategic level is in the form of the three main pillars above, i.e. defence force's application policy; the international cooperation policy in defence field; the policy on the development defence force.

Traditionally, a soldier is one of the instruments of national force, being prepared to counter a threat in the form of military power. It is the duty of the TNI to carry Military Operations (MO) and Military Operations Other Than War (MOOTW). MO is a military operation in countering military power of an opposing country, either in the form of invasion, aggression and infiltration. MOOTW is a military operation being carried out, not in the framework of war against another country, but in such areas as counter insurgency, in combating international crime, aid to the civil community, humanitarian and peace tasks.

The present strategic context indicates that the likelihood of aggression or invasion by another state is a small

possibility. Whereas it is highly probable that new threats such as non-traditional threats, carried out by non state actors, will develop. The non-traditional security threat is, at first, a threat against security and public order. However, it is possible for a threat to develop to such a stage where it will become dangerous to the safety of the people and in order to prevent escalation it may be necessary to deploy military force. It is estimated that non-traditional threats are more likely to be encountered by Indonesian people. Therefore, the strategic policy of the Indonesian defence to encounter and resolve the non-traditional is an urgent priority. This is in line with the mandate of The Act No. 3/ 2002, i.e. TNI has a duty to carry out a Military Operations Other Than War (MOOTW). Thereby, defence policy is to carry out an MOOTW when required. In this case, TNI is very experienced in MOOTW operations, either within the country or overseas.

In carrying out the MOOTW, TNI will not take over the role of the functional government agency. In the MOOTW, the TNI does not always take a solitary role. In certain situation, the TNI implements the MOOTW together with a functional government agency in synergic and coordinated joint operations. In accordance with the form of threat, the MOOTW is carried out by the TNI by prioritizing preventive action, rather than repressive action. The success of the preventive action will be able avoid casualties and more negative impact.

TNI implement MOOTW through active participation to resolve various problems that are encountered by the Nation. Other than confronting any armed threats, the MOOTW is a manifestation of TNI's participation in overcoming difficulties in various aspects of the community life. The scope of the MOOTW includes, among others, putting down an armed separatist movement, counter terrorism, overcoming radicalism, overcoming communal conflicts, pro-

viding assistance to civil government in restoring public order, overcoming impact of natural disaster, refugees handling, search and rescue, as well as implementing the tasks of world peace.

MOOTW may create an impression on the confusion or an overlap between the role of TNI with other institutions, especially on the authority of the Indonesian Police (Polri) in the case of general security and public order. The confusion for some people will not arise if People Consultative Assembly (MPR), Decree No. VI and VII of 2000 are comprehended. The role of the TNI as a defence force is the use of armed force to overcome a threat, whereas the Polri is to establish security and public order according to the rule of law. Defence is then defined in The Act No. 3 of 2002, among others, to stipulate the task of TNI. The task of MOOTW that is mandated is not meant to take over the task of other functional government agency, either the Polri or other elements of the government. Each task of defence will be held firmly and is guided on the objective of defence i.e. establishing the sovereignty of the state, maintaining the intactness of the national region, and keeping the security and the respect of the nation.

In the strategic context, defence is one of many efforts to create national security through military power. In line with defence, to maintain national security peacefully is through the instrument of politics and economy i.e. utilizing diplomacy and or economic power or their combination. The support of Defence for the national security acts as the first defensive shield. It can change to offensive and oppressive function if the shield fails. Therefore, Defence can not be separated from a wider security issue.

In the perspective of a spectrum of escalating threats, which may be against national security, the institutional separation between the TNI and Polri provides a reason to firmly stipulate the authority and responsibility of the two institutions. For that purpose understanding and further regulations are needed concerning the escalation and levels of threats that necessitates TNI's involvement as part of TNI's legal authority. There is a need to form of cooperation between the TNI and Polri in overcoming escalating threats, especially a point of contact of the authority and responsibility. The approach to the review of the authority and responsibility of both institutions must rest within the framework of the national interest, and not of any sectoral interests. Ambiguities of authority and inappropriateness of responsibilities will invite risks for the security of the people and the country. The roles of the TNI and Polri in that total security framework needs to be stipulated based on the escalation level and threat spectrum.

In the context above, the task of the TNI in MOOTW is described in the model on the next page.

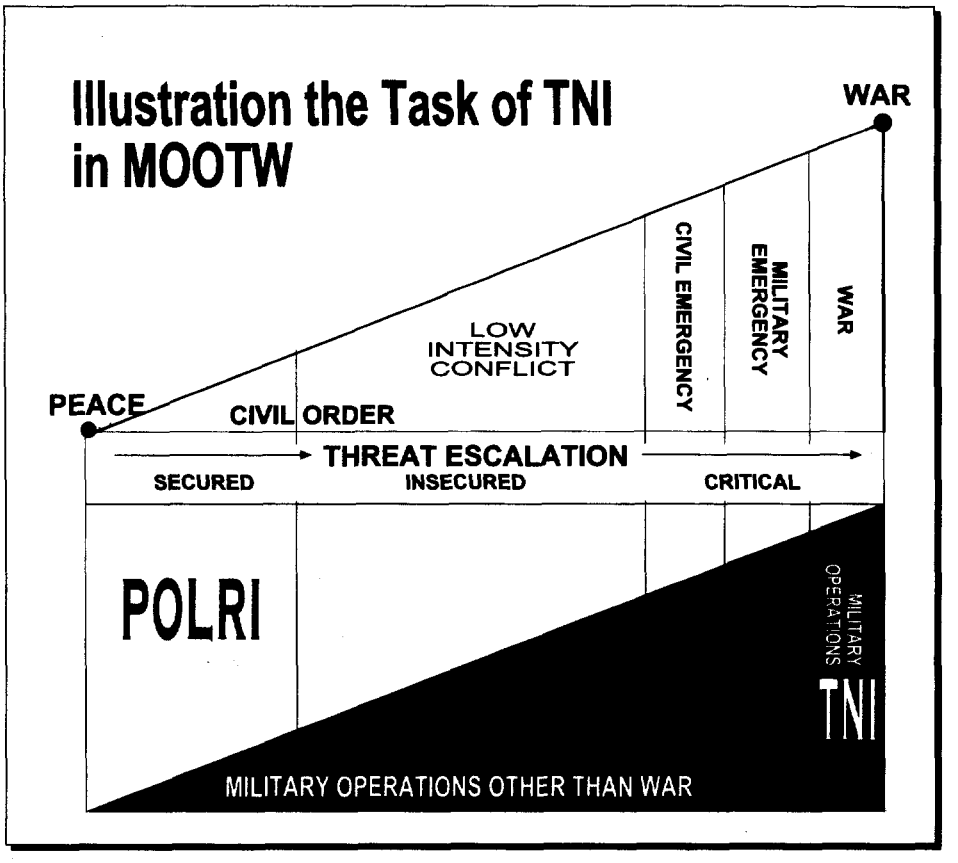
The left extreme point shows an ideal condition in which there is relatively no threat, thus the presence of the TNI is not needed. In a condition where the threat spectrum is in the form of criminal act, the full security management becomes the authority of the Polri. The next step of escalation is in form of an unstable and dangerous situation which can be classified as a low intensity conflict situation. Low intensity conflict is like an armed rebellion, spreading communal conflict, on-going and large-scale disruption that hinders public order, governmental function and public service. Actual examples are conflicts which occurred in Poso, Maluku, Central Kalimantan, and West Kalimantan several years ago. In this case, tackling the conflict cannot be carried out in a normal way or merely by a functional government agency, it requires special resources.

If a threat keeps increasing to the point of becoming a critical situation, the status of the region is shifting from Civil Order to Emergency Order; the involvement of the TNI will become greater. In a Military Emergency, the involvement of the TNI is still of the MOOTW task. The type of MOOTW that is carried out by the TNI reflects the type and importance of the threats being encountered.

