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Cover Image

President Barack Obama and Indonesia’s President Susilo Bambang Yudhoyono participate in the arrival ceremony at the Istana Merdeka State Palace in Jakarta, Indonesia in 2010.

(Official White House Photo by Pete Souza)
Strengthening U.S.-Indonesia Defense Ties

By Alexander Sullivan

About the Author

Alexander Sullivan is a research associate at the Center for a New American Security.
The U.S.-Indonesia Comprehensive Partnership signed in November 2010 by U.S. President Barack Obama and Indonesian President Susilo Bambang Yudhoyono solidified the fact that, in Obama’s words, “as vast and diverse countries; as neighbors on either side of the Pacific; and above all as democracies – the United States and Indonesia are bound together by shared interests and shared values.” As Indonesia has developed its economy and consolidated the democratic transition realized after the fall of the Suharto New Order government in 1998, the ambit of the U.S.-Indonesia partnership has grown, especially under the careful stewardship of outgoing President Yudhoyono. Obama’s 2010 trip touched primarily on economic, cultural and people-to-people goals, and indeed the opportunity for America and Asia to prosper through cooperation remains the main substance of U.S. engagement in Asia. Important, too, is political coordination in regional multilateral institutions such as the Association of Southeast Asian Nations (ASEAN) and related processes, where the open, inclusive rules of the road for a future regional order will be negotiated. But in order to ensure the prosperity and regional stability that both countries seek, a strong security partnership is critical. Yudhoyono himself is proof of the benefits: In his former military career, his experience attending the U.S. Army Command and General Staff College on an officer exchange laid a foundation for cooperating with the United States as a civilian leader.

A close security partnership is a necessity but not an inevitability, and therefore continual advancement is required, especially as the United States continues its policy of rebalancing to the Asia-Pacific and as the government of President-elect Joko Widodo, known as Jokowi, prepares to take office. Stronger military and security relations will improve Indonesia’s self-defense capabilities, make it a more effective contributor to regional order and ultimately accrue benefits for the United States,
Indonesia and the region. This paper offers a brief history of U.S.-Indonesia security relations and proceeds to an overview of Indonesia’s threat perceptions and defense planning priorities, including reforms expected under Jokowi. It closes with a series of recommendations for how best to shape the bilateral military relationship in the strategic interests of both countries. While bilateral consultations at the political level about regional issues such as maritime territorial disputes are critical to Indonesia’s long-term security, they are beyond the scope of this paper.

**U.S.-Indonesia Security Relations: A Brief History**

Ties between the U.S. and Indonesian defense communities have been inconsistent over time. Geopolitics, the global security environment and the complex domestic role of the Indonesian military (today called the Tentara Nasional Indonesia, or TNI) have variously buffeted or bolstered the relationship. Much of the Cold War saw Indonesia hold the United States at arm’s length, preferring to focus on leadership in the Non-Aligned Movement. Later in the 20th century, U.S. concerns over the TNI’s role in human rights abuses in restive precincts of Indonesia such as then-East Timor, Papua and Aceh frequently caused the suspension of cooperation, including an arms embargo lasting from Timor-Leste’s secession in 1999 until 2005. Elements of the TNI, including erstwhile presidential candidate Prabowo Subianto, were also linked to horrific violence accompanying the downfall of Suharto’s New Order regime in 1998. Notwithstanding these difficulties, U.S. programs such as International Military Education and Training (IMET) met with success in the 1980s and 1990s, forging personal relationships between leaders, including the example of future President Yudhoyono mentioned above.

Due to Indonesia’s status as the most populous Muslim-majority nation in the world and the tragedy of homegrown terror attacks in Indonesia in the early 2000s, the U.S.-led global effort to combat terrorism significantly revived security relations between Jakarta and Washington, including through Indonesian participation in the Regional Defense Combating Terrorism Fellowship Program and U.S. security assistance for military and law enforcement counterterrorism training. Building on that foundation, the TNI participates in various U.S. Pacific Command engagements, including the 7th Fleet’s Cooperation Afloat Readiness and Training (CARAT) and others.

