

Role of Parliament in Defence Budgeting in Indonesia

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1. Introduction

The domestic political dynamics of Indonesia changed dramatically after the fall of the Suharto regime in 1998. The *Reformasi* movement, initiated by students and scholars, awakened the consciousness of the people wanting a better and democratic life as well as fair and just administration practices. As a result of this national movement, the Indonesian people took to the streets where they marched and were yelling for Suharto to step down.

1.1 The Suharto Era

During Suharto's 30-year reign, the fundamental rights of the people were oppressed by the regime. In this regard, one of the regime's most effective yet powerful instruments of oppression was the military. During the Suharto era, the role of the military was at its peak. The military was not only an instrument of defence, but also a political one.

This condition jeopardised the professionalism of the military as a defence instrument, whereas the defence paradigm and threat perception were diluted by the political interest of the regime to preserve its powerbase. The dominant political role of the military at that time is reflected by the representation of the military in the parliament where the majority of the military representatives were active military-men.

1.2 The post-Suharto Era

Since the fall of the Suharto regime, a reform of security sector was initiated in which active military-men were forbidden from becoming involved in politics. In general, the military role in politics was abolished and, after that, the presence of a military faction in the parliament was also reduced.

The core idea of reforming the security sector is to put the military under civilian supremacy while transforming it into a professional defence instrument. In other words, the military should no longer be involved in politics. During this era, the involvement of parliamentarians in the defence sector became very significant in respect to their role in monitoring the military due to their position as representatives of the people.

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In this regard, the role of the parliament includes legislation, monitoring, and budgeting and the parliamentary role in defence budgeting became a crucial part in setting the course of the defence policy and therefore the role and performance of the military.

2. The Indonesian Defence Budgeting Process

According to the Indonesian Law on State Defence, Act no. 3/2002, Article 25, the defence budget is funded by the state budget. This article also mentions that the purpose of defence budgeting is to develop, maintain, and fund military (TNI) operations and deployment, including the funding of other defence instruments.

Meanwhile, according to the Indonesian Law on State Finance, Act no. 17/2003, the state budget plan is drafted by the government and is implemented with the approval of the House of Representatives. In this regard, all ministries under the coordination of the President are conduct a budget planning and -drafting meeting on an annual basis. This also includes the Ministry of Defence as the governmental body in charge of managing defence issues. As soon as the state budget plan is approved by the House of Representatives, the President implements the state budget through a presidential decree. Should the House of Representatives not approve the state budget plan, then the previous year's budget is re-enacted.

2.1 External Auditing: The Financial Monitoring Body & the Media

In respect to the budgetary monitoring system, the Indonesian Constitution and the Law on State Finance clearly stipulate that the Financial Monitoring Body (Badan Pengawas Keuangan) serves the function of independently monitoring the implementation of the state budget. The members of the Financial Monitoring Body are appointed by the House of Representatives. The report from the Financial Monitoring Body is then forwarded to the House of Representatives where it is used to monitor and assess the performance of the government.

Nowadays, the media has become a significant public participation tool in monitoring the role and the performance of the government including the implementation of the state budget which also includes the budget on defence. This is contrary to the previous era of the Suharto regime during which the role of the media as a public instrument for monitoring was strictly constrained in the name of national stability and security.

2.2 Major Challenges

The classical problem in developing Indonesian defence capability is the minimal budget. There are several reasons why the TNI is trapped in the blunder of this condition, which include the gun-versus-butter macroeconomic policy, the weak tax revenue system, low political commitment on defence issues, the mismanagement of the defence budget as well as, weak control on military business and corruption.

3. The Role of Parliament

In the context of democratic practices, the parliament plays an important role in upholding civilian supremacy over the military. According to the constitution, the parliament plays three key roles, namely legislation, monitoring, and budgeting. Through these key functions the parliament plays a significant role in the formulation and implementation of defence policy. Basically the parliament can monitor several aspects related to the synchronisation of security policy and - planning and through defence projects and programmes.

The purpose of parliamentary oversight is to prevent corruption, over-spending, and the misuse of public funding within the defence sector. The national defence budget is basically derived from public funding and therefore its utilisation and management have to be accountable.

In this regard, legally and constitutionally, the parliament plays an important and unique role in monitoring and approving the defence budget. Therefore, the parliament must have full access to all defence budget documents with mechanisms such as parliamentary interpellation and investigation.

However, the oversight function of the House of Representatives - Commission I (Defense, Foreign Policy, and Communication & Information) on the defence budget still only covers the planning stage of the defence budget. At the same time, the House of Representatives actually has a legal platform and is therefore endowed with the appropriate mechanisms to monitor the management of the defence budget.

As part of the internal legal framework of the House of Representatives, Article 37 (3), it is clearly stated that the function of the commission on monitoring includes:

1. Conduct oversight of the implementation of laws, including state budget.
2. Discuss and follow-up on the report by Financial Monitoring Body (BPK).
3. Conduct oversight of government policy.

The House of Representatives also can hold meetings with the government as a forum for monitoring. In specific cases, the commission can also request that the Financial Monitoring Body conduct audits and investigations for the purpose of monitoring state finance.

4. Conclusion

In the context of democratic practices in Indonesia, the role of parliament is the reflection of public participation in not only the formulation of defence policy, but also the monitoring of its implementation. The national defence budget is, in effect, public funding and therefore any expenditures have to be accounted for. In supporting the objective of Indonesia's defence policy which seeks to establish the Minimum Essential Force, the support of many factors, particularly sufficient funding, is required. While the issue of funding is crucial, the monitoring of defence expenditure is becoming an integral part of it.

Literature

Indonesian Law on State Defence, Act no. 3/2002

Indonesian Law on State Finance, Act no. 17/2003

Internal legal framework of the House of Representatives