In a War situation, the conflict that occurs is between the two countries using armed force, supported by diplomacy and economic power. In this case, the TNI no longer carries out its MOOTW task, but fully carries out the military task. The elements of civil government and Polri are still possible to implement their authority and responsibility in regions that need their services.

The Use of Defence Forces

Strategic policy for using defence force is directed to counter threats and disruptions to national security, whatever their types and forms. Defence force is not only used to counter a threat, but also helps the government in national development and international tasks. Threat analysis and prediction show that Indonesia's strategic interest should prepare to prevent and overcome both traditional and non-traditional security threats.



Overcome Traditional Security Threats

One of the main objectives of Defence is to defend Indonesia from a traditional security threat, i.e. a threat in the from another country's military power that endangers the freedom, sovereignty, unity of the NKRI region. Although the military invasion and aggression of Indonesia is unlikely, it is essential that Indonesia's defence system are kept in place and at good readiness levels. This is meant to ensure the existence of defence force capable of maintaining the sovereignty and the intactness of the the Republic of Indonesia and its territory. In encountering a threat against the sovereignty and the unity of the region, the Indonesian defence policy still refers to the principle that Indonesian are people who love peace, but they love freedom even more.

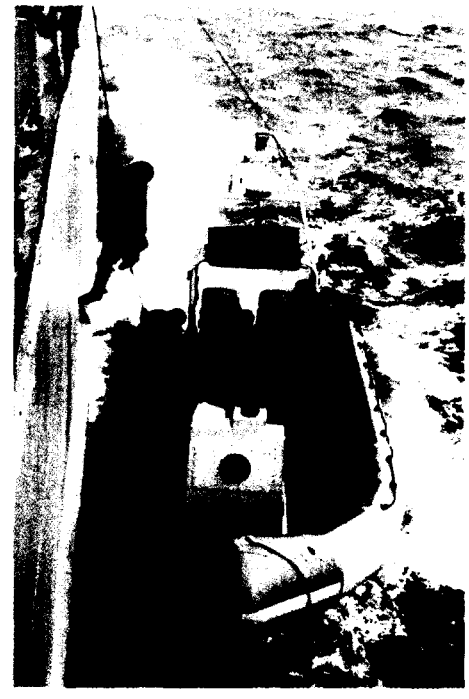
Indonesia, will always try to settle each type of dispute with other country through peaceful settlement, and as far as possible avoid the use of military power. War, as a form of case settlement, will surely create victims and suffering for the Indonesian people. As peace loving people, Indonesian prioritizes preventive action by optimizing diplomatic effort through

the framework of Confidence Building Measure (CBM) and Preventative Diplomacy. The use of military power for the purpose of war must be carried out as the last resort, if peaceful ways cannot produce results.

To counter the threat of an external military attack, defence force is arranged in the order of the Main Component, the Reserve Component, and the Supporting Component i.e. all national resources of Indonesian people. The use of TNI which are the Army, the Navy, and the Air Force as well as other components of defence for the purpose of war, is done through government's political decision as regulated in the parliamentary law, and adjusted with regard to the objective and threat escalation level that is encountered.

Overcome Non-traditional Security Threats

Besides countering traditional security threats, Defence is also directed to counter threats from non-traditional security disruption that, for the last decade, have shown quite a high intensity. The political dynamics in a number of countries and the widening gap in the economy world, have made imbalance unavoidable. Sooner or later these force and imbalances develop and creep over state borders and create actors who take advantage of vulnerable points in each country. As an archipelagic country, with ethnic and religious variety, Indonesia is very likely to be under threat from



non-traditional security disruption. The presence of terrorist acts, piracy, smuggling, illegal immigrants, narcotics and prohibited drugs trade are indications of non-traditional threats.

Increasing transnational criminal acts cannot be allowed to develop. Therefore the use of defence capability against transnational crimes is a priority. Defence sector has deployed Army and Navy troops, supported by the Air Force, to secure border regions, either land border regions or sea border regions or other places with high vulnerability. In encountering transnational crimes, TNI does not work by itself, but together with the relevant government departments and institutions. To create an effort of national unity, the TNI always

prioritize coordination and cooperation systems with all governmental functional institutions and related peoples components. Given the quantity of transnational crimes, regional security cooperation with other countries is now of increasing importance.

The non-traditional threat that arises within the country from separatism will first be countered by dialog. Dialog is expected to be able to influence the actors to return and have faith in Republic of Indonesia. If dialog does not produce a positive response, then the use of other, firmer methods is likely to be carried out for the sake of maintaining national security, stability and keeping the establishment of the Republic of Indonesia.

• *Countering Terrorism*

Threats from terrorism need urgent actions and the TNI is directly concerned to have a role and function in fighting terrorism in accordance with the Spectrum of Threats. In fighting terrorism, TNI uses a guideline of Article 7 of The Act No. 3 of 2002 as a legal umbrella. The other legal basis is the Government Regulation Substituting The Act No. 1 and No. 2 of 2002 regarding the Eradication of the Terrorist Criminal Acts, which has been approved by the House of Representative (DPR) as a parliamentary law.

In countering terrorist threats, defence sector action will be based on the rule and legal stipulation that apply nationally as well as internationally. The policy guidelines are as follows:

- War against terrorism is an urgent need and can be carried out to protect the sovereignty of the Republic of Indonesia and the safety of other people who are in Indonesia as mandated in the Opening of The 1945 Constitution.
- In trying to eradicate terrorism, relevant laws are still considered and human rights are not violated.
- The use of defence force, i.e. the TNI, in eradicating terrorism, is not discriminative; meaning that whoever conducts a terrorism act will be countered without judging his ethnicity, religion or group.
- In overcoming International, local or collaborative terrorism, integrated and coordinated efforts are required both across government intitutions and countries.

In carrying out the policy above, terrorism can be handled preemptively, preventively and repressively. A preventive effort is carried out through infiltration activity or operations to destroy terrorists' bases in the Indonesia's territory, including operations to discover the whole terrorist network. To support such objective, the preparation of special anti-terrorist troops, who are fully equipped and trained, as well as improved intelligence units, is important.

A preventive effort is meant to prevent the region and all people of Indonesia, including people of other nationalities that are in Indonesia, from becoming victims of terrorist's savagery. To achieve this, early detection and prevention by the TNI, either at unit level or through the development of communications between units and personnel are essential. In a preventative action, the security of the Very Important Person(s), objects and vital installations, public infrastructure, international infrastructure, and other important facilities will be increased. Supporting activities, early detection and prevention such as surveillance, identification and other technical support will be continuously equipped in stages.

A repressive effort is carried out through counter-terrorist military operations to eliminate networks of terrorism in all regions of Indonesia. The military operation might include amongst others: commando attack on posts and bases of terrorists to paralyze terrorists, as well as to free hostages and other operational activities to eliminate terrorists completely. The implementation requires through coordination across government and, if it is needed, across countries.

A rehabilitation effort is needed to restore a place or a region that is affected by the terrorist activities. The rehabilitation implementation efforts

are carried out through coordination across government agencies in accordance with their respective functions.

To ensure prompt handling of terrorist incidents, it is important to prepare special units which are ready to move at any time.

The terrorist threat can be domestic or transnational, thus its handling needs cooperation with other countries. In waging war on terrorism, defence cooperation must include intelligence and other technical cooperations. Forms of cooperation will be further stipulated in the future. Having international cooperation does not mean that Indonesia depends on other countries, especially in making conclusions or decisions about an incident which occurs in Indonesia. In each case will be treated independently by Indonesia; Indonesia always has an independent attitude and does not wish to be dictated by other countries. Assistance from other countries in the form of information will be received and assessed as necessary. However, the decision on the action to be carried out is still the prerogative and right of the Government of Indonesia. The principle and attitude of Indonesia in these matters should be fully understood by the international community, so that it does not obstruct good relations and cooperation in the future.