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In addition, the U.S. Department of Defense and the Indonesian defense community, both civilian and military, cooperate on initiatives to help build effective defense institutions, such as the Defense Institution Reform Initiative. These programs invest in greater long-term capacity for Indonesia and therefore foster a more robust bilateral security relationship.

**Indonesia’s Perceived Security Environment**

Indonesia’s security challenges are dictated in large part by its physical and human geography. The...
world’s fifth most populous country, with a total of roughly 250 million people, Indonesia is an archipelagic state comprising over 17,000 islands, 6,000 of which are inhabited. Although it ranks 15th in the world in terms of land area, its maritime claims or Exclusive Economic Zone (EEZ) ranks inside the top 10 – comparable to Canada. Indonesia also sits athwart the major straits connecting the Indian and Pacific Oceans, especially Sunda, Lombok and Malacca, through which flows nearly one-third of global oil trade and one-half of global trade in liquefied natural gas. It also possesses rich fisheries, including in the South China Sea. This position as a major fulcrum of global trade and exchange is an economic boon but also opens Indonesia up to security threats, from high-end, low-probability contingencies such as a Malacca Strait closure to nontraditional security issues including piracy, illegal fishing and trafficking. In addition, Indonesia is vulnerable to large numbers of active volcanoes, earthquakes, tsunamis and other natural disasters – such as the 2004 Indian Ocean tragedy – that significantly threaten human security.

In recent years, rising tensions in the contested South China Sea, including a pattern of assertive behavior by China, have raised concerns that Indonesia, despite being a nonclaimant in major South China Sea disputes over the Spratly Islands, could suffer instability in its neighborhood due to others’ clashes. Indonesia is not a claimant to any of the disputed Spratly Islands, so traditionally it has been less concerned about Chinese creeping assertions of sovereignty in the South China Sea as a direct threat to its interests. However, recent actions by China have allowed the impression that its expansive “nine-dashed line” claim may overlap with maritime claims generated by Indonesia’s Natuna Islands. In response, Indonesia chose to deploy several of its new Apache AH-64E attack helicopters, purchased from the United States, to the Natuna Islands.

Indonesia also exhibits prodigious ethnic, linguistic and religious diversity, making its marked success in establishing a thriving democracy with peaceful power transitions all the more impressive. Nonetheless, the country continues to be plagued by uneven development, separatist movements in places such as Papua and Aceh, and communal violence. In addition, Indonesia – the world’s most populous Muslim-majority nation – has seen rising levels of religious strife and has been the target of homegrown terrorists, such as those behind the 2002 Bali bombing. Furthermore, the magnetism of the Islamic State in Iraq and the Levant (ISIL) among Islamist radicals is drawing fighters from Southeast Asia, who could return home with greater knowledge and resolve to conduct terrorist activities.

This broad range of security issues can be roughly grouped into three constellations: internal issues, external nontraditional concerns and external traditional (i.e., state-state) threats. Indonesian scholars and think tank officials tend to acknowledge all three sets of issues, prioritizing the first two in terms of describing salient threats to the nation but linking the third to longer-term policy objectives such as regional order building and Indonesia’s own defense development.

One scholar asserts that this “spectrum of conflict” may force tradeoffs, as Indonesia is unlikely to be able to field a force that can effectively deal with both near-term, low-level threats and longer-term, high-end threats.

Should China genuinely provoke Indonesia, it could cause a rethinking of the latter’s defense priorities and bestir Jakarta to spend seriously on defense.

**Indonesian Defense Planning: Ongoing Reforms**

The guiding framework for Indonesia’s defense planning is the so-called Minimum Essential Force (MEF), to be actualized by 2024. While formulations vary, the basic idea is that Indonesia’s
present, aging force is fundamentally inadequate to the country’s national security demands, and the country must overhaul the force in order to be respected in the region and meet potential challenges. Some have questioned whether the MEF, which was released in 2008, is adequate for Indonesian exigencies. Others have opined that because the documents related to the MEF do not include a coherent assessment of Indonesia’s security environment, they cannot reliably guide the creation of a force suited to its purposes. Moreover, despite stated commitment from political leaders – including likely continuity under Jokowi – even meeting the relatively modest goals in the MEF has proved difficult.

