



INDONESIA

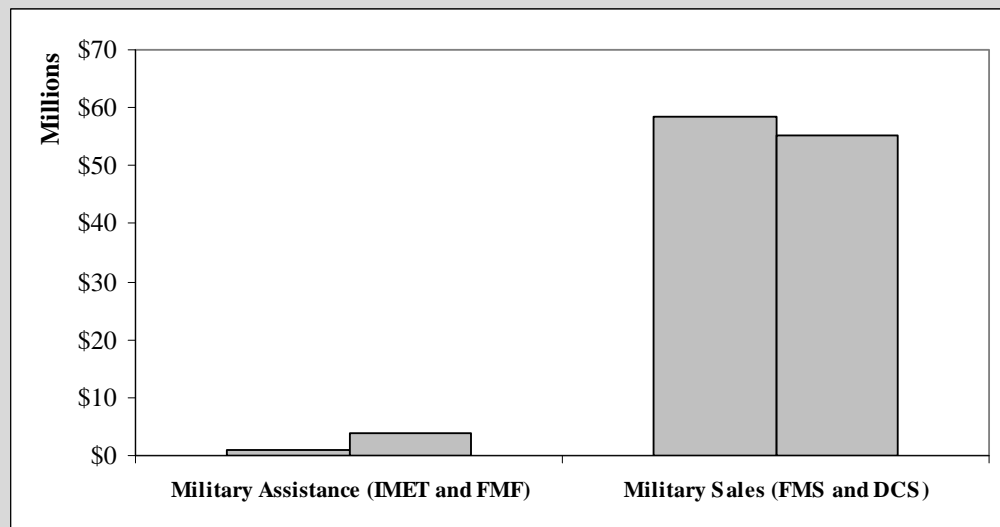
Background

Indonesia proclaimed its independence from the Netherlands in 1945 and became a formally recognized republic in 1949. With a population of over 238 million, Indonesia is the largest Muslim country in the world and consists of over 17,000 islands, 6,000 of which are inhabited. The first five decades of Indonesia's independence were dominated by two political strongmen

– President Achmed Soekarno, who ruled Indonesia from 1945 until 1967, and President Mohamed Soeharto, who held onto power for three decades, from 1967 until 1998. Both presidents ruled with the help of the Indonesian armed forces (TNI), which enjoyed a powerful role in domestic politics and has only recently been eased out of government.

Soekarno led the Indonesian movement for independence from the Dutch and was installed as president after the drafting of the first constitution in 1950. The first decade of independence, however, was marked by weak and unstable parliamentary coalitions and violent rebellions in numerous regions of Indonesia. Internal conflict continues to plague some of these regions, particularly East Timor and Papua. In response to this instability, Soekarno established “Guided Democracy,” appropriating broad presidential powers and effectively running an authoritarian regime until 1965. Under Soekarno, the Indonesian Communist Party (PKI) gained a significant following that included portions of the TNI. The PKI also created an armed wing with Soekarno's tacit approval. On Oct. 1, 1965, armed members of the PKI kidnapped and killed six non-PKI generals. In response, Achmed Soeharto, then a major general in the TNI special reserves, launched an anti-communist

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counter-attack resulting in a period of chaos and violence that left hundreds of thousands dead. Soeharto became head of the armed forces in 1966 and an ensuing power struggle with the severely weakened Soekarno resulted in parliament transferring power to Soeharto in 1967.

During his tenure as president, Soeharto launched what he called the “New Order” in domestic and foreign policy, designed to create successful economic development in Indonesia. Soeharto was chosen by the parliament to serve seven consecutive five-year terms as president, but in 1998, mere months into his seventh term, popular demonstrations fueled by decades of corrupt governance and exacerbated by the 1997 Asian financial crisis led to Soeharto’s ouster and the beginning of a transition to a more consolidated democracy in Indonesia.