• *Countering Armed Separatist Group Threat in Aceh and Papua*

In the last decade there has been an increase in the armed separatist actions carried out by the Free Aceh Movement (GAM) in Aceh and the Free Papua Organization (OPM) in Papua. These separatist groups have even developed bases overseas to obtain sympathy and support from other countries. Meanwhile, destructive actions such as crimes and violence carried out by separatist groups have significantly increased, especially in Aceh. The criminal acts and violence have created public uneasiness and fear, as well as large numbers of refugees.

The threat from armed separatist group is the domestic affair of Indonesia, thus it will be resolved through methods of the Indonesian people and by considering human rights as universal values that must be revered. The Act No. 3 of 2002 gives a task to the TNI to overcome armed separatist threats. So far the government has made an effort to settle in a peaceful manner through dialog. In order to settle conflicts in those two regions, the government has made efforts to improve the welfare of the people in the regions by giving special autonomy in the province of Nangroe Aceh Darussalam (NAD) and Papua, as well as by improving development in the those regions.

Aceh

The restoration of security in Aceh

is a domestic matter for Indonesia, however a participatory role for other party's in pursuit of everlasting peace is still appreciated. Thereby, the agreement to end hostilities with GAM was signed on 9th December 2002 in Geneva, and has been accepted as a reference towards steps for a further settlement. The settlement mechanism that has been jointly agreed must be adhered to by all parties. The Government of the Republic of Indonesia will respect the agreement and continue with further phases with a sincere wish to make GAM to return to the Republic of Indonesia and build the future of the brighter Aceh society in the frame of the unity of Indonesia. The road towards an everlasting peace is still very long and it requires efforts and mutual hard work between the Government of Indonesia and GAM. The Government of Indonesia still hopes that the mutual wish to realize peace in Aceh will be supported by all parties; including the Henry Dunant Center (HDC) or delegations from other countries that are grouped in the Joint Security Committee (JSC).

If in the future, it turns out that the peace agreement effort cannot be well carried out, then the Government of the Republic of Indonesia, in time, compulsorily has to take other steps in order to defend the sovereignty of the state, the intactness of the national region, and the safety of the people of Aceh.

Papua

The OPM separatist group in Papua has continuously conducted its activities, by patterns of propaganda, provocation, terror, robberies, and pressure on the public. The OPM actions create uneasiness and fear among the public. The OPM and its sympathizers have increased their activity by building an overseas network to seek support from the international community. So far the integration of the region of the Republic of Indonesia still gets strong support from the international community that views the problem of Papua as an internal affair of the Indonesian people. However, it needs to be remembered that changes in external policies by these countries might alter the balance against Indonesia.

Overcoming the OPM separatist group and maintaining the territory as part of Indonesia is a task of TNI. This is implemented first by persuasive approaches. This is meant to make OPM separatist parties return and unite with their brothers within the framework of the Republic of Indonesia. However, if such efforts and approaches do not bring a positive response from the OPM, then the Government will consider using other methods, which may be more effective.

• *Countering Radical Group's Disruption and Threat*

Besides countering separatist groups, Indonesia also counters

the Don Muang airport, Bangkok, on 31st March 1981.

The use of the authoritarian power in the past has subdued radical groups, which did not develop. However, the reformation era tends to provide an opportunity for greater freedom, thus encouraging new forms of radical movements, fighting for interests and aspirations that are in contradiction with the national interest. Such cases can be seen from mass demonstrations that turn into anarchic movements, the destruction of several places of entertainment, provocations that, in the end, create prolonged communal conflict, bomb explosions in various places such as in the Kuta Beach, Bali, on 12th October 2002.

threats and disruptions that are carried out by radical groups. Radicalism in Indonesia generally stems from ideological and political matters. In developing countries, including Indonesia, there are several groups of people who are not politically matured. Ideology is often developed into a need for radical actions that disrupt the national security and stability. Due to excessive fanaticism in standing up for their own ideologies and a lack of political maturity, the actors and their followers are driven to conduct radical actions that can threaten national stability.

Various radical actions have been experienced by Indonesia, in the form of violence and ideology-based rebellions. Such actions are, among others, the rebellion of DI/TII (Darul Islam/Tentara Islam Indonesia), the rebellion of PKI (Indonesian Communist Party) in 1948 and 1965 and the hijack of a Garuda Woyla airplane in

In an effort to assist Polri in overcoming these threats, the TNI implements MOOTW when required. If the threat spectrum increases to the level of a threat to national security, created by radical actions, the government needs to take more effective steps.

The presence of militia creates uneasiness in the public, particularly, when they have military style equip-

ment and accessories and especially if they have sharp weapons or firearms. The use of armed force and military power to achieve national security is the sole authority of the TNI. The presence of the militia with attributes and accessories that look like a military will disrupt the national order, especially security and maintenance of public order which is the responsibility of Polri and the TNI. In pursuit of broader security interests, then a rule of law needs to be promoted which prohibits public organizations from having security organizations or forming militias.

• Overcoming Communal Conflicts

The heterogeneity of the Indonesian people that covers tribes, religions, races and groups (ethnic-religious or SARA) implies a vulnerability and the chance of communal conflicts. Experience proves that SARA triggers communal conflicts. The events that occurred in Central Sulawesi (Poso), Maluku, and Kalimantan (Sampit, Sambas and Sangau Ledo) are the results of provocations from certain parties that then developed into widespread conflicts. A small dispute among members of the community, initiated by a socio-economic case, developed into an ethnic-religious dispute and then into violent conflict. These conflicts cause waves of refugees in large numbers, deaths, material damage and great damage to the environment and infrastructure. The conflict has lasted for a relatively long period of time, crippling the structures of local community and disrupting national stability.

The government has made an effort to overcome those conflicts by uniting all capabilities of the Nations. Although the efforts have subdued the situation, however there still further needs before a complete solution is found. The involvement of the TNI's force in overcoming these conflicts is the implementation frame of the MOOTW tasks.

• *Overcoming Social Disturbance*

Social disturbance is explained in this section as various public disturbances which then develop into anarchy and destruction, thus causing disruption of the government func-

tion and community, and education, health services and trades. Should the TNI need to be involved in this area, this will be carried out in accordance with the mechanism and applicable rules and can be categorized as assistance to the Civil Government or assistance to the Polri.

• *Countering Piracy and Hijacking at Sea*

One tangible threat encountered by Indonesia is piracy and hijacking at sea. In the past decade there has been a significant increase in these crimes which disrupts the security and the law in the waters of Indonesia. The impact is not only felt by Indonesia, but by other countries using the waters of Indonesia.

Ensuring security and upholding the law at sea is one of the main tasks of the TNI, in this case, the Indonesian Navy. However, various functional government agencies also have authority in security at sea, such as Polri, Department of the Seas and Fishery, Department of Justice and Human Rights and other marine security elements. TNI's cooperation with these institutions is very important in overcoming crimes such as piracy and hijacking at sea. In addition to the government institutions, the involvement of all layers of the society, in accordance with their own capabilities and functions, will also support a union of effort to narrow the movement of the criminals.

So far the TNI has made an effort to overcome pirates and hijackers; however it has not been able to overcome the cases completely. These crimes are often transnational, and involves the interest of other countries, which necessitates cooperation among the countries of this region and outside South East Asia. Considering the interests of Indonesia. cooperations with Singapore, Malaysia and Japan and other countries has been carried out and need to be continuously developed in the future.

• *Overcoming Illegal Immigration*

Illegal immigrants have abused Indonesia's strategic position, between two continents and two oceans, by making Indonesia a transit region for the country of destination. The illegal activities are well organized by an international network, either in the originating countries or in the countries of destination. The waves of illegal immigrants have risen sharply as several countries in the Central Asia, Middle East and other countries in Africa are overwhelmed by conflicts. Indonesia does not permit its region and its citizens to be involved in illegal immigrant activities. There is a need to overcome illegal immigrants by having cooperation and understanding from the related governments of the countries. To wage

war against illegal activities, TNI has increased its patrol intensity and observations.