One reason is that the Indonesian government has underinvested in defense in the aggregate. The defense budget was $7.84 billion in 2013; this was up from a 10-year low of $3.6 billion in 2005, but defense spending has never in the past decade exceeded 1 percent of gross domestic product (GDP). It has also fluctuated inconsistently within a band of 3 to 5 percent of government spending, indicating Indonesia lacks a steady approach to defense spending. Many Indonesian defense officials couch defense budget growth in terms of Indonesia’s overall economic growth rates, seemingly hoping Jakarta will grow its way into a larger defense budget. Jokowi, in his campaign for the presidency, took up an unfulfilled pledge by Yudhoyono to increase the defense budget to 1.5 percent of GDP, but whether he can be successful doing so with a largely economic mandate is an open question.

Second, due to the intimate role of the Indonesian military in sustaining a repressive New Order regime for roughly three decades, in post-Suharto reform efforts “the focus has been on getting the military out of politics and business.” The removal of the TNI from the political process per se has been largely completed, though the effort to effect the handover of military businesses remains unresolved. Nonetheless, despite genuine civilian control over political processes, based on historical legacy and other factors, the TNI enjoys considerable institutional autonomy from the civilian Ministry of Defense. One level down, within the TNI the army, navy and air force have distinct service cultures, with the former being, if not outright dominant, at least a primus inter pares. Thus, on operations, aspirations to jointness and integration remain challenging. On procurement, services sometimes pursue their own priorities without due regard to strategic relevance, interoperability and especially sustainment. For example, the recent deal to acquire 100 German Leopard Main Battle Tanks reflects a continued concern with internal security and a cultural bias for the army. But tanks cannot address air and maritime security concerns, and this expensive procurement thus seems out of step with the growing severity of the external security environment relative to the internal. Meanwhile, the Indonesian air force’s most modern fighter aircraft are of mixed U.S., Russian, Korean, Brazilian and Chinese provenance. Finally, when Indonesia does acquire advanced systems – especially aircraft – it often does not account for the fiduciary and logistical requirements for effective long-term maintenance, including the provision of spares and technical training for maintainers.

Finally, Indonesia has struggled, along with many of its Southeast Asian neighbors, with balancing acquisitions of advanced technology from foreign partners against economic support for the local defense industry. In 2011 and 2012, the national government undertook a series of measures to prop up local defense firms. The state provided preferential financial assistance and capital injections to national manufacturers of air, land and maritime weapons systems. In 2012, lawmakers instituted a requirement to procure military equipment indigenously when available, and they established offset rules that mandate significant investment by
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In sum, Indonesia’s top-line budget creates worries for its ability to achieve stated capability development goals. The strategic soundness of those capability goals could be called into question. Moreover, when money is appropriated, it is sometimes spent less than wisely due to insufficient centralized control and broad unfamiliarity with effective procurement procedures. The United States is uniquely positioned to assist Indonesia in improving on all of these fronts.

Recommendations for Enhancing the U.S.-Indonesia Security Partnership
Indonesia and the United States made great strides under Yudhoyono in deepening a security relationship that has suffered periodic setbacks. That he himself was in part a product of the U.S.-Indonesian military-military relationship is a potent symbol for the potential this partnership holds. Improving it will take hard work but will benefit both countries and the region. To that end, I offer some brief recommendations for what Jakarta and Washington should do jointly and severally to accomplish shared goals, especially as Indonesia begins a new chapter under Jokowi.

**INDONESIA SHOULD:**
Ensure that the goal of spending 1.5 percent of GDP on defense is met within Jokowi’s term of five years: This is a modest but vital goal. Even the best defense thinking is bootless if it is not actualized with money.

Revise its defense guidance to prioritize maritime and air forces, especially command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR): Given Indonesia’s vast maritime and air space and the army’s existing advantage in size, future procurement plans should drastically favor building capability in the maritime and air domains. These forces are useful not only for high-end combat but also for maritime security, humanitarian assistance/disaster response and improved awareness throughout Indonesia’s difficult archipelagic geography.