The first few post-Soeharto years saw a revolving presidency. B. J. Habibie, Soeharto’s vice president, became president after Soeharto’s overthrow, in May 1998. Habibie was replaced by Abdurrahman Wahid in November 1999 and parliament chose Megawati Sukarnoputri to replace Wahid in July 2001. Since the fall of Soeharto, the successive governments have succeeded in introducing presidential term limits, a reduction in the role of the military in governmental affairs, and most recently, the direct election of the president and vice president. The first presidential elections under the new direct election system were completed on July 5, 2004, with the runoff held on Sept. 20, 2004. Gen. Susilo Bambang Yudhoyono won decisively over the incumbent Sukarnoputri and international observers deemed the elections fair, organized, and peaceful.

The U.S. State Department noted in its 2006 Human Rights Report that Indonesia has made significant improvements in its human rights record, and that, although problems remain, their severity is much less than in previous years. According to the report, “inadequate resources, poor leadership, and limited accountability” contributed to a climate of impunity within the armed forces and the police. Although the government is showing a greater willingness to prosecute members of the security forces who carry out human rights abuses, those members of the security forces who were targeted for prosecution continue to be low or mid-level officers. Higher ranking officers continue to be promoted and avoid prosecution, even when it is widely known that they committed or organized atrocities. A 2006 report on human rights abuses in East Timor submitted to the UN by East Timorese president Xanana Gusmao alleges that the Indonesian occupation was responsible for the deaths of over 100,000 East Timorese between 1975 and 2002. Further, no individuals have yet been held accountable for the atrocities in 1991 and 1999.

The government has begun to take serious steps to combat widespread corruption and has succeeded in convicting several high-level officials on corruption charges. The judiciary is becoming increasingly independent of other branches of government and special interests. Freedom of speech and expression are generally respected although in 2005, there were cases of citizens imprisoned for speaking out against the government. Freedom of assembly was assured, except in separatist areas, where many other human rights are also not respected. Overall, the State Department considers Indonesia to be a democratic country and citizens enjoy the right to change their government via free, fair and – as of 2005 – direct elections.

Before East Timor gained independence in 2002, the island, which was invaded and annexed by Indonesia in 1976, was the site of many troubling incidents involving the Indonesian armed forces. In 1991, 271 civilians participating in a pro-democracy demonstration were massacred by the militias who had been trained by the TNI. In 1999, TNI-sponsored militias perpetrated another massacre, this time killing over 1,200 civilians, after the passing of a Timorese referendum calling for independence

from Indonesia. The situation remains fairly stable, although occasional violence occurs. Six soldiers were convicted in 2003 for atrocities committed in 1999, but all have since been acquitted.

In August 2005, Indonesia saw the end of the 26-year-old secession conflict in Aceh, which began when Indonesia forcibly annexed Aceh after gaining its independence from the Dutch. After the government launched a massive counterinsurgency campaign in the late 1990s, the two sides reached a cease-fire that lasted from December 2002 until May 2003. When negotiations broke down, however, the government declared martial law and launched a major military operation in the region. After the devastating tsunami of December 2004, however, Aceh separatists and the Indonesian government were more willing to come back to the negotiating table and on Aug. 15, 2005, the GAM formally disarmed, bringing peace to one of Indonesia's war-ravaged regions and greater stability to Indonesia as a whole.

While the situation in Aceh has improved, the long-term secessionist conflict in Papua has not yet been completely resolved. Granted self-rule in 1961 by the Dutch, Papua was instead occupied by Indonesia, which denied Papuans the right to vote on independence as stipulated by the Dutch. The Free Papua Movement has fought a heavy Indonesian military presence that has resulted in thousands of casualties. After Soeharto, subsequent governments were more sympathetic to Papuan grievances and in 2001, Papua was granted greater control over its internal affairs and the ability to keep up to 80 percent of revenues for resources mined in Papua, which had formerly been distributed throughout Indonesia. Still, clashes between Papuans and the Indonesian military continue and the situation remains tense, as Indonesia still refuses to allow a full referendum on independence.

Other regions of Indonesia also face continued violence and instability. While president, Soeharto established a policy of transmigration in order to relieve the overpopulation on the main islands, such as Java and Bali. Although Indonesia's population is 88 percent Muslim, the outlying islands were home to a higher percentage of Christians. The influx of Muslim transmigrants to outlying islands created a near-even mix of Christians and Muslims and, after the fall of Suharto, sectarian violence broke out on the island of Sulawesi and in the Maluku. The participation of external insurgent groups – particularly Laskar Jihad and Jemaah Islamiyah (JI) – heightened the violence. Despite the signing of peace accords in 2001 and 2002, sporadic violence continues in both areas.