• *Overcoming Illegal Fishing and Sea Pollution*

Illegal fishing in the waters of Indonesia by foreign fishermen has increased significantly. Besides illegal fishing, sea pollution, as a result of waste disposal that occurs in the waters of Indonesia, has caused damages in marine ecosystem. This illegal activity is made possible by the expansiveness of the sea of Indonesia; meanwhile the TNI's equipment is inadequate.

To overcome this lawlessness at sea, the capability of defence in this area must be increased. The fulfillment of the TNI's requirements for high-speed patrol boats, observation technology using radios and satellites, will be carried out in stages. The lack of the equipment recently has caused illegal activities to increase, such as poor licensing, poor observation, and lack of regard for the law, examination, and trial. To the future, such weaknesses need to be addressed. Therefore, the improvement of cooperation between TNI and related government agencies in the maintenance of security at sea will be increased.

• *Overcoming Illegal Logging and Smuggling*

As in the case of illegal fishing, the illegal clearing of forest and log smuggling through border regions is quite widespread. The Indonesia's limited ability to conduct observation of land and sea borders has increased the opportunity for various smuggling activities. This does not only involve log and forest product smuggling, but also smuggling of other goods such as electronics, machines and even light firearms, ammunition and explosives. These various criminal acts are, directly or indirectly, a threat to the security of Indonesia. The smugglers have a professional organization as well as a network of transnational contacts and it is possible they have a relationship with terrorist and separatist groups.

To cut a chain of the smuggling activities, the observation activities and the security of the borders will be increased and will gain the attention

of defence sector. Henceforth, border defence cooperation such as GBC and JBC with Malaysia, the Philippines and Papua New Guinea, including operational cooperation between elements will be continuously increased.

Assisting Civil Government (Local Government)

The civil government here is the government whose leader is elected by the people, for example as Governor in his province, Regent in his regency and Mayor within his municipality.

Assisting the civil government in this context is to help the Governor, the Regent and the Major in overcoming difficulties that are encountered. The assistance to the civil government is the obligation of the TNI to establish national stability to allow the progress of the implementation of the national development. The assistance can be made in two ways, i.e. at the request of the local government (in this case, Governor, Regent, Major) to the local military command or a coordinated TNI program.

If the local government (Governor, Regent and Major), in carrying out the governmental function, encounters difficulties and needs military assistance, then they can make a request to the regional military commander.

In accordance with the Government Regulation No. 16 of 1960, in the case that local government requests military assistance, then the local government lodges a request of assistance to the local military commander. Henceforth, the local military commander will appoint an element of the TNI to provide assistance in accordance with what is needed. In the case that the local military commander feels reluctant, then he can lodge an objection to the President, in this case, hierarchically through the Minister of Defence.

The TNI's assistance to the local government can also be carried out on the basis of an assessment of the TNI's regional elements that the presence of a specific situation needs urgent handling. For example, natural disaster, terrorism, disturbances, which, if not controlled will result in victims, killings, violation of the human rights, destruction and lootings.

The TNI's assistance to the civil government can be given in various forms such as:

- Carrying out the task of police

assistance to maintain security and public order, such as overcoming security disruption as a result of disturbance and commotion, terror, communal conflicts, ethnic conflicts and other conflicts that disrupt security and stability.

- Carrying out the task of humanitarian assistance to overcome the impact of the natural disaster that causes victims in the population and infrastructure damage in the vicinity of the natural disaster area.
- Carrying out the task of humanitarian assistance to overcome an emergency condition such as a wave of refugees resulting from disturbances and commotion, communal conflict, natural disaster or other reasons.
- Carrying out the task of humanitarian assistance to overcome difficulties in the means of transport, for example, on religious holidays, strikes by transportation workers, or the handling of problematic Indonesian Workers .

The assistance to the civil government has been carried out by the TNI for a long time. The assistance is programmed and is located in an activity called "Bhakti TNI" or the Service of the TNI, which was commenced in 1980, and it has continued to the present time. The Service of the TNI is carried out in combination, or individually by each element, among others: The "TNI Goes Into Villages" Operation as a combination, "Surya Bhaskara Jaya" Operation by the Navy, "Pelangi Nusantara" Operation by the Air force, "Bhakti Imbangan" Operation that is carried out with the Army, and service activities in a limited scale in accordance with the situation and need.

The TNI Service Operation does not only involve the TNI, but it is a mutual activity with other government agencies. Since the planning stage, it has involved Regional Government as well as related government agencies in arranging their objectives, activities and implementation mechanism. The forms of activities that are carried out include non-physical as well as physical activities. The non-physical activity has the aim of strengthening the values of nationalism. Whereas the physical activity the aim of helping overcome difficulties encountered by the public by providing infrastructure, among others:

- Helping to build and improve public facilities, such as: roads,

bridges, educational and religious facilities, health supporting infrastructure, irrigation, markets, houses and others.

- Providing health service assistance and medicine for the poor and logistic assistance especially the Nine Essential Materials. This activity is prioritized for isolated areas in all regions of Indonesia that are difficult to be reached by public transport.
- Assisting the government in implementing the reforestation of forests that have been cleared.
- Assisting the government program in the educational field, such as carrying out teaching for the illiterate people, so that they will be able to read and write, in the interior regions.

The TNI Service Activity that has been carried out since 1980 has created a number of physical as well as non-physical constructions. Up to 2002, the physical development result that has been obtained through the Service of the TNI, in a combination, among others, is:

- Roads, total length: 25,795 kms (opening new roads, asphalting and road widening).
- Schools numbering 762 schools (new buildings and rehabilitation)
- Religious buildings numbering 4,493 (consisting of mosques, churches and temples, either new buildings or rehabilitation)
- Bridges: 5,301 (new bridges and rehabilitation)
- Irrigation: 5,301 kms
- Rice field making: 563 hectares
- Means of drinking water such as wells/pump installation: 61,318
- Public Health Center Buildings: 936 buildings (new buildings and rehabilitation)
- Family containers and public toilets: 5,235
- Means of Bathing, Washing and Toileting: 10,927

The data provided above is part of the results of the TNI Service that is carried out in combination of all elements in the " TNI Goes Into Villages" Operation. In addition to those shown, there are other physical constructions, especially the physical construction that is resulted in the TNI Service activity in combination, as well as those carried out independently by each element.

From the evaluation results and the feedback from the regional government and the public that have been given the service, they state that the Service of the TNI is very positive and is proper to be continued. Thereby, the TNI Service activity and other forms of assistance to the re-

gional government will still be carried out in accordance with the need.

Territorial Development for Defence Purpose

In the context of the implementation of Defence, territory includes the region of the country, population, sources of natural and man-made wealth, other means and infrastructure ass well as the social condition of the people. Territory is a container, means and condition of struggle for the implementation of Defence function. The implementation of defence depends very much on the preparedness and the supporting effort of the territory. To reach the readiness and the supporting effort, the territory needs to be built and managed for the interest of welfare as well as the interest of defence. In line with the Entire Defence System such as being mentioned in The Act No. 3 of 2002, then the TNI as the Main Component of Defence is required to comprehend thoroughly and participate in developing the territorial conditions that supports the efforts of defence.

The territorial organization of the TNI's is currently still relevant and is continuously perfected in accordance with the environmental development and the task demanded by Defence requirement.

Protect Vital Objects

Vital Objects that are meant here are places, means and infrastructure of production, or important buildings that have a strategic value, either national or international. The vital objects are vulnerable to sabotage, an explosion, or other destructive actions. Based on that, securing vital objects is very important, thus it is stressed separately in the Government Regulation Substituting The Act No. 1 of 2002 regarding the Eradication of Terrorism Criminal Act that has been approved by the House of Representative to become a law. With the presence of a non-traditional threat such as terrorism and riots, then steps for securing vital objects are needed. So far the task has been carried out and if it is still relevant will be carried out by TNI.