Establish a national security coordinating mechanism such as a national security council: This idea, a campaign plank of Jokowi’s, could dramatically improve Indonesia’s overall ability to address national security challenges. It could also generate efficiencies by putting internal security concerns more fully in the hands of domestic law enforcement agencies, freeing up the Ministry of Defense and the TNI to focus on external threats.

**THE UNITED STATES SHOULD:**
Undertake broad initiatives to share expertise on building the “software” of the defense enterprise: In this context, software refers to the organization and procedures that enable effective development and use of military power. This includes institution-building, human capital management and other processes. Wherever possible, organizations within the U.S. national security community should reach out to bolster their counterparts in Indonesia. For example, the Office of the Secretary of Defense already conducts successful dialogues, through the Defense Institution Reform Initiative,
on formulating effective strategy and then tying that strategy to programs and budgets. Similar ties could be formed, with different emphases, between the Joint Staff and the Chief of the TNI’s office. If Jokowi institutes a national security council, an eminent persons group of current and former U.S. officials with experience on the U.S. National Security Council should be formed to offer periodic advice to the Indonesian government on effectively coordinating a multifaceted national security enterprise.

**Give preferential weight to Indonesian foreign military sales (FMS) requests that bolster naval, air and C4ISR technologies, and transfer equipment where possible:** This supports a reorientation of Indonesia’s defense enterprise toward external air and maritime security. A good example of equipment transfers is a 2011 agreement by the United States to transfer soon-to-be-retired U.S. Block 25 F-16s to Indonesia, provided the latter pays for refurbishment and upgrades. The first three of 24 total airplanes were delivered in July 2014.

**Provide training to civilian and military officials on management of full life-cycle costs of defense programs:** As mentioned above, the TNI has encountered difficulty in sustaining advanced weapons systems by not accounting for follow-on costs after initial procurement. U.S. IMET and other professional training for Indonesian officers, as well as engagements with civilian defense officials, should focus on the importance of managing a capability across its entire life cycle.

**Promote defense industry cooperation:** Indonesia’s offset and other legal requirements make this type of cooperation a necessity, but wherever possible the U.S. government should promote partnerships that improve local firms’ ability to provide spares, maintenance, repair and overhaul, and other aspects of sustainment.

**Elevate the complexity of joint exercises, with a focus on stimulating joint operations:** As the most integrated force in the world, the United States can provide critical assistance in helping the TNI achieve goals related to joint operations and integrations. Success could create a positive multiplier for the efficacy of the entire Indonesian defense enterprise. Specifically, exercises should focus on integrating C4ISR collection, fusion and dissemination across the services. Joint exercises should support Indonesia’s successful participation in a multilateral common operating picture for the South China Sea. Multilateral exercises and dialogue with third countries such as Australia, Japan and Singapore should also be encouraged.
ENDNOTES

1. President Barack Obama, “Remarks by the President at the University of Indonesia in Jakarta, Indonesia” (University of Indonesia, Jakarta, Indonesia, November 10, 2010), http://www.whitehouse.gov/the-press-office/2010/11/10/remarks-president-university-indonesia-jakarta-indonesia.


5. Ibid.


19. A rear admiral in the Indonesian navy stated that it needs 39 submarines to appropriately safeguard Indonesia’s large maritime claims and straits, while the MEF plans for only 10. Sukma, “Indonesia’s Security Outlook and Defence Policy 2012,” 15.


22. Laksmana, “From ‘military reform’ to ‘defense transformation’ (Part 1 of 2),”


27. “Rethinking TNI AU's Arms Procurement: A Long-run Projection.”


29. Ibid., 37.

30. Laksmana, “From ‘military reform’ to ‘defense transformation’ (Part 1 of 2).”

31. Laksmana, “From ‘military reform’ to ‘defense transformation’ (Part 1 of 2).”


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Production Notes

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Soy ink is a helpful component in paper recycling. It helps in this process because the soy ink can be removed more easily than regular ink and can be taken out of paper during the de-inking process of recycling. This allows the recycled paper to have less damage to its paper fibers and have a brighter appearance. The waste that is left from the soy ink during the de-inking process is not hazardous and it can be treated easily through the development of modern processes.