U.S. Military Assistance Prior to Sept. 11, 2001

Indonesia has participated in the UN Register of Conventional Arms, but has not reported any U.S. weapons since it began submissions to the register in 1993. Since FY 90, U.S. security assistance to Indonesia has been erratic, owing to a series of grave human rights abuses committed by the Indonesian armed forces.

In 1991, 271 civilians participating in a pro-democracy demonstration were massacred by militias who had been trained by the TNI and equipped with U.S. weapons. In response to the massacre, Congress enacted legislative restrictions banning all International Military Education and Training (IMET) funds for Indonesia in FY 93, and re-enacted this ban in both the FY 94 and FY 95 foreign operations appropriations bills. The State Department also banned the sale or export of small arms and light weapons and crowd control equipment to Indonesia, expanding this ban in FY 96 to prohibit exports of helicopter-mounted equipment and armored vehicles as well. Between FY 90 and FY 92, Indonesia had received almost \$6 million in IMET funds. In FY 96, Congress revised the IMET ban to allow

Indonesia to receive funding for Expanded IMET (E-IMET) courses, which only civilian officials were allowed to attend and, between FY 96 and FY 99, Indonesia received approximately \$1.6 million in E-IMET funds. In FY 96, Indonesia also received a TA-4J Skyhawk Trainer Aircraft through the Excess Defense Articles (EDA) program. Although IMET was banned, between FY 93 and FY 98, Indonesia's special forces (Kopassus) continued to train with U.S. special forces under the Joint Combined Exchange Training (JCET) program. However, when Congress was informed about the training, JCET for Indonesia was banned as well.

In 1999, TNI-sponsored militias perpetrated another massacre, this time killing over 1,200 civilians, after the passing of a Timorese referendum calling for independence from Indonesia. In response to these atrocities, the United States cut off all remaining military assistance to Indonesia and banned the export of both lethal and non-lethal defense articles and services to Indonesia. Between FY 00 and FY 01, Indonesia received no U.S. military assistance except for a commercial sale of spare parts for C-130 cargo planes that was allowed by waiver.

U.S. Military Assistance Since Sept. 11, 2001

As a country that faces terrorism within its own borders and cooperates with the United States in its counterterrorism mission, the State Department considers Indonesia to be a "front-line state" in the war on terror. Immediately after the attacks of Sept. 11, 2001, Indonesia expressed its support for the United States in its "war on terror." Since 2002, Indonesia has suffered a number of terrorist attacks. Jemaah Islamiya (JI) – a radical Islamic terrorist group with links to al-Qaida – is known to be operating in Indonesia, and responsible for several attacks including two in Bali: the Oct. 12, 2002, bombing which killed over 200 people and the Oct. 1, 2005, bombing which killed 20 and injured over 100 more. The State Department's 2005 Terrorism Report noted that the past years' bombings had instigated a "new urgency" in Indonesia for developing effective counterterrorism strategies, but the 2006 report reasserted that current counterterrorism efforts remain encumbered by corruption in the government, a lack of internal coordination, and a lack of respect for the rule of law.

Yet, since Sept. 11, 2001, the United States has resumed, and gradually increased, military assistance to Indonesia. Although the violations for which FMF and IMET were restricted to Indonesia have not been redressed, Secretary of State Condoleezza Rice announced the resumption of IMET to Indonesia in February 2005 and non-lethal foreign military sales in May 2005. The Bush administration appealed to Congress to strike down all remaining legislative restrictions in the FY 06 foreign operations appropriations bill, but Congress refused. As a compromise, Congress included a waiver authorizing the secretary of state to bypass congressional restrictions on U.S. military assistance for reasons of national security. In November 2005, Rice exercised this waiver to reinstate FMF and announced on Mar. 29, 2006, that the export of lethal defense articles could resume as well.