Defence Cooperation

International Cooperation in defence field is an integral part of the Indonesia's overseas policy as one of the bridges to build mutual trust with other nations. The active involvement of Indonesia in ensuring stability and world peace has been shown by sending peace keeping troops to a number of countries in the world that are overwhelmed by conflicts. The involvement of the TNI in the United Nations missions started in 1957 by sending the Garuda Contingent I (KONGA-I) to Egypt with 559 troops. From that time, the TNI has actively been involved in international tasks under the flag of the United Nations, by carrying out police observation tasks, truce, demobilization and disarmament, security protection and safety as well as humanitarian assistance. For the period of 46 years carry-

ing out international tasks, the TNI has sent 95 Garuda contingents and Military Observers (or a total of 15,838 personnel) to 18 countries in three continents, i.e. Asia, Europe and Africa.

Currently Indonesia is sending TNI's military personnel to strengthen the United Nations contingents in 5 countries, i.e. Georgia, Sierra Leone, Congo, Kuwait and Prevlaka. The involvement of the TNI troops in the future will continue, in accordance with the request of the United Nations and the government's political decision.

In an effort to take part in maintaining regional stability, defence cooperation will be prioritized on bilateral cooperation with countries in South East Asia, and countries in the South West Pacific sub-regions. ASEAN (Association of South East Asian Nations) and the ARF (ASEAN Regional Forum) defence cooperation forum and the South West Pacific Dialog Forum is a cooperative area among member countries that it is important to be developed in the future. Through the forums, regional cases will be settled by emphasizing the spirit of collectiveness, a balance of interest that is built based on the principle of equal rights, mutual respect and non-intervention. Bilateral cooperation in defence field is directed towards building a feeling of mutual trust and to resolve defence cases encountered together. Urgent security cases, to be jointly handled, are to overcome transnational crimes and other border defence issues.

The remote border regions are often abused by certain parties as a gate of illegal activities, such as piracy, hijacking, smuggling, illegal fishing, illegal logging, shifting border poles, and illegal border crossing.

The threats above often occur in the vicinity of the sea channel of the Indonesian archipelago and causes shipping disruption in the region. As a result, it is not only felt by Indonesia, but also by other countries that taking advantage of the sea channels of the Indonesian archipelago.

Singapore

Defence cooperation between Indonesia and Singapore has long taken place through the formation of the cooperation committee body of the two countries. Defence cooperation

with Singapore has developed with joint training between elements, such as between the Army (SAFKAR-INDOPURA), between the Navy (EAGLE-INDOPURA) and between Air force (ELANG-INDOPURA) being conducted on a routine basis.

In addition to training, cooperation with Singapore is also carried out through an agreement on Military Training Area (MTA) which can be used by the two countries. To perfect the process and procedure of the use of MTA of RI-Singapore, in the future an evaluation of the agreement is needed.

In encountering transnational crimes issues such as terrorism, piracies and hijacks, cooperation with Singapore is important. Thereby, it needs to be improved in the years to come.

Malaysia

Cooperation in defence field with Malaysia was initiated through a security arrangement in 1972, which later formed the Border Committee. The Border Committee is useful for handling defence issues in the border areas. Defence issues, among others, are piracy, hijacking and smuggling, illegal logging, border poles shifting, and border crossing cases.

Elements of the TNI are positioned in the border area, in cooperation with Malaysia, in an effort to resolve and overcome issues of border security. The scope of the region that has to be secured and natural conditions which are very tough, make it quite difficult for security officials. Currently elements of the TNI that are positioned in the border areas are still in small task units. In the future, the force and capability of the TNI will be improved in stages in accordance with the need and situation. Integrated cooperation with elements from related government agencies in carrying out security in the border areas is very important and will be increased.

So far cooperation in the border region has taken place through a mechanism under the commitment of the GBC and JIMC forum. It is expected that this forum will remain an effective place to resolve border cases.

Defence cooperation in the form of military training such as KEKAR MALINDO, MALINDOJAYA, ELANG MALINDO, AMANMALINDO and DARSASA are very effective in improving defence of the two countries. Henceforth, the cooperation will also be increased in an effort to overcome urgent defence matters such as terrorism, piracy, hijackings at sea, smuggling and other transnational crimes.

Philippines

Indonesia enjoys long, strong, established and good relations with the Philippines especially by the fact of Indonesia's involvement in sending

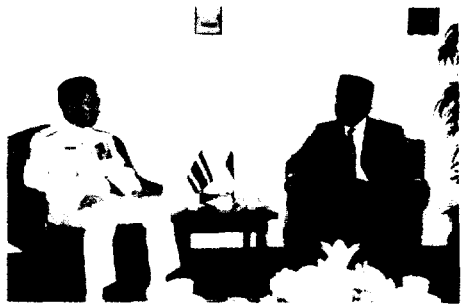
military personnel as international observers on the Moro case.

Up to now there has not been an agreement on the marine border of the two countries. The cooperation between the Republic of Indonesia and the Philippines in the border issue has been tied in through the JBC forum, within an agenda that is routinely carried out. In addition to JBC, there is a JCBC (Joint Commission for Bilateral Cooperation) forum that discusses cases that are connected with issues of joint defence. Among others, traditional border crossing, smuggling, piracies and hijackign in the maritime border and other cross-state crimes.

In countering the terrorist issue and other transnational crimes, defence cooperation with the Philippines is important should be developed in a more concrete form.

Thailand

Relations and defence cooperation with Thailand are long, established and good. With Thailand, there is a similarity of view, especially in responding to non-traditional defence issues in the South East Asia regions. So far Thailand has significantly helped Indonesia in overcoming transnational criminals who try to smuggle firearms to assist the Free Aceh Movement. Specifically, in handing issues of international terrorism and other transnational crimes, defence cooperation with Thailand is important and should be developed in a more operational form in future.



Other Members of ASEAN

International cooperation in defence field with other members of ASEAN is of no less importance. Cooperation has so far taken place in a bilateral mechanism and in future it is important to continue to create defence stability in the South East Asia region through ASEAN links.

Papua New Guinea (PNG)

PNG is a neighboring country in the east with a long land border with Indonesia. Bilateral relations with PNG have been quite good. The two countries have long agreed land and maritime borders. Defence issue comes from OPM (Free Papua Organization) a separatist group that is abusing the PNG region. Frequently members of the OPM enter PNG to avoid being pursued by Indonesia's military force. In addition, the inhabitants who live in the vicinity of the borderline often conduct traditional cross border activities.

In handling these defence issues, cooperation between the two countries is needed. The place for the Indonesia and PNG cooperation is the JBC (Joint Border Committee) which is still considered quite effective. Various joint agenda are routinely carried out to prevent and handle cases that arise. There is a continuing requirement for the JBC.

Timor Leste

In the middle of the Indonesia's region of West Timor is situated the Oekusi enclave, which is a

unique and requires specific handling. The human and material traffic from Oekusi through Indonesian territory needs to be regulated in such a way that it poses little or no security threat. Relations with Timor Leste are complicate by sentiment over the independence of Timor Leste.

On the longer land borders problems such as illegal trade and smuggling arise, as well as criminal disturbance and traditional border crossing. Militia issues come to the surface and have the potential to disrupt relations between the two countries. There are still a number of Timor Leste refugees in the West Timor region who also significantly influence the settlement of defence issues in the border area. The deployment of the TNI in the border region is expected to be able to maintain defence and to be a continuing requirement.

Bilateral discussion with Timor Leste is being carried out to decide the regional borders between the two countries.

Australia

Australia is a neighboring country bordering with Indonesia, outside the South East Asia region. Defence cooperation between Indonesia and Australia is long standing; however it has had ups and downs as the result of the up-and-down relations between the two countries. Defence cooperation between the two countries was at its lowest point in 1999 in connection with the position of Australia in settling the Timor Leste case.

In cooperation in the defence field with Australia, Indonesia still refers to the principles of CBM that emphasize the spirit of collectiveness and interest balance and is built according to equality of rights, mutual respect, and not involvement in respective internal affairs.

Future cooperation with Australia will be improved to overcome transnational crime issues such as terrorism and illegal immigrants, including the treatment of traditional fishing issues.

China

The normalization of diplomatic relations between Indonesia and China has brought progress in improving cooperation in various fields, including the defence field. China can be an alternative source of procurement for TNI equipment. Defence cooperation relation is currently at an early stage and it is important that this is continued.

United States

Defence Cooperation with the United States has taken place since 1950. Up to now the existing cooperation is through IMET (International Military Education and Training) or E-IMET (Expanded IMET). And so is cooperation in the form of military training.

In 1999 the United States imposed a defence cooperation restriction, where IMET was frozen and the procurement of military equipment was restricted to non-lethal weapons military equipment.

Outside the situation described above, defence cooperation between Indonesia and the United States is taking place in a limited scale. The cooperation, among others, is through joint maritime operation training. Bilateral relations in the defence field with the United States are important for both countries in overcoming global and regional defence issues.

Efforts to restore relations have been made. In September 2001, a week after the 11th September 2001 event, President Megawati visited the United States, In a Joint Statement with President Bush it was agreed that a security dialog should be carried out between the two Departments of Defence. The first security dialog was carried out in Jakarta in April 2002 and henceforth it will be carried out annually.

On 13th May 2002 the Minister of Defence of the Republic of Indonesia, H. Matori Abdul Djalil visited the United States, meeting with Minister of Defence of the United States Donald Rumsfeld and several members of the Congress and Senate. The visit was quite positive and has yielded progress in several areas, among others, the re-opening of the IMET program as of 2003.

United Kingdom

Defence cooperation with the United Kingdom is long established. In the past the cooperation greatly involved a number of purchases of primary equipment for TNI. Currently and in the years to come, defence cooperation will be based on strategic discussions on the defence sector through information exchange and comparative study.

Other (EU) European Union Countries

The cooperation relation in the defence field between Indonesia and member countries of EU Europe includes education and purchase of military equipment by Indonesia. Currently Indonesia is studying various possibilities to improve the defence field with several member countries of Uni Europe.

Russia

Up to now there has not been a concrete relationship in the defence field, and no formal military links. Existing cooperation is limited to the procurement of several types of arms. It is hoped that cooperation will continue to improve and firmer links develop.

Development of Defence Forces

The strategic policy of using the defence force and the strategic policy of defence development cannot be separated. The two policies are part of the same unit of policy within the strategic policy context of Defence. Therefore defence force development must be planned and executed from the earliest stage and be focused, integrated, and continuous in one policy that is in line with the policy of using the defence force.

Study of the strategic context reveals several real and potential threats to the state, and defence force development is of key importance. The need is urgent when the present state of personnel and equipment is considered. Both quality and quantity have deficiencies, whereas the task demand for the future is getting heavier and more complex. The same applies to other defence components, i.e. Reserve and Supporting Components, in which the preparation and management are below expectations.

The policy formulation of the defence force development is carried out, by considering geographical situation, demography, sources of natural and man-made wealth, and social condition including the state's finance capability. Then, other main consideration in the policy formulation of the defence force develop-

ment also includes the level of technological skills, especially in the arms system primary equipment field, real and potential threats encountered by the state, as well as the strategic context development that covers aspects of ideology, politics, economy and socio-culture.

Defence force development is not aimed at increasing power, but at filling the gap between the real situation in accordance with the Organization and Equipment Table (TOP) and the List of Personnel and Equipment Composition (DSPP).

Current Defence Strengths

Main Component

• Personnel

At the moment the force of the TNI's personnel is around 346,000 soldiers or 0.15% of the population of Indonesia numbering 220 million people. Of the number of the TNI, there are 265,000 soldiers of the Army, 57,000 soldiers of the Navy and around 24,000 soldiers of the Air force. The total force of the TNI has not met the total need according to the TOP/DSPP.

The recruitment process that is held periodically so far has not been able to fully cover the decline in the number of personnel who retire, die or die on the battlefield or for other reasons. The quality of personnel is limited by the educational budget.

The quality of the personnel is also affected by the low level of soldier's welfare, even if it is measured by the minimum need standard, on the average it is still under the standard.

• Materials and Main Equipment of the Arms System

The condition of material readiness and the main equipment of the arms system from both the quality side and quantity side have not met the need in accordance with the TOP/DSPP. The existing Alutsista and materials are generally very old. So far the TNI continues to make efforts to maintain existing material condition so that it can still be utilized, through good maintenance and repair. However, the service life of several types of materials cannot possibly be extended, thus it causing deficiencies in the total force.

• Software

Defence reform has brought a transformational consequence in software. This is a result of the change in the strategic context and the reality of the threats encountered, so the existing software generally must be

adjusted to the new situation developing. With the legalization of The Act No. 3 of 2002 concerning Defence, substituting The Act No. 20 of 1982 regarding Defence, substituting The Act No. 20 of 1982, then nearly all software connected with defence needs to be revised.

Reserve and Supporting Components

The Reserve Components that have been formed are still a model to be developed in the future and are still in the area of the land element force. The force is composed in parties of the Reserve Army that are located in 8 Military Region Commands with a total number of 900 people. Besides the Reserve Army, there are elements of university students and alumni of university students who have received military basic training that is arranged in the university students regiment organizations (Menwa) and alumni of university students regiment organizations (Menwa Alumni). Up to the present time, the number of Menwa and Menwa Alumni number 25,000 and 62,000 respectively. In addition to that mentioned above, in the Defence Reserves are members of the Veterans Association number 30,000.

The supporting component includes all citizens, natural resources, man-made resources, national means and infrastructure that, directly or indirectly, can increase the force and the capability of the Main and Reserve Components. This is the national force that can be directed to support the Entire Defence System. Currently the Supporting Component is a potential force that needs further development in accordance with the national development plan.

Direction and Objectives of Defence Force's Development

The Main Component of defence force development is not directed to maximize force, but it is directed to produce the force and capability that

can overcome threats and disturbance that are real and urgent. Whereas the objective is to fill the gap in human resources capacity, as well as the main arms systems, and to furnish the software and supporting fa-

cilities, the vacuum will take an estimated one to two years to fill. Not to mention if it is confronted with the ratio of the personnel separation, and the high rate of material decrepitude. Thus, defence force development is not aimed at adding new force, but rather at rectifying deficiencies. If there is a new addition, it is only in certain sectors that have very high urgency, as a result of threat development and urgent strategic need.

Being faced with a limited budget as well as the estimate that a foreign invasion is relatively small, defence force development is not prioritized to counter external threats. It is focused on the requirements brought about by internal and inter-state crime. As a result of lack of resources it is considered that TNI has the capability only to carry out tasks to counter very urgent threats. The TNI's minimum force development needed include:

- Perfection of the system, especially in the software field, to carry out a transformation in accordance with TNI's reformation commitment and ability to meet challenges and threats.
- Maintaining primary equipment of the main arms system (alutsista) of the TNI in order to improve serviceability, sustaining or adding to service life span.
- The replacement of the alutsista and other equipment, that has deteriorated and is useless.
- The development and personnel and professionalism in order to shrink the TOP/DSSPP gap.
- The buildup and maintenance of educational, health facilities and other supporting means.

The direction of the Reserve and Supporting Components development will be focused on the national development planning mechanism in accordance with the function of each government institution and the state's finance capability. The existing Reserve Component is in the form of an embryo of land element, the objective of the future development will be extended and it will cover elements of the sea and air.

Defence Force Development and Arrangement

Development and arrangement of Defence force is directed to gain effectiveness and flexibility for TNI as the Defence Main Component. The development and deployment is carried out in accordance with the basic characteristic of each element in implementing its role and duty, either combat or non-combat duty. Defence force development and deployment are organized according to the reality of the challenge and threat encountered, based on the state's geopolitics and geostrategy, and after considering national supporting efforts.

Main Component

The defence main component force development and deployment,

the TNI, is directed to respond to the need to fill the gap by prioritizing the quality organization, i.e. professional capability; and the quantity organization in stages. The need to build capable soldiers is an urgent need so that the TNI truly functions as the a professional tool. Efforts to fill the quantity gap will be carried out in stages and continued to meet the need in accordance with the TOP/DSPP, both in personnel and material. Capability development is focused on four

capabilities of the TNI that are connected. Intelligence capability, combat capability to defend the country, the capability to carry out the MOOTW as well as supporting capability.

- Intelligence Capability Improvement

Improvement of defence intelligence capability is carried out through the reorganization of the intelligence organization so that it will be more effective and capable of providing accurate intelligence information to support the defence performance task of the state. The organization of the intelligence organization is an urgent task, considering the quick transformation of the strategic context and the rapidly increasing need for information. This reorganization covers the organization, structure, personnel, software and means and infrastructure, as well as the budget requirement.

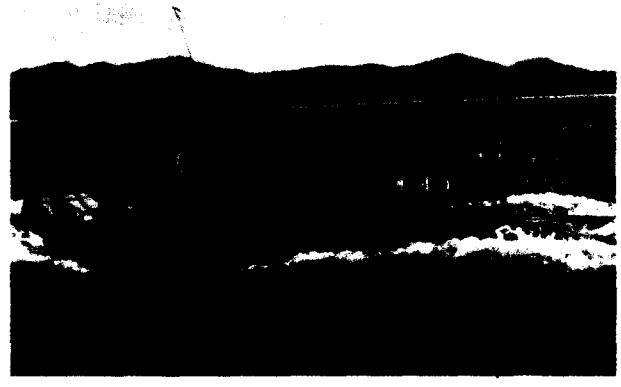
In the structure of intelligence, the defence intelligence organization is directed to the re-arrangement of the strategic intelligence organization and the intelligence elements. The arrangement is carried out so that it can accommodate each applicable change without disrupting the overall working system. In the future, the defence intelligence organization will be prepared to support efforts to defend the state against actual and urgent threats in accordance with the estimation.

In the personnel field, the aim is to improve the quality of the intelligence personnel including the mastery of knowledge and technology, and raise the quantity to the required level. In the software area, it requires

legal sets, stipulations and regulations as well as the need to support the task implementation. In the means and infrastructure field, it is directed to fulfill the need for the Sensory Perception and Detection System, and the capability improvement of the Command, Control, Communication, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR).

• Combat Capability Improvement

Combat capability improvement is required to defend Indonesia from any threat, either external or internal. To be able to create this capability, support unit or joint level training, either in the element level or joint element, is essential. The objective of the combat capability improvement covers:



- Capability improvement to prevent and protect, to obstruct and destroy each threat.
- Capability improvement against a strategic sea and air attack and being enable to overcome external threats.
- Capability improvement against a strategic land attack.
- Capability improvement of regional defence to counter continuing resistance.

• Capability Improvement to Carry out the MOOTW

The TNI's force development is not specially directed at the TNI's capability to implement the MOOTW. The TNI's Combat Capability is used to countering each form of threat. In specific tasks, the TNI is trained and prepared selectively. The capabilities are:

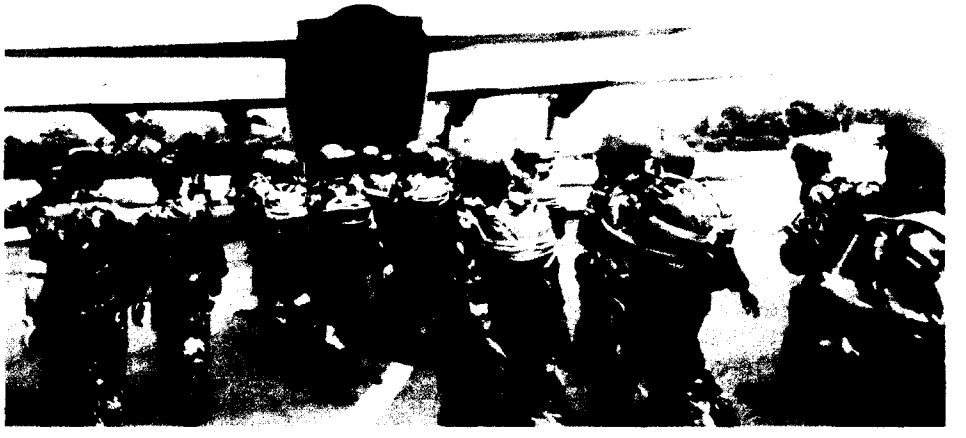
- The capability of enforc e law and security at sea, in the air and in border regions to prevent and overcome each form of inter-state crime, threats to vital objects, and various other forms of threats. To support the capability above, the improvement of the force is focused on the equipment such as high-speed patrol boats and means of detection, either on land, at sea or in the air and will be carried out in stages. The implementation is regulated according to the stipulation of national and international law as well as international customs.
- The capability to counter ter-

rorist threat, either domestic or international in nature. To support this requirement, the capability of the existing anti terrorist units will be improved, both personnel and their equipment.

- The capability to prevent and overcome threats from armed separatists in order to ensure the integrity of the Republic of Indonesia
- The capability to overcome brutal and anarchic actions, due to riots or unrest; and to carry out other duties to assist the tasks of the police.
- The capability to reduce the impact of natural disasters, Search And Rescue (SAR).
- The capability to prevent and resolve communal conflicts and to overcome the impact that has been created.
- The capability to carry out tasks of world peace at the regional and the international level.
- The capability to carry out other tasks in the framework of the MOOTW.

• Support Capability Improvement

Support capability improvement is directed to maintain the continuity of defence capability, either in a peaceful situation or in an emergency situation. It is carried out by arranging a rational budget, in order to obtain approval from the House of Representative (DPR) so that defence gets sufficient budget support. The support capability improvement is di-



rected towards:

- Development of the integrated surveillance and early-warning system to detect transnational crimes and illegal activities in the border regions, on the land and at sea, as well as in other vulnerable areas.
- Development of base logistic support and, in stages, preparation for regional logistic capability, in the interest of defence implementation independently and continuously.
- Development of C4ISR to meet the need for data and information for defence implementation.
- Development of educational and training institutions in each force element to form and develop qualified soldiers.
- Software organization to adjust to the needs and development as they occur. Arranging and completing legal instruments such as laws, permanent regulations, permanent procedure, operational procedures and involving regulations.
- Support improvement of the soldiers' welfare, such as health services, housing, and salaries in accordance with the country's capability.

Reserve Component

Reserve Component is a national resource that has been prepared through a mobilization in order to expand and strengthen the main force component. The preparation of the Reserves Component in each Regional Command is carried out to ensure the availability of additional sub-support for the Main Component. Its implementation is carried out by the Department of Defence and the

TNI in coordination with the Regional Government and related governmental functional institutions. It is adjusted to the need and the availability of the support of the defence budget. Urgent requirements in building up the Reserve Component include:

- The arrangement of legal powers and laws regarding the Reserve Component for the smoothness of defence implementation.
- Forming the Reserve Component and maintaining what is available in each Regional Command.

Its implementation is to be carried out at the earliest stage and is to continue in each region in accordance with the state's finance budget.

Supporting Component

The Supporting Component comprises the national resources that can be utilized to improve the force and capability of the Main Component and Reserves Component. Supporting Component preparation is intended to ensure the readiness of the national supporting force, for defence.

The Supporting Component is prepared by the government through:

- The national development in the human resources field is directed to develop and maintain the awareness of all citizens of their rights and obligations in defending the state as mandated by the 1945 Constitution. This is achieved through the education of the citizenship, military basic training that must be carried out through educational institutions of the government or private agency, service as voluntary or conscript TNI soldiers, and service in the profession.
- The national development in the natural resources management area is carried out as a basis for the development of environmental and continuous insight. Besides being focused on the welfare and security, it is also for ensuring the continuity and preservation of the living environment.
- The national development in the man-made resources field is directed to build the independence of the Indonesian people. To achieve independence in the equipment field for defence, the Department of Defence plays a part in boosting the growth of the domestic defence industry. This is done at the earliest opportunity and in coordination with regional government and in accordance with available financial support.

Technology and Defence Industry

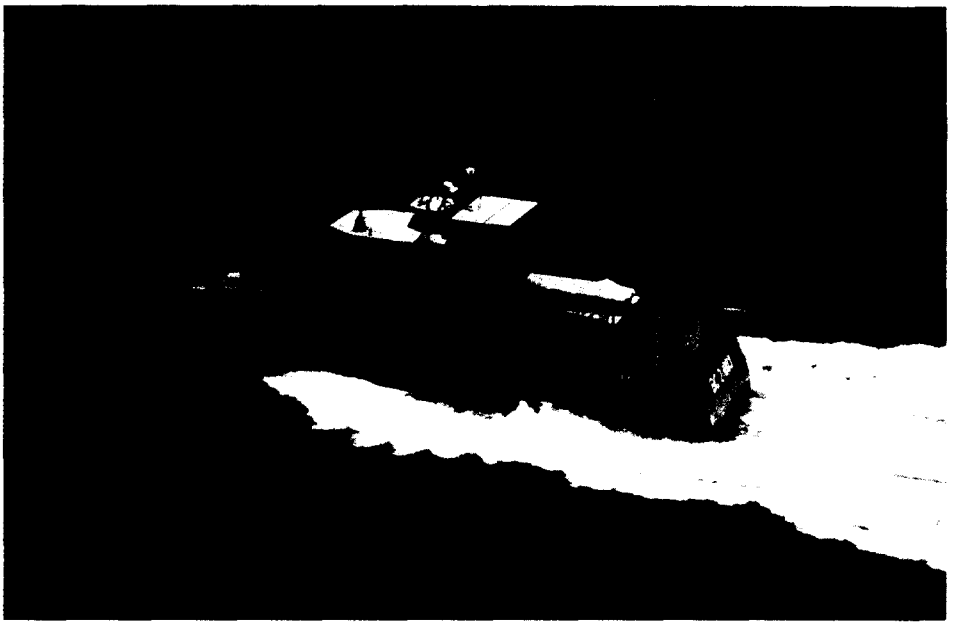
The cooperation of the Department of Defence and the TNI with other institutions is an important part of the Defence Strategic Policy. In accordance with The Act No. 3 of 2002, cooperation is carried out in the framework of the technological education and defence industry that are needed by the TNI and other defence components. This cooperation has a strategic value as it can propel the speed towards the national independence in the defence technology, including providing space for other sectors to be involved in the implementation of defence.

Through cooperation, the Department of Defence and the TNI will try to participate in propelling national industry development in order to be able to produce its main products and to develop a capability to produce equipment required for defence.

One of the forms of cooperation that is carried out is to synergize stra-

tegic industry development through a partnership model of three actors in Science and Technology, i.e. Industry, Tertiary Education and Defence Institutions. The target developed through the cooperation is:

- Cooperation in the fields of aerospace, shipping, civil technique, heavy industry, automotive, electronics, informatics, and other national industry.
- Carrying out improvement in the quality of the human resources in the fields of design and engineering, comprising of expertise and development capability and the construction of military cargo airplanes, special mission airplanes, high-speed patrol boats, combat ships, military combat vehicles, arms system, communication network system, command and control center, as well as information system.
- Empowering the national industry in an effort to create independence, and to shrink dependence on other countries in the defence field.
- Cooperation to fulfill the need for other defence equipment.
- Cooperation in the function of the Research and Development to be developed in order to yield studies on concept of defence that is connected with the technology, management or human resources.



In the framework of managing national resources for the interest of defence, cooperation with departments and other government agencies is important. The cooperation is needed in organizing and implementing the strategic plan in accordance with respective function and authority.

Budget Support

INDONESIA

Chapter Six
Budget Support

Current Defence Budget Support

Orientation of national development still focuses on the economy. Meanwhile, development in the field of defence receives less attention as indicated by the small defence budget. This situation was in effect since previous administration will now.

So far, decision of the amount of defence budget is mainly based on the capability of state finances and the priority of development. If carefully examined, at present defence has a heavy load and responsibility, especially with the increase in the potential threat based on geographic factors, national jurisdiction area, progress of strategic context, and standard needs of defence capability.

For the last ten years, Indonesia's defence budget has averaged less than 1% of GDP. By comparison, the defence budgets in other countries, especially in the South East Asian region, are more than 1% of their respective GDP. Several countries even allocate 3% to 5% of their GDP for defence.

The limitations on Indonesia's defence budget are still felt because the country's economy has not yet fully recovered. Nominally there is an increase, but due to depreciation of the rupiah, especially against the US dollar, and the high inflation rate, the real value of the defence budget decreases, which limits the scope for the development of defence capability.

Defence allocations show that Routine Budget (Salary, Goods expenditures, Maintenance expenditures, and Business travel) is larger than the Development Budget (System Development, Personnel Development, Facilities Development, and Material Development). This data depicts that defence budget is used more to fund routine activities rather than to fund the advancement of the defence force and capability. The low development budget makes it difficult to arrange a comprehensive program designed to improve the professional ability of the TNI in an integrated manner.

Taking budgetary limitations into account, budget priority will be directed to finance development programs in order to reach 'A minimum essential force'. This minimum force is prepared to meet urgent tasks.

(in billion Rupiah)

NO	Description	Budget Year				Average/ Year
		1999/2000	2000	2001	2002	
I	Development budget	1.756,76	1.945,31	2.520,85	2.880,11	2.275,76
II	Routine budget	8.307,43	6.594,42	9.150,97	9.874,83	8.481,91
	Amount	10.064,19	8.399,73	11.671,82	12.754,94	10.722,67
III	GDP	1.134.600,00	988.300,00	1.476.200,00	1.685.400,00	1.321.125,00
IV	APBN	231.900,00	221.000,00	354.500,00	344.008,80	287.852,20
V	% GDP	0,89	0,85	0,60	0,76	0,78
	% APBN	4,34	3,80	3,29	3,71	3,79

Tabel of comparison of Defence Budget against the GDP and the State Budget in 1999 - 2002 budget year.

Future Projections

The National situation will in future be affected by the dynamics of fast and disorderly change in circum stances. In the economic field, prospects for national economic growth are limited for several years to come. As a result Indonesia's ability to use economic capacity for developing defence forces is very limited. This will make it difficult for the government to meet urgent security threats and disturbances. This difficulty will be overcome if there is a political agreement to increase allocation of defence budget.

Determining the allocation of funds for defence should not be based simply on the national economic situation, but also on the need for defence capability. Fulfillment of this will improve defence capability which will guarantee the ease of national development. National development will not run well if not supported by stability and national security.

In the past, even though defence budget was small, stability and national security was relatively well maintained. This is understandable due to the political order which greatly differs from the present condition. Therefore, at present and in the future, a more rational increase of defence budget, in the more democratic political order is very much needed.

Projections of the defence budget for the next two to three years are expected to reach around 2% of GDP, and increase gradually in the next five years. In ten to fifteen years a rational defence budget is projected to be 3.86% of the GDP.