Even with restrictions barring Indonesia from many military assistance programs during the five years following Sept. 11, Indonesia received nearly three times as much military assistance as it received during the five years prior to Sept. 11. E-IMET funding was resumed in FY 02 but Congress extended the full IMET ban after the September 2002 murder of three UN humanitarian aid workers (two of which were U.S. citizens) pending the Indonesian government's cooperation with the U.S. investigation into the crime. In FY 05, Indonesia received \$721,000 in full IMET funding and received \$938,000 in FY 06. The FY 07 and 08 requests are higher than any previous post-Sept. 11 appropriation. Due to the legislative restrictions on military assistance, Indonesia did not receive any

FMF until FY 06. However, \$6.5 million was requested for FY 07 and more than twice that was requested for FY 08. The FY 08 congressional budget justification for foreign operations designates this funding for, among other things, defense reform and increasing counterterrorism capabilities.

Although total military sales to Indonesia decreased during the five years after Sept. 11 as compared with the five years before, DCS specifically have increased three-fold. Projected sales for FY 07 and FY 08 are more than twice the total DCS between FY 02 and FY 06. Although no FMS were concluded with Indonesia between FY 03 and FY 05, \$15 million were concluded in FY 06 and \$58 million is projected for FY 07.

Indonesia receives funding to expand its counterterrorism capabilities through the Foreign Operations budget's Anti-Terrorism Assistance program (NADR-ATA), which is part of the Nonproliferation, Antiterrorism, Demining, and Related Activities account. Indonesia received nearly \$6 million in FY 05 and is slated to receive \$5.5 million in FY 06 and \$6.1 million in FY 07. In addition, Indonesia is a beneficiary of the Regional Defense Counterterrorism Fellowship Program (CTFP), receiving \$600,000 in FY 05 and \$700,000 in FY 06, and was one of roughly a dozen countries to receive at least \$10 million in military assistance through the new Section 1206 authority in the defense budget. Members of TNI joined troops from Thailand, Singapore, and the United States to participate in the 2005 Cobra Gold joint exercise and the commander of Kopassus participated in the Pentagon's 2006 Pacific Area Special Operation Conference (PASOC).

U.S. Military Assistance and Sales to Indonesia, FY 90 - FY 08					
	IMET	FMF	DCS	FMS	EDA
1990	\$1,791,000	\$0	\$33,090,000	\$17,999,000	n/a
1991	\$1,948,000	\$25,000,000	\$6,762,000	\$17,882,000	n/a
1992	\$2,125,000	\$0	\$18,134,000	\$19,956,000	n/a
1993	\$0	\$0	\$4,025,000	\$35,451,000	\$0
1994	\$0	\$0	\$9,335,000	\$16,256,000	\$0
1995	\$0	\$0	\$8,185,000	\$11,161,000	\$0
1996	\$577,000	\$0	\$10,883,000	\$10,182,000	\$2,596,000
1997	\$105,000	\$0	\$4,442,000	\$12,439,000	\$0
1998	\$476,000	\$0	\$4,349,000	\$4,883,000	\$0
1999	\$486,000	\$0	\$630,000	\$31,717,000	\$0
2000	\$0	\$0	\$0	\$0	\$0
2001	\$0	\$0	\$63,000	\$0	\$0
1990-2001	\$7,508,000	\$25,000,000	\$99,898,000	\$177,926,000	\$2,596,000
1997-2001	\$1,067,000	\$0	\$9,484,000	\$49,039,000	\$0
2002	\$405,000	\$0	\$20,000	\$180,000	\$0
2003	\$276,000	\$0	\$1,642,000	\$0	\$0
2004	\$596,000	\$0	\$9,616,000	\$0	\$0
2005	\$721,000	\$0	\$8,522,000	\$0	\$0
2006	\$938,000	\$990,000	\$20,108,000	\$15,000,000	\$0
2002-2006	\$2,936,000	\$990,000	\$39,908,000	\$15,180,000	\$0
2007	\$1,285,000	\$6,500,000	\$18,606,000	\$58,000,000	\$0
2008	\$974,000	\$15,700,000	\$66,459,000	\$0	n/